

ASX Announcement

30 September 2020

Extension of Lodgement and Unaudited Financial Accounts

AustSino Resources Group Ltd ("**AustSino**" or the "**Company**") (ASX: **ANS**) wishes to advise that it is relying on *ASIC Corporations (Extended Reporting and Lodgement Deadlines - Listed Entities) Instrument 2020/451* to extend the lodgement due date for its audited financial statements, and other documents required to be lodged with ASIC under section 319 of the Corporations Act, for the period ended 30 June 2020.

The Company sets out in this notice its preliminary unaudited financial statements for the year ended 30 June 2020 together with other information relevant to the Company.

The Company will immediately make a further announcement to the market if there is a material difference between its unaudited financial statements and its audited annual financial statements.

Authorised for release by the Board of Directors.

Further inquiries:

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Company Secretary

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AUSTSINO RESOURCES GROUP LIMITED

**UNAUDITED FINANCIAL ACCOUNTS
30 JUNE 2020**

DIRECTORS

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Michael Keemink (Executive Director)
Ma Kaihai (Non-Executive Director)
Perry Mitchell (Non-Executive Director)
Dr Bielin Shi (Non-Executive Director)

COMPANY SECRETARY

Henko Vos

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SECURITIES EXCHANGE

AustSino Resources Group Limited shares (ANS) are listed on Australian Securities Exchange.

WEBSITE

www.aust-sino.com

AUSTSINO RESOURCES GROUP LIMITED
UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated	
		2020 \$	2019 \$
Income	2(a)	1,567	5,839
Other income	2(b)	22,000	19,000
Depreciation expense	8	(62,667)	(95,339)
Amortisation expense	10	(293,553)	-
Impairment of exploration and evaluation assets	12	(268,477)	(2,127,161)
Exploration and evaluation expenditure	12	(193,914)	(714,198)
Employee benefits expense		(938,471)	(884,509)
Share based payment expenses	23(a)	(1,400,000)	(155,000)
Legal fees		(138,061)	(508,690)
Consulting fees		(154,140)	(108,384)
Interest expense		(42,736)	-
Other expenses	2(c)	(878,202)	(1,058,956)
(Loss) before income tax expense		(4,346,654)	(5,627,398)
Income tax expense	3(a)	-	-
Net (loss) for the year		(4,346,654)	(5,627,398)
Other comprehensive income			
<i>Items that may be reclassified subsequently to operating result</i>			
Foreign currency translation	16(b)	(2,527)	124,110
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Revaluation loss on financial assets at fair value through other comprehensive income	24	(3,750,000)	(70,000)
Other comprehensive income for the year, net of tax		(3,752,527)	54,110
Total comprehensive (loss) for the year		(8,099,181)	(5,573,288)
Basic and diluted earnings per share	5	Cents (0.08)	Cents (0.11)

The accompanying notes form part of these financial statements.

AUSTSINO RESOURCES GROUP LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020



	Note	Consolidated 2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	2,096,615	2,982,689
Trade and other receivables	7	112,359	276,992
Total Current Assets		2,208,974	3,259,681
Non-Current Assets			
Trade and other receivables	7	71,194	65,787
Plant and equipment	8	108,073	208,991
Right-of-use asset	10	426,880	-
Deferred exploration expenditure	12	631,893	900,370
Financial assets at fair value through other comprehensive income	24	-	1,050,000
Total Non-Current Assets		1,238,040	2,225,148
Total Assets		3,447,014	5,484,829
LIABILITIES			
Current Liabilities			
Trade and other payables	13	1,633,145	646,496
Provisions	14	50,401	30,268
Lease liability	10	291,722	-
Borrowings	11	300,000	-
Total Current Liabilities		2,275,268	676,764
Non-Current Liabilities			
Lease liability	10	281,131	-
Total Non-Current Liabilities		281,131	-
Total Liabilities		2,556,399	676,764
Net Assets		890,615	4,808,065
EQUITY			
Issued capital	15	76,531,401	72,409,670
Reserves	16	2,621,395	6,313,922
Accumulated losses		(78,262,181)	(73,915,527)
Total Equity		890,615	4,808,065

The accompanying notes form part of these financial statements.

