ASX Announcement

30 September 2020

In accordance with the ASX's class waiver "Class Waiver Decision – Extended Reporting and Lodgment Deadlines" dated 16 June 2020[1], attached are the Vango Mining Limited (ASX: VAN) (the **Company**) unaudited annual accounts for the year ended 30 June 2020 as follows:

A. Statement of comprehensive income together with notes to the statement, prepared in compliance with AASB 101 Presentation of Financial Statements;

B. Statement of financial position together with notes to the statement;

C. Statement of cash flows together with notes to the statement. The statement of cash flows reports each significant form of cash flow and complies with the disclosure requirements of AASB 107 Statement of Cash Flows; and

D. Statement of change in equity, showing movements.

The Company is relying on the ASIC Corporations (Extended Reporting and Lodgment Deadlines—Listed Entities) Instrument 2020/451 dated 15 May 2020 (**ASIC Relief**) to extend the lodgment date for its audited accounts for the year ended 30 June 2020 to no later than Monday 2 November 2020.

The Company will immediately make a further announcement to the market if there is a material difference between its unaudited annual accounts and its audited annual accounts for the year ended 30 June 2020.

Authorised for release by Bruce McInnes, Executive Chairman.

Bruce McInnes
Executive Chairman
Vango Mining Limited

[1] A class waiver from listing rule 4.5.1 to the extent necessary to permit the entity to give its audited annual accounts and the other documents required to be lodged with ASIC under section 319 of the Corporations Act to ASX by the earlier of:
- the date the audited or reviewed annual accounts are ready to be given to ASX; and
- the date the audited or reviewed annual accounts must be given to ASIC under the ASIC Relief,

VANGO MINING LIMITED

ABN: 68 108 737 711

UNAUDITED FINANCIAL STATEMENTS

For the year ended 30 June 2020

CONTENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

		Consolidated		
		2020		**2019**
	Note	**$**		**$**
REVENUE AND OTHER INCOME				
Other income	6	135,861		49,849
EXPENSES				
Depreciation	7	(57,180)		(52,799)
Fair value adjustment on financial assets fair value through profit or loss		152,572		(125,664)
Interest expense		(566,346)		(1,111,825)
Consulting fees		(1,359,763)		(466,630)
Legal fees		(385,515)		(1,133,421)
Directors fees and remuneration		(1,322,236)		(1,805,931)
Employee costs		(879,471)		(517,176)
Loss on issue of shares		(1,811,607)		(13,766,881)
Other expenses	7	(1,059,005)		(2,398,732)
Loss before tax from continuing operations		**(7,152,690)**		**(21,329,210)**
Income tax expense	9	-		-
Loss after income tax expense for the year attributable to the owners of Vango Mining Limited	8	**(7,152,690)**		**(21,329,210)**
Other comprehensive loss for the period		-		-
Total comprehensive loss for the year attributable to the owners of Vango Mining Ltd		**(7,152,690)**		**(21,329,210)**
		Cents		**Cents**
Loss per share attributable to the ordinary equity holders of the company:				
Basic loss per share	36	(1.01)		(3.73)
Diluted loss per share	36	(1.01)		(3.73)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 JUNE 2020

		Consolidated		
		2020		**2019**
	Note	**$**		**$**
ASSETS				
Current assets				
Cash and cash equivalents	10	3,949,054		1,489,801
Trade and other receivables	11	316,295		391,255
Other	12	81,607		81,607
Total current assets		**4,346,956**		**1,962,663**
Non-current assets				
Investment accounted for using the equity method	13	-		-
Financial assets fair value through profit and loss	14	1,722,227		969,655
Property, plant and equipment	15	1,110,187		965,553
Exploration evaluation expenditure	16	38,982,736		29,816,907
Mining rehabilitation fund contribution		197,825		136,515
Total non-current assets		**42,012,975**		**31,888,630**
Total assets		**46,359,931**		**33,851,293**
LIABILITIES				
Current liabilities				
Trade and other payables	17	4,849,679		3,384,985
Borrowings	18	3,174,266		15,630,783
Provisions	19	52,727		52,727
Total current liabilities		**8,076,672**		**19,068,495**
Non-current liabilities				
Provisions	20	8,585,292		6,493,337
Total non-current liabilities		**8,585,292**		**6,493,337**
Total liabilities		**16,661,964**		**25,561,832**
Net assets		**29,697,967**		**8,289,461**
EQUITY				
Issued capital	21	106,207,395		78,323,936
Reserves	22	16,038,953		15,361,216
Accumulated losses	23	(92,548,381)		(85,395,691)
Total equity		**29,697,967**		**8,289,461**

The above consolidated statement of financial position should be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	$	**$**	**$**	**$**
Balance at 1 July 2018	**51,961,963**	**14,185,914**	**(64,066,481)**	**2,081,396**
Loss for the year	-	-	(21,329,210)	(21,329,210)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(21,329,210)	(21,329,210)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	5,824,058	-	-	5,824,058
Issue of shares to settle loans and expenses	6,771,035	21,010	-	6,792,045
Share based payments	-	1,018,542	-	1,018,542
Loss on Equity settled debt to equity conversion	13,766,880	-	-	13,766,880
8% Convertible Note Equity Component		135,750		135,750
Balance at 30 June 2019	**78,323,936**	**15,361,216**	**(85,395,691)**	**8,289,461**
Balance at 1 July 2019	**78,323,936**	**15,361,216**	**(85,395,691)**	**8,289,461**
Loss after income tax expense for the year	-	-	(7,152,690)	(7,152,690)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(7,152,690)	(7,152,690)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	5,500,128	-	-	5,500,128
Convertible note issue	17,090,091	-	-	17,090,091
Increase in option reserve	-	677,737	-	677,737
Share based payments	3,481,633	-	-	3,481,633
Loss on issue of shares	1,811,607	-	-	1,811,607
Balance at 30 June 2020	**106,207,395**	**16,038,953**	**(92,548,381)**	**29,697,967**

The above consolidated statement of changes in equity should be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

		Consolidated		
		2020		**2019**
	Note	**$**		**$**
Cash flows used in operating activities				
Payment to suppliers and employees		(1,988,953)		(7,265,866)
Interest received	6	2,255		4,397
Other receipt		65,018		-
Interest paid		(8,140)		(383,417)
Net cash flows used in operating activities	34	**(1,929,820)**		**(7,644,886)**
Cash flows used in investing activities				
Payments for property, plant and equipment	15	(201,814)		(225,398)
Acquisition of exploration & evaluation assets		-		(50,000)
Payments for exploration and evaluation		(5,726,613)		(7,416,798)
Payments to mining rehabilitation fund		(61,310)		(54,617)
Net cash flows used in investing activities		**(5,989,737)**		**(7,746,813)**
Cash flows from financing activities				
Proceeds from issue of shares	21	6,365,496		6,109,492
Share issue transaction costs	21	(62,054)		(195,435)
Proceeds from borrowings	18	4,605,368		13,436,000
Repayment of borrowings	18	(530,000)		(2,405,387)
Net cash flows from financing activities		**10,378,810**		**16,854,671**
Net increase in cash and cash equivalents		2,459,253		1,462,971
Cash and cash equivalents at the beginning of the year		1,489,801		26,830
Cash and cash equivalents at the end of the period	10	**3,949,054**		**1,489,801**

The above consolidated statement of cash flows should be read in conjunction with the notes to the consolidated financial statements.

1. Corporate Information

The consolidated financial statements of Vango Mining Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 30 September 2020. Vango Mining Limited (the Company or the parent) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the directors' report. The registered office and principal place of business of the Company is Suite 3544, Level 35, Tower 1, Barangaroo International Towers, 100 Barangaroo Avenue, Sydney NSW 2000. Information on the Group's structure is provided in Note 31. Information on other related party relationships is provided in Note 29.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements of the Group are for the financial year ended 30 June 2020.

(a) Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred an operating loss after income tax for the year ended 30 June 2020 of $7,152,690 (2019: $21,329,210) and experienced net cash flows used in operating activities of $1,929,820 (2019: $7,644,886). In addition, borrowings decreased by 80% (2020: $3.17 million from 2019: $15.63 million), and current liabilities exceed current assets by $3,729,716 (2019: $17,105,832). During the year, the Group converted $17 million debt including accrued interest to equity and raised a net $6.44 million from share issues. Two notes accounting for $2.42 million has been converted to equity post the year end. The Group has raised $10.5 million from share issues post the year end.

The Directors believe that they will be able to raise additional equity capital and/or debt as required and the Company will continue as a going concern. Therefore, there is no material uncertainty as to the continuing viability of the Group and its ability to continue as a going concern. No adjustments have been made relating to the recoverability of assets and classification of liabilities that might be necessary should the Company not continue as a going concern.

(b) Basis of preparation

The consolidated financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), as appropriate for for-profit entities.

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, and derivative financial instruments.

The Company is of a kind referred to in Corporation Instrument 2016/191, issued by the Australian Securities and Investment Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporation Instrument to the nearest dollar.

(c) Compliance with IFRS

The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(d) Critical accounting estimates

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through is power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the invest, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Right arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the no-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Subsidiaries are all those entities over which the Company has the power to govern the financial operating policies, generally accompanying a shareholding of more than one-half of the voting rights

(f) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(g) Foreign currency translation

Foreign currency translation
The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(h) Revenue recognition

The following specific recognition criteria must be met before revenue is recognised.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(i) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other shorty-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised costs using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

(m)Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group’s investment in joint venture are accounted for using the equity method.

Under the equity method, the investment in joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group’s share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group’s share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within ‘Share of profit of a joint venture’ in the statement of profit or loss.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(n) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

(o) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a reducing balance basis to write down the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Field equipment	10-20 years
Office equipment	10 years
Motor Vehicles	10 years
Software	10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is de-recognised upon disposal or when there is no future economic benefit to the Group. Any gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(p) Leases

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(q) Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploitation activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Indirect costs relating to exploration and evaluation areas of interest are capitalised in the year they are incurred. A regular review is undertaken for each area of interest to determine the appropriateness of continuing to carry forward costs. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

The Company as part of its operations has entered into farm-in arrangements. In respect to these transactions the Company adopts the following policies:

When the Company is acting as the farmee its expenditure is recognised under the arrangement in respect of its own interest and that retained by the farmor, as and when the costs are incurred.

The farmee accounts for its expenditures under a farm-in arrangement in the same way as directly incurred E&E expenditure.

For the arrangements of which the Company is the farmor it accounts for the farm-out arrangement as follows:

- The farmor does not record any expenditure made by the farmee on its behalf
- The farmor does not recognise a gain or loss on the farm-out arrangement but rather, redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained
- Any cash consideration received is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

(r) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. When the carrying amount of an asset exceeds its carrying amount, the asset is considered impaired and written down to its recoverable amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted shares prices for publicly traded companies or other available fair value indicators.