AUSTSINO RESOURCES GROUP LIMITED
UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

Consolidated	Issued Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Revaluation Reserve \$	Total \$
Balance at 1 July 2018	70,200,920	(68,288,129)	(37,152)	6,296,964	-	8,172,603
(Loss) for the year	-	(5,627,398)	-	-	-	(5,627,398)
Foreign currency translation	-	-	124,110	-	-	124,110
Revaluation of financial asset through other comprehensive income	-	-	-	-	(70,000)	(70,000)
Total comprehensive (loss) for the year	-	(5,627,398)	124,110	-	(70,000)	(5,573,288)
Transactions with owners in their capacity as owners:						
Securities issued during the year	2,305,000	-	-	-	-	2,305,000
Cost of capital raising	(96,250)	-	-	-	-	(96,250)
Balance at 30 June 2019	72,409,670	(73,915,527)	86,958	6,296,964	(70,000)	4,808,065
Balance at 1 July 2019	72,409,670	(73,915,527)	86,958	6,296,964	(70,000)	4,808,065
(Loss) for the year	-	(4,346,654)	-	-	-	(4,346,654)
Foreign currency translation	-	-	(2,527)	-	-	(2,527)
Revaluation of financial asset through other comprehensive income	-	-	-	-	(3,750,000)	(3,750,000)
Total comprehensive (loss) for the year	-	(4,346,654)	(2,527)	-	(3,750,000)	(8,099,181)
Transactions with owners in their capacity as owners:						
Securities issued during the year	4,193,437	-	-	60,000	-	4,253,437
Cost of capital raising	(71,706)	-	-	-	-	(71,706)
Balance at 30 June 2020	76,531,401	(78,262,181)	84,431	6,356,964	(3,820,000)	890,615

The accompanying notes form part of these financial statements.

AUSTSINO RESOURCES GROUP LIMITED
UNAUDITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated	
		2020 \$	2019 \$
Cash flows from operating activities			
Payments to suppliers and employees		(892,908)	(2,648,625)
Interest received		1,567	5,839
Other income		22,000	19,000
Lease incentive received		-	45,806
Exploration expenditure		(185,547)	(866,059)
Interest paid		(5,193)	-
Net cash (used in) operating activities	6(i)	(1,060,081)	(3,444,039)
Cash flows from investing activities			
Purchase of financial assets	24	(2,700,000)	(1,120,000)
Payments for plant and equipment		-	(17,711)
Net cash (used in) investing activities		(2,700,000)	(1,137,711)
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		2,811,341	2,053,750
Payment of lease liability		(226,323)	-
Interest paid on lease liability		(37,543)	-
Proceeds from borrowings		300,000	-
Net cash provided by financing activities		2,847,475	2,053,750
Net decrease in cash and cash equivalents		(912,606)	(2,528,000)
Cash and cash equivalents at beginning of the year		2,982,689	5,388,309
Foreign exchange		26,532	122,380
Cash and cash equivalents at end of the year	6	2,096,615	2,982,689

The accompanying notes form part of these financial statements.

1. Summary of Significant Accounting Policies

These consolidated financial statements and notes represent those of AustSino Resources Group Limited (the "Company") and Controlled Entities (the "Consolidated Entity" or "Group").

The separate financial statements of the parent entity, AustSino Resources Group Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. Separate information about the parent entity is disclosed in note 21.

AustSino Resources Group Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial report was authorised for issue on 30 September 2020.

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Except for cash flow information, the financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The presentation currency of the Group is Australian dollars.

(b) Going Concern

The financial statements have been prepared on an going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$4,346,654 (2019: \$5,627,398) and had net cash outflows from operating activities of \$1,060,081 (2019: \$3,444,039) and net cash outflows from investing activities of \$2,700,000 (2019: \$1,137,711) for the year ended 30 June 2020.

The Group will need to access additional working capital to advance its exploration projects and to ensure that it is able to pay its debts as and when they fall due. In addition, the Group continues to progress the proposed Sundance Transaction including the proposed funding arrangement of \$100 million with Midwest Resource Finance Group Pty Ltd. The aforementioned transactions remain subject to relevant regulatory and shareholder approvals.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The directors are confident that the Group will be successful in raising additional funds through the issue of new equity, should the need arise; and
- The Group has the option, if necessary, to defer expenditure or relinquish certain projects and reduce administration costs in order to minimise its capital raising requirements.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

1. Summary of Significant Accounting Policies

(c) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2020

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The following standards and amendments became applicable during the year. Impact of the adoption of these standards are disclosed below:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. Refer to Note 10 for the impact of adoption, there was no impact on opening retained profits as at 1 July 2019.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

1. Summary of Significant Accounting Policies (con't)**(d) Basis of consolidation**

The consolidated financial statements incorporate the assets, liabilities, and results of entities controlled by AustSino Resources Group Limited ("Company" or "Parent Entity") at the end of the reporting period. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from the entity's activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Company.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is revalued to its fair value with the change in carrying amount recognised in the statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the statement of comprehensive income.

(e) 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 expected to be settled in 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.