(s) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(t) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(u) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employee's services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments

Equity-settled and cash settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair market value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, ('Market conditions') together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period (equity reserves). The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made, provided the original terms of the award are met. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

The Company provides benefits to employees (including Directors) of the Company and external parties to the Company in the form of share-based payment transactions, whereby employees and external parties render services in exchange for shares or options over shares ("equity-settled transactions").

No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

(v) Equity-settled transactions

Equity Settled Trade or Other Liabilities including debt are measured at fair market value on grant date or where appropriate, when shareholder approval is given. Fair Value is determined using the closing share price quoted on the Australian Securities Exchange at the relevant date. Any gain or loss arising from the difference between the Fair Value and the liability extinguished is recognised in the Consolidated Statement of Comprehensive Income.

(w) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(x) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(y) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(z) Goods and Services Tax (GST) and other similar taxes

Revenues, expenses, assets and liabilities are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Commitments or contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(aa) New accounting standards and interpretations adopted

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year.

Several amendments apply for the first time in the current year. However, there is no material impact on the annual consolidated financial statements of the Group.

3. Critical accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(a) Note 13 Investments Accounted for Using the Equity Method

The Company's investments accounted for using the equity method are periodically tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is determined as the higher of the fair value less cost of disposal.

The consolidated entity retains a 49% interest in the joint venture entity Sino Australian Resources (Laos) Co. Ltd ("SARCO"). Which is incorporated in Laos PDR and is involved in the exploration of Bauxite resources in the Bolaven Plateau in Laos. The Company's interest in the joint Venture was fully impaired in 2017.

(b) Note 15 – Exploration & Evaluation Expenditure

The Company's accounting policy for exploration and evaluation is set out in Note 2(q) above. If, after having capitalised expenditure under this policy, the Directors conclude that the Company is unlikely to recover the expenditure by future exploration or sale, then the relevant capitalised amount will be written off to the Statement of Comprehensive Income.

(c) Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 24 for further information.

4. Standards Issued but Not Yet Effective

The Australian Accounting Standards issued but not yet mandatory for the financial year ending June 30, 2019 have not been adopted by the Group in the preparation of this financial report and are set out below:

Standard/Interpretation	Effective for the annual reporting period beginning on	Expected to be initially applied in the financial year ending
AASB 17 Insurance Contracts	January 1, 2021	June 30, 2022
AASB 1059 Service Concession Arrangements: Grantors	January 1, 2020	June 30, 2021
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2022	June 30, 2023
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	January 1, 2020	June 30, 2021
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	January 1, 2020	June 30, 2021
AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059	January 1, 2020	June 30, 2021
AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	January 1, 2020	June 30, 2021
AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	January 1, 2020	June 30, 2021
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or Non-current	January 1, 2020	June 30, 2021

5. Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

As of the date of this report the consolidated entity operates entirely in the industry of exploration of minerals in Australia, following the 2017 write-down of the investment in the SARCO JV in Laos. The company determined that it has only one segment being exploration of minerals in Australia.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the type of product and service. The Group has determined that the reportable operating segments are based on geographical locations as this is the source of the Group's major assets which are in Australia and Laos.

Segment assets and results

Financial information reported are the assets and results of Australia only and is representative of the nature and financial effects of the business activities in which the company engages and the economic environment in which it operates.

6. Other income

	Consolidated		
	2020		**2019**
	$		**$**
Interest	2,255		4,397
Government subsidies	65,000		-
Other	68,606		45,453
Other income	**135,861**		**49,849**

7. Expenses

	Consolidated		
	2020		**2019**
	$		**$**
Loss before income tax includes the following specific expenses:			
Depreciation			
Plant and equipment	**57,180**		**52,799**
Impairment			
Listed Investment – Dampier Gold Limited	**-**		**125,664**
Leases			
Short-term lease payments	158,090		-
Other expenses			
Auditors remuneration	76,244		103,294
ASX listing fees	133,183		125,315
Rent	-		99,901
Corporate registers	10,814		80,449
Insurance expenses	73,060		69,025
Share registry expenses	43,828		98,830
Advertising and promotion expenses	16,623		85,777
Travel expenses	180,910		262,187
Other expenses	366.253		1,473,955
	900,915		**2,398,733**

8. Loss from debt to equity conversion

During the Financial Year the Company has settled financial liabilities by issue of fully paid ordinary shares. In accordance with the interpretation 19 of AASBs. Fair value adjustments recorded as equity and expensed in the financial year. This adjustment was not accounted for in the Half Year ended 31 December 2019. Future comparative information presented as part of the 31 December 2020 Half Year report will be restated in accordance with AASB 108.

9. Income tax

	Consolidated		
	2020		**2019**
	$		**$**
Income tax			
Current tax	-		-
Deferred tax	-		-
Aggregate income tax expense	-		-
Numerical reconciliation of income tax expense and tax at the statutory rate			
Loss before income tax expense	(7,152,690)		(21,329,210)
Tax at the statutory rate of 27.5%	(1,966,990)		(5,865,533)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:			
Non-deductible expenses	579,334		4,093,126
Non-assessable items	(69,773)		(22,711)
Tax losses (used) / unused and unrecognised	1,457,429		1,795,118
Income tax expense	-		-
Tax losses not recognised			
Unused tax losses for which no deferred tax asset has been recognised	75,831,235		60,374,144
Potential tax benefit @ 27.5%	20,853,590		16,602,890

From 1 July 2005, Vango Mining Limited formed a tax consolidated group. There is presently no tax sharing or funding arrangements in place. The above potential tax benefit for losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	Consolidated		
	2020		**2019**
Deferred tax assets and liabilities not recognised	**$**		**$**
Unused tax losses	20,853,590		16,602,890
Taxable temporary differences	1,633,415		1,553,598
Share issue costs	256,510		2,958
	22,743,515		18,159,446

The Taxation benefits will only be obtained if:

(a) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the los to be realised;
(b) The Group continues to comply with the conditions for deductibility imposed by law; and
(c) No changes in tax legislation adversely affect the group in realising the benefits from the deductions for the loss.

The Directors are of a view there is insufficient certainty that the Parent Entity and its subsidiaries will derive sufficient income in the foreseeable future to justify booking the tax losses and temporary differences as deferred tax assets and deferred tax liabilities.

10. Cash and cash equivalents

	Consolidated		
	2020		**2019**
	$		**$**
Cash at bank	3,949,054		1,489,801
	3,949,054		**1,489,801**

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows.

11. Trade and other receivables

	Consolidated		
	2020		**2019**
	$		**$**
Trade receivables	-		-
Other receivables	316,295		391,255
Allowance for expected credit losses	**-**		**-**
	316,295		**391,255**

Impairment of receivables

Receivables are non-interest bearing and generally on 30 day terms.

12. Other current assets

	Consolidated		
	2020		2019
	$		$
Bank guarantee for office lease	33,206		33,206
Security Deposit Tenancy	38,401		38,401
Tenement security deposit	10,000		10,000
	81,607		**81,607**

13. Investments accounted for using the equity method

	Consolidated		
	2020		2019
	$		$
Interest in joint venture entity -SARCO	3,124,569		3,124,569
Impairment - SARCO	(3,124,569)		(3,124,569)
	-		-

Refer to note 32 for further information on interests in joint ventures.

The consolidated entity continues to have a 49% interest in the joint venture entity Sino Australian Resources (Laos) Co. Ltd (“SARCO”) which is incorporated in Laos PDR and is involved in the exploration of bauxite resources in the Bolaven Plateau in Laos. The joint venture is currently not actively exploring, and the Company fully provisioned the asset value in the 2017 Financial year.

The share of the joint venture loss after income tax for the year was $Nil (2019: $ Nil).

14. Financial assets fair value through profit or loss

	Consolidated		
	2020		2019
	$		$
Shares held in Dampier Gold Limited	969,655		1,095,322
Fair Value Adjustment - Dampier Gold Limited	77,572		(125,667)
Shares acquired in Lodestar Minerals Limited	600,000		-
Fair Value Adjustment - Lodestar Minerals Limited	75,000		-
	1,722,227		**969,655**

15. Property, plant and equipment

	Consolidated		
	2020		2019
	$		$
Office equipment as at 30 June 2019	8,486		3,354
Additions	-		5,500
Less: Accumulated depreciation	(830)		(368)
	7,656		8,486
Field equipment as at 30 June 2019	798,081		789,601
Additions	201,815		63,656
Less: Accumulated depreciation	(40,808)		(55,176)
	959,088		798,081
Motor Vehicles as at 30 June 2019	87,362		-
Additions	-		90,896
Less: Accumulated depreciation	(8,541)		(3,534)
	78,821		87,362
Software as at 30 June 2019	71,624		-
Additions	-		71,840
Less: Accumulated depreciation	(7,002)		(216)
	64,622		71,624
Total as at 30 June 2020	**1,110,187**		**965,553**

16. Exploration and evaluation expenditure

	Consolidated		
	2020		2019
	$		$
Exploration and evaluation - at cost	45,857,956		36,692,127
Less: Impairment	(6,875,220)		(6,875,220)
	38,982,736		**29,816,907**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Exploration and evaluation
	$
Balance at 30 June 2018	21,297,424
Additions	7,717,049
Addition to provision for rehabilitation	802,434
Disposals	-
Impairments	-
Balance at 30 June 2019	**29,816,907**
Additions	7,073,874
Addition to provision for rehabilitation	2,091,955
Disposals	-
Impairments	-
Balance at 30 June 2020	**38,982,736**

During the period, the Company has assessed the exploration and evaluation assets for impairment under AASB6, noting no indicators are present which would warrant a full analysis under AASB136.

17. Trade and other payables

	Consolidated		
	2020		2019
	$		$
Trade payables	3,805,510		2,278,851
Other payables	1,044,169		1,106,134
	4,849,679		**3,384,985**

18. Borrowings

	Note	Consolidated		
		2020		2019
Current		$		$
Loans 15%		573,762		574,795
Convertible notes - 8% (i)		2,422,867		2,794,122
Convertible notes - 12% (ii)		-		10,480,000
Convertible notes - 15% (iii)		177,637		1,917,616
Less Equity component of Convertible Notes		-		(135,750)
	35	**3,174,266**		**15,630,783**
Non-current		**-**		**-**

i. On 19 December 2019, these 8% Convertible Notes were converted to equity at $0.07 per share pursuant to shareholders approval on 27 August 2018.

   The Company raised $2,794,867 by debt by May 2020, $372,000 of debt have been converted to equity on 16 April 2020. The $2,422,867 balance have been converted to equity post the year end.

ii. On 19 December 2019, these 12% Convertible Note were converted to equity at $0.27 per share pursuant to shareholders approval on 29 November 2019.

   The Company raised $1,810,500 by debt by October 2019, $1,780,500 of the notes have been converted to equity at $0.15 per share on 20 November 2019 and $30,000 was repaid by cash.

iii. The company converted $1,000,000 of 15% Convertible Note to 6,894,516 shares at $0.18 per share on 22 Jul 2019. The $500,000 balance of the 15% Convertible Note was repaid on 31 July 2019.