1. Summary of Significant Accounting Policies (con't)**(f) Revenue recognition**

Revenue from contracts with customers is recognised based on the transfer of promised goods or services to customers with an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Grant revenue

Grant revenue is recognised when it is received or when the right to receive payment is established. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Other revenue

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

(g) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, 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 income 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; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income 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 income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to 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.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

1. Summary of Significant Accounting Policies (con't)**(g) Income Tax (con't)**

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

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(h) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(i) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(j) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost 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. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

1. Summary of Significant Accounting Policies (con't)

(k) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Plant and equipment – over 5 to 10 years

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

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. 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.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income.

Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

(l) Right of use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company 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.

1. Summary of Significant Accounting Policies (con't)**(m) Intangibles***Intellectual property rights*

Intellectual property rights are recognised at cost of acquisition less accumulated amortisation and any impairment losses. For intellectual property rights not yet in used, they are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses.

(n) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(o) Financial instruments*Recognition and Initial Measurement*

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and are solely principal and interest. All other financial instrument assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income.

Financial assets may be impaired based on an expected credit loss model to recognise an allowance. Such impairment is measured with a 12-month expected credit loss model unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime expected credit loss model is adopted

For financial liabilities, the portion of the change in fair value that relates to the Group's credit risk is presented in other comprehensive income.

1. Summary of Significant Accounting Policies (con't)**(o) Financial instruments (con't)***Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(p) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Trade and other payables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other payables are measured at amortised cost using the effective interest rate method.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

1. Summary of Significant Accounting Policies (con't)**(s) Lease liability**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(t) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

(u) 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.

(v) Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes Option Pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of AustSino Resources Group Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

1. Summary of Significant Accounting Policies (con't)**(v) Share-based payment transactions (con't)**

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(w) Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(x) Foreign currency translation

The financial statements are presented in Australian dollars, which is AustSino Resources Group Limited'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.

(y) Segment Reporting

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 of the Company.

1. Summary of Significant Accounting Policies (con't)

(z) Significant Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, 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 amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation assets

Exploration and evaluation costs have been capitalised on the basis that the Consolidated Entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes Option Pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

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.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Consolidated Entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Consolidated Entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

2. Revenue and Expenses**(a) Revenue**

Interest received

(b) Other income

Insurance claim recovery

Government grant incentive

Other income

(c) Other expenses*Loss for the year includes the following expenses:*

Rent and outgoings expense

Travel and accommodation

Settlement of legal claim

Other expenses

3. Income Tax**(a) Income Tax Expense**

The income tax expense for the year differs from the prima facie tax as follows:

Loss for year

Prima facie income tax benefit @ 27.5% (2019: 27.5%)

Tax effect of non-deductible items

Tax effect of non-assessable items

Adjustments recognised in the current year in relation to the current tax of previous years

Effect of previously unrecognised tax losses

Effect of temporary differences not brought to account in equity

Deferred tax assets not brought to account

Total income tax expense

(b) Deferred Tax Assets

Deferred tax assets not brought to account arising from tax losses, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 (i) occur:

4. Auditors' Remuneration

Amounts received or due and receivable by RSM Australia

Partners:

- audit and review services

Consolidated	
2020 \$	2019 \$
1,567	5,839
-	19,000
20,000	-
2,000	-
22,000	19,000
52,639	332,338
252,524	508,457
60,000	-
513,039	218,161
878,202	1,058,956
(4,346,654)	(5,627,398)
(1,195,330)	(1,547,534)
531,736	91,073
(5,500)	-
806,550	1,087,475
-	388,202
(1,027,751)	(11,589)
890,295	(7,627)
-	-
12,122,788	12,164,448
48,000	40,720
48,000	40,720

5. Earnings per Share (EPS)

	Consolidated	
	2020 Cents	2019 Cents
Basic and diluted earnings per share	(0.08)	(0.11)
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:		
Earnings - net loss for year	\$ (4,346,654)	\$ (5,627,398)
Weighted average number of ordinary shares used in the calculation of basic EPS	No. 5,539,464,646	No. 5,108,141,669

The options of the Group have an anti-dilutive in nature as the average market price of ordinary shares during the year does not exceed the exercise price of the options. Diluted (loss)/earnings per share have not been calculated as the result does not decrease earnings per share or increase loss per share.