19. Provisions – current

	Consolidated		
	2020		2019
	$		$
Employee benefits	**52,727**		**52,727**
Provision for settlement of legal case			

20. Provisions – Non-current

	Consolidated		
	2020		2019
	$		$
Opening balance	6,493,337		5,690,903
Addition to rehabilitation provision - Plutonic dome gold project	2,091,955		802,434
Closing balance	**8,585,292**		**6,493,337**

Under an assessment issued by Department of Mines, Industry Regulation and Safety of Western Australia in accordance with the Mining Rehabilitation Fund Act 2012, an assessment of the rehabilitation liability was made on the companies mining exploration tenements. The Company has made a provision for this liability in this financial year for the full assessed amount.

21. Issued capital

	30-Jun-20		**30-Jun-19**		**30-Jun-20**		**30-Jun-19**
	Shares		**Shares**		**$**		**$**
Ordinary shares - fully paid	831,394,506		628,420,057		106,207,395		78,323,936
Movements in ordinary share capital							
Details	**Date**		**No. of shares**		**Issue Price**		**$**
Balance	1 Jul 2019		628,420,057				78,323,936
Share based payment	22 July 2019		882,353		0.17		150,000
Share based payment	22 July 2019		1,142,857		0.175		200,000
Share based payment	22 July 2019		140,000		0.14		19,600
Convertible Note conversion	22 July 2019		6,894,516		0.18		1,241,013
Share based payment	2 Oct 2019		3,265,740		0.195		636,819
Share based payment	2 Oct 2019		1,268,540		0.17		215,652
Convertible Note conversion	20 Nov 2019		12,206,348		0.15		1,830,952
Placement	20 Nov 2019		1,666,666		0.15		250,000
Placement	21 Nov 2019		1,740,000		0.15		261,000
Recovery of shareholder loan	12 Dec 2019		-		-		147,000
Placement	19 Dec 2019		1,200,000		0.15		180,000
Share based payment	19 Dec 2019		366,667		0.15		55,000
Share based payment	19 Dec 2019		3,529,411		0.17		529,411
Convertible Note conversion	19 Dec 2019		40,665,652		0.27		10,979,726
Convertible Note conversion	19 Dec 2019		40,627,687		0.07		2,660,188
Share based payment	27 Feb 2020		2,835,000		0.15		425,250
Share based payment	27 Feb 2020		140,000		0.11		15,400
Convertible Note conversion	16 April 2020		3,438,292		0.11		378,212
Share based payment	16 April 2020		2,586,364		0.11		284,500
Share based payment	16 April 2020		10,000,000		0.05		500,000
Share based payment	16 April 2020		10,000,000		0.045		450,000
Placement	16 April 2020		2,789,104		0.11		306,801
Placement	22 June 2020		55,589,252		0.08		4,447,140
Share issue transaction costs							(91,812)
Loss on issue of shares							1,811,607
Balance	**30 June 2020**		**831,394,506**				**106,207,395**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

On 11 July 2018 a total of 16,253,904 listed options were issued pursuant to a capital raising undertaken by the company. The options have an expiry date of 11 July 2020 and are convertible into one fully paid ordinary share at $0.27 cents per share on or before expiry.

On 18 June 2019 the Company issued a total of 100,000,000 unlisted performance options to the members of the board. The details of the term, exercise price and performance hurdles are disclosed in the Directors remuneration report above.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2019 Annual Report.

22. Movement in Reserves

	30-Jun-20		30-Jun-19
	$		$
Share based payments reserve	**16,038,953**		**15,361,216**

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements during the current and previous financial year are set out below:

	Consolidated		
	2020		2019
	$		$
Opening balance	**15,361,216**		**14,185,914**
Fair value assessment on share options	677,737		55,552
Revaluation of Plan shares issued to a director	-		984,000
Equity component recognised on issue of convertible note	-		135,750
Closing balance	**16,038,953**		**15,361,216**

23. Accumulated losses

	Consolidated		
	2020		2019
	$		$
Accumulated losses at the beginning of the financial year	(85,395,691)		(64,066,481)
Loss after income tax expense for the year	(7,152,690)		(21,329,210)
	(92,548,381)		**(85,395,691)**

24. Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk in these areas is not significant enough to warrant a formalised specific risk management program. Risk management is carried out by the Board of Directors in their day to day function as the overseers of the business.

The Group holds the following financial instruments at 30 June:

	Consolidated		
	2020		**2019**
	$		**$**
Financial assets			
Cash and cash equivalents	3,949,054		1,489,801
Trade and other receivables - current	-		391,255
Other	81,607		81,607
	4,030,661		**1,962,663**
Financial liabilities			
Trade and other payables	4,849,679		3,384,985
Borrowings	3,174,266		15,630,783
	8,023,945		**19,015,768**

Foreign Currency risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The Group does not enter into derivative financial instruments to hedge such transactions denominated in a foreign currency. At the balance sheet date, the consolidated entity had no exposure to foreign currencies, hence no sensitivity analysis has been performed.

Price risk

The Group is not exposed to any significant price risk given it does not derive revenue from sale of products. Management is aware that the fair value of mining projects can be impacted by commodity price changes (predominantly bauxite, alumina, aluminium, gold and copper) and could impact future revenues once operational.

Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

	2020		2019	
	Weighted average interest rate	**Balance**	**Weighted average interest rate**	**Balance**
	%	**$**	**%**	**$**
Financial assets				
Cash and cash equivalents	0.01	3,949,054	0.10	1,489,801
		3,949,054		**1,489,801**
Financial liabilities				
Convertible note	8.00	2,422,867	8.00	2,760,650
Convertible note	12.00	-	12.00	10,480,000
Convertible note	15.00	177,637	15.00	1,917,616
Short term loan	15.00	573,762	15.00	574,795
Less equity component of convertible notes				(102,278)
		3,174,266		**15,630,783**

The Group does not rely on the generation of interest on cash and cash equivalents to provide working capital and as a result does not consider this to be material to the Group, hence, no sensitivity analysis has been performed. Borrowings are made at fixed interest rates.

Credit risk

Credit risk is the risk of financial loss to the Group if a counter party to a financial instrument fails to meet its contractual obligations. The carrying amount of cash and cash equivalents and trade and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

Cash and short-term liquid investments are placed with reputable banks and the Group does not have any material credit risk exposure to any single debtor or group of debtors.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities as and when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and raising additional capital as and when needed. If the Group does not raise capital in the short term, it can continue as a going concern by reducing planned but not committed exploration expenditure until funding is available and / or entering into joint venture arrangements where exploration is funded by the joint venture partner.

Remaining contractual maturities

The table below analyses the Group's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	<6 months		>6 - 12 months		> 12 months		Total contractual cash flows		Carrying amount
30 June 2020									
Financial liabilities									
Trade and other payables	4,849,679		-		-		4,849,679		4,849,679
Borrowings	3,174,266		-		-		3,174,266		3,174,266
	8,023,945		**-**		**-**		**8,023,945**		**8,023,945**

	<6 months		>6 - 12 months		> 12 months		Total contractual cash Flows		Carrying amount
30 June 2019									
Financial liabilities									
Trade and other payables	3,384,985		-		-		3,384,985		3,384,985
Borrowings	15,630,783		-		-		15,630,783		15,630,783
Provisions	52,727		-		-		52,727		52,727
	19,068,495		**-**		**-**		**19,068,495**		**19,068,495**

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Group has non-controlling investments in listed entities Dampier Gold Limited and Lodestar Minerals Limited, which are level 1 financial instruments carried at fair value. The group does not have any level 2, or level 3 financial instruments. There were no transfers between level 1, level 2 or level 3 during the current or previous period.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amount of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. Borrowings have been entered into close to year end and no significant changes in interest rates were noted that would change the fair value.

25. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated		
	2020		**2019**
	$		**$**
Short-term employee benefits	872,059		873,330
Post-employment benefits	70,223		83,150
Share Based Payments	677,737		1,018,542
	1,620,019		1,975,022

26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Group:

	Consolidated		
	2020		**2019**
	$		**$**
Audit services – Ernst & Young	1,244		103,294
Audit services – RSM Australia Partners	75,000		-
Audit of the financial statements	**76,244**		**103,294**

27. Contingent liabilities

This note provides details of the consolidated entity's contingent liabilities, based on the probability that payment is considered unlikely, along with details of contingent liabilities which our directors consider should be disclosed.

Sino Australian Resources (Laos) Co., Ltd (SARCO), is a joint venture project between the Company (49%) and China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd (NFC) (51%). Until 30 September 2009, the Company solely funded all exploration activities conducted by SARCO in Laos and since 1 October 2010 NFC has been funding ongoing exploration activities.

In accordance with the Joint Venture agreement, at the time NFC's contribution has reached the level of the company's initial contribution, both the Company and NFC are obliged to contribute their respective share of funding requirements for any further activity.

An audit of the Company's contributions to SARCO JV expenditures from inception to 30 September 2009 was performed by NFC in 2012. On completion NFC challenged a total of $1.1 million in expenditure that is currently included as part of the total Company contribution recorded by the Group, although no formal claim has been made by NFC. The amount in dispute is $1,109,000 which forms the contingent liability. The Company has the right to audit the NFC contributions. At this time no such audit has been undertaken, although any findings from such an audit may constitute a future claim by the Company on NFC. The Company is working amicably with NFC to resolve this disputed amount.

On 26 August 2016 the Company acquired Dampier Plutonic Pty Ltd which held a 40% interest in the tenements in which the Company holds 60%, giving the Company full ownership of the tenements.

Consideration for the acquisition included contingent payments of $1 million each on reaching total production from the project tenements of 45,000 ozs, 100,000 ozs, 200,000 ozs and 300,000ozs, for a potential amount owed of an additional $4 million. In addition, the Company will pay a royalty to Dampier Gold Ltd, capped at $2 million based on production. The royalty will be payable on each ounce of gold sold with the royalty rate dependant on the gold price at the London Spot Fix AM (USD/oz) on the date of the mint receipt.

The acquisition has been treated in the 2017 financial year as an asset acquisition under AASB3, and as such the total carrying value of the E&E grossed up for the initial rehabilitation provision recognised upon acquisition of $0.96 million, would be recorded as the fair value of the assets.

28. Commitments

	Consolidated		
	2020		**2019**
	$		**$**
Lease commitments - operating			
Committed at the reporting date but not recognised as labialise, payables:			
Within one year	-		115,200
One to five years	-		-
	-		**115,200**

Lease commitments disclosed for 30 June 2019 relate to contracted amounts for offices under a non-cancellable operating lease which expired on 7 January 2020 and has since rolled on a month to month arrangement.

29. Related party transactions

Parent entity

Vango Mining Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 31.

Joint ventures

Interests in joint ventures are set out in note 32.

Key management personnel

Over the 2020 financial year an amount of $145,520 was reimbursed to Mr McInnes for GST inclusive travel and accommodation expenditure, initially incurred personally and includes amounts for company contractors, consultants and potential investors.

Mr S Zhou invoiced the Company $7,333 for reimbursement of travel expenses.

Mr A Stocks invoiced the Company $2,508 for reimbursement of travel expenses.

The Company issued performance options to key management personnel as part of remuneration on 24 June 2019. These performance options are subject to performance hurdles, and as at the date of this report, these hurdle conditions have not been met. The details of these performance options are as follows.

Category	Expiry Date	Exercise Price	Zhou	McInnes	Zhang	Total
A	18/06/2022	$0.25	5,000,000	5,000,000	2,500,000	**12,500,000**
B	18/06/2022	$0.25	5,000,000	5,000,000	2,500,000	**12,500,000**
C	18/06/2024	$0.30	10,000,000	10,000,000	5,000,000	**25,000,000**
D	18/06/2024	$0.35	5,000,000	5,000,000	2,500,000	**12,500,000**
E	18/06/2024	$0.50	5,000,000	5,000,000	2,500,000	**12,500,000**
F	18/06/2024	$0.60	10,000,000	10,000,000	5,000,000	**25,000,000**
Total			**40,000,000**	**40,000,000**	**20,000,000**	**100,000,000**
Performance Hurdles						
Category A. Production of 100 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition A**).						
Category B. Definition by the Company (or an entity controlled by the Company) of a total (measured, indicated and inferred) JORC 2012-compliant resource of 1,000,000 ounces of contained gold at an average grade greater than or equal to 3 grams per tonne (**Option Vesting Condition B**). Nb. The performance target is 1,000,000 ounces of contained gold at an average grade greater than or equal to 3 grams per tonne. The grade given is a performance hurdle only and has no relationship to the tonnage being targeted; i.e. this is not an exploration target.						
Category C. Subject to the definition by the Company (or an entity controlled by the Company) of a total (measured, indicated and inferred) JORC 2012-compliant resource of 1,500,000 ounces of contained gold at an average grade greater than or equal to 3 grams per tonne (**Option Vesting Condition C**). Nb. The performance target is 1,500,000 ounces of contained gold at an average grade greater than or equal to 3 grams per tonne. The grade given is a performance hurdle only and has no relationship to the tonnage being targeted; i.e. this is not an exploration target.						
Category D. The production of 10,000 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition D**).						
Category E. The production of 50,000 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition E**).						
Category F. The price of the Company's shares traded on ASX achieving a 20-day volume weighted average price of $1.00 per share (**Option Vesting Condition F**).						

At balance date, the relevant interest of each key management personnel in options of the Company were:

	Balance at the start of the year	Acquired	Granted as part of remuneration	Expired	Converted	Balance at end of the year	Vested and exercisable
2020							
Bruce McInnes	40,000,000	-	-	-	-	40,000,000	-
Andrew Stocks	-	-	-	-	-	-	-
Shengqiang Zhou	40,000,000	-	-	-	-	40,000,000	-
Zhenzhu Zhang	20,000,000	-	-	-	-	20,000,000	-
Yanchao Guo	-	-	-	-	-	-	-
	100,000,000	**-**	**-**	**-**	**-**	**100,000,000**	-
2019							
Bruce McInnes	-	-	40,000,000	-	-	40,000,000	-
Andrew Stocks	-	-	-	-	-	-	-
Shengqiang Zhou	-	-	40,000,000	-	-	40,000,000	-
Zhenzhu Zhang	-	-	20,000,000	-	-	20,000,000	-
Yanchao Guo	-	-	-	-	-	-	-
	-	**-**	**100,000,000**	**-**	**-**	**100,000,000**	-

The Company recognised an amount of $677,737 as Directors Fees in the Financial Year relating to the Fair Value assessment of these fully vested performance options issued to Directors of the Company. The total valuations at issue date was $3,142,500 assuming 100 % certainty of achieving all performance hurdles and vesting of all options issued. The Performance hurdles have been assessed in the current reporting period as reasonable and achievable. The Company will review the Fair Value assessment at each reporting date and adjust for movements of the unvested performance options through profit or loss, taking into account any change in circumstance surrounding the option holder and the likely achievement of the performance hurdles.

The following table lists the inputs into the model used for the plan option valuations

2020	A	B	C	D	E	F
Expiry date	18/06/22	18/06/22	18/06/2024	18/06/2024	18/06/2024	18/06/2024
Number	12,500,000	12,500,000	25,000,000	12,500,000	12,500,000	25,000,000
Exercise price	0.25	0.25	0.30	0.35	0.50	0.60
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expected volatility (%)	37.6%	37.6%	56.7%	56.7%	56.7%	56.7%
Risk free interest rate (%)	1.61%	1.61%	1.69%	1.69%	1.69%	1.69%
Indicative value per performance Option	0.0167	0.0167	0.0473	0.0423	0.0307	0.0252
Total indicative value	**$208,750**	**$208,750**	**$1,182,500**	**$528,750**	**$383,750**	**$630,000**

Disclosures relating to key management personnel are set out in note 25 and the remuneration report in the directors' report.

Transactions with related parties

There were no other transactions with related parties in the financial year.

Loans to/from related parties

At the Financial year end the company had no loan arrangements from related parties.

Receivable from and payable to related parties

As at year end the Company had deferred payment to related parties of post-tax salary as follows:

Mrs Zhenzhu (Carol) Zhang (Executive Director) - $68,497

Mr Donjie Zhang (Husband of Zhenzhu (Carol) Zhang) - $ 77,588

30. Parent entity information

	Parent	
	2020	**2019**
	$	**$**
Current assets	4,346,956	1,962,663
Total assets	63,847,772	51,339,133
Current liabilities	8,067,817	19,059,638
Total liabilities	15,693,109	23,282,797
Shareholders' equity		
Issued capital	106,207,395	78,323,936
Share-based payments reserve	16,038,953	15,361,216
Accumulated losses	(74,091,685)	(66,938,995)
	48,154,663	26,746,158
Loss for the year	(7,152,690)	(6,632,924)
Total comprehensive loss for the year	(7.152.690)	(6,632,924)

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

31. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

Name of entity	Country of incorporation	Equity holding 2020 %	Equity holding 2019 %
Dampier Plutonic Pty Ltd	Australia	100.00	100.00
Tanami Northern Gold Pty Ltd	Australia	100.00	100.00
Nicholson East Pty Ltd	Australia	100.00	100.00
Nicholson West Pty Ltd	Australia	100.00	100.00
Suplejack Pty Ltd	Australia	100.00	100.00
Coolan Yard Pty Ltd	Australia	100.00	100.00
Ord River Resources (PNG) Pty Ltd	Australia	100.00	100.00
Aileigh Pty Ltd	British Virgin Islands	100.00	100.00
Carpe Diem Limited	Papua New Guinea	100.00	100.00
Tampara Limited	Papua New Guinea	100.00	100.00
Rotokas Limited	Papua New Guinea	100.00	100.00

32. Interests in joint ventures

No interests in joint ventures were accounted for using the equity method of accounting for the financial years ending June 2019 and 2020. Information relating to joint ventures is set out below:

Joint venture	Principal activities	Consolidated percentage interest 2020 %	Consolidated percentage interest 2019 %
JV entity – Sino Australian Resources (Laos) Co. Ltd	Exploration of bauxite resources in the Bolaven Plateau, Laos	**49.00**	**49.00**

33. Events occurring after the reporting period

On 20 August 2020, the Company completed a cash placement of 131,910,748 fully ordinary shares at 8 cents per share.

On 20 August 2020, the Company completed an issue of 30,287,500 fully paid ordinary shares at 8 cents per share upon the conversion of $2,422,867 convertible notes.

On 4 September, the Company repaid $500,000 together with accrued interest of a debt bearing interest at 15%.

34. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated		
	2020		2019
	$		$
Loss after income tax expense for the year	(7,152,690)		(21,329,210)
Adjustments for:			
Depreciation and amortisation	57,180		52,799
Net gain on sale of tenement	-		-
Fair value adjustment on listed investments	(152,572)		125,664
Interest accrued on convertible notes and loans	558,206		737,222
Fair value loss on issue of shares	1,811,607		13,766,881
Expenses recognised on share options	677,737		-
Share-based payments	731,059		-
Change in operating assets and liabilities			
Decrease/(increase) in trade and other receivables	74,959		(96,463)
(Increase) in other	-		(37,715)
Increase/(decrease) in trade and other payables	1,464,694		(864,067)
(Decrease)/increase in provisions	-		-
Net cash used in operating activities	**(1,929,820)**		**(7,644,886)**

35. Changes in liabilities arising from financing activities

	Note	Consolidated
		Borrowings
		$
Balance as at 1 July 2018		**10,463,712**
Net cash flows provided by financing activities		11,030,613
Converted to shares		(5,863,542)
Balance as at 30 June 2019	18	**15,630,783**
Net cash used in financing activities		4,075,368
Converted to shares		(16,531,885)
Balance as at 30 June 2020	18	**3,174,266**

36. Earnings/(loss) per share

	Consolidated		
	2020		2019
	$		$
Loss after income tax expense for the year attributable to the owners of Vango Mining Limited	(7,152,690)		(21,329,210)
Basic loss per share (cents)	(1.01)		(3.73)
Diluted loss per share (cents)	(1.01)		(3.73)
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	709,412,534		571,949,683

Basic earnings/(loss) per share (EPS) is calculated by dividing the net profit/(loss) attributable to ordinary shareholders for the reporting period, after excluding any costs of servicing equity (other than ordinary shares), by the weighted average number of ordinary shares of the Company. Other potential ordinary shares have not been included in the calculation of diluted earnings per share as they are not considered dilutive.

37. Share-based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee. Please refer to note 29 for details of the performance hurdles that are required to be satisfied before the share options can be exercised.

Set out below are summaries of options granted under the plan:

2020

Grant Date	Expiry Date	Exercise Price	Balance at the start of the year	Granted	Exercised	Others	Balance at the end of the year
24/06/2019	18/06/2022	$ 0.25	25,000,000	-	-	-	**25,000,000**
24/06/2019	18/06/2024	$ 0.30	25,000,000	-	-	-	**25,000,000**
24/06/2019	18/06/2024	$ 0.35	12,500,000	-	-	-	**12,500,000**
24/06/2019	18/06/2024	$ 0.50	12,500,000	-	-	-	**12,500,000**
24/06/2019	18/06/2024	$ 0.60	25,000,000	-	-	-	**25,000,000**
Total			**100,000,000**	**-**	**-**	**-**	**100,000,000**

2019

Grant Date	Expiry Date	Exercise Price	Balance at the start of the year	Granted	Exercised	Others	Balance at the end of the year
24/06/2019	18/06/2022	$ 0.25	-	25,000,000	-	-	**25,000,000**
24/06/2019	18/06/2024	$ 0.30	-	25,000,000	-	-	**25,000,000**
24/06/2019	18/06/2024	$ 0.35	-	12,500,000	-	-	**12,500,000**
24/06/2019	18/06/2024	$ 0.50	-	12,500,000	-	-	**12,500,000**
24/06/2019	18/06/2024	$ 0.60	-	25,000,000	-	-	**25,000,000**
Total			**-**	**100,000,000**	**-**	**-**	**100,000,000**