6. Cash and Cash Equivalents

Petty cash	1,500	5,578
Cash at bank	1,888,115	2,977,111
Restricted cash	207,000	-
	2,096,615	2,982,689

(i) Reconciliation of loss for the year to net cash flows used in operating activities:

Loss for the year	(4,346,654)	(5,627,398)
Non-cash items		
Depreciation	62,667	95,339
Amortisation	293,553	-
Share-based payments	1,400,000	-
Impairment of tenement costs	268,477	2,127,161
Interest expenses on lease liability classified as a financing activity	37,543	-
Liabilities settled by issue of equity securities	177,390	155,000
Changes in assets and liabilities		
Receivables	159,225	(23,419)
Payables	867,584	(200,990)
Provisions	20,134	30,268
Net cash flows used in operating activities	(1,060,082)	(3,444,039)

7. Trade and other receivables
Current

	Consolidated 2020 \$	2019 \$
Other receivables	91,251	245,301
GST receivable, net	21,108	31,691
	112,359	276,992

Non- Current

Security bonds	71,194	65,787
	71,194	65,787

Terms and conditions relating to the above financial instruments:

- Other receivables are non-interest bearing and generally repayable within 30 days.
- Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

8. Plant and Equipment

Plant and equipment – at cost
 Additions – at cost
 Foreign exchange
 Accumulated depreciation

Consolidated

2020
\$

2019
\$

140,989 248,191
 - 4,540
 (790) -
 (97,783) (184,098)
42,416 68,633

Office furniture and fittings – at cost
 Additions – at cost
 Foreign exchange
 Accumulated depreciation

347,105 279,941
 - 70,817
 (1,945) -
 (296,729) (233,703)
48,431 117,055

Computer equipment – at cost
 Additions – at cost
 Accumulated depreciation

21,597 33,886
 - 3,456
 (13,149) (24,290)
8,448 13,052

Motor vehicle – at cost
 Additions – at cost
 Accumulated depreciation

11,818 11,818
 - -
 (3,040) (1,567)
8,778 10,251

Total plant and equipment
 Accumulated depreciation
 Total written down amount

518,774 652,649
 (410,701) (443,658)
108,073 208,991

Reconciliation

Balance at 1 July, net of accumulated depreciation
 Foreign currency translation
 Additions
 Depreciation charge for year
 Balance at 30 June, net of accumulated depreciation

208,991 229,425
 (38,251) (3,908)
 - 78,813
 (62,667) (95,339)
108,073 208,991

9. Intangible Assets

Intellectual property rights – at cost
 Accumulated impairment loss

Consolidated

2020
\$

2020
\$

2,560,000 2,560,000
 (2,560,000) (2,560,000)
- -

10. Leases**(a) Amounts recognised in the statement of financial position****Right-of-use asset**

Balance as at 1 July	-	-
Right-of-use asset recognised as at 1 July	711,241	-
Less: Amortisation	(293,553)	-
Add: Foreign exchange difference	9,192	-
Closing balance as at 30 June	426,880	-

Lease liabilities

Balance as at 1 July	-	-
Lease liabilities recognised as at 1 July	799,176	-
Add: Interest	37,543	-
Less: Payments	(263,866)	-
Closing balance as at 30 June	572,853	-

Lease liability current	291,722	-
Lease liability non-current	281,131	-
	572,853	-

(a) Amounts recognised in the consolidated statement of profit or loss

Amortisation of right-of-use asset	293,553	-
Interest expense on lease liabilities	37,543	-
	331,096	-

11. Borrowings

Shareholder loan

Consolidated		
2020	2019	
\$	\$	
300,000	-	
300,000	-	

The loan has a term of 1 month and is unsecured and is interest bearing at a rate of 10% pa.

The shareholder has the right to convert the loan into shares at \$0.013 per share or to elect to receive principal and interest paid in cash. On 20 July 2020 the balance of the principal and interest were converted to shares.

12. Deferred exploration expenditure

Expenditure brought forward	900,370	3,027,531
Expenditure incurred during year	193,914	714,198
Expenditure written off during year	(193,914)	(714,198)
Impairment during the year	(268,477)	(2,127,161)
Expenditure carried forward	631,893	900,370

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest, at amounts at least equal to book value.

Consolidated																									
13. Trade and Other Payables																									
	<table> <tr> <th>2020</th><th>2019</th></tr> <tr> <th>\$</th><th>\$</th></tr> <tr> <td>Trade payables</td><td>858,878</td></tr> <tr> <td>Sundry creditors and accruals</td><td>567,267</td></tr> <tr> <td>Share application funds received held in trust</td><td>207,000</td></tr> <tr> <td></td><td>-</td></tr> <tr> <td>1,633,145</td><td>646,496</td></tr> </table>	2020	2019	\$	\$	Trade payables	858,878	Sundry creditors and accruals	567,267	Share application funds received held in trust	207,000		-	1,633,145	646,496										
2020	2019																								
\$	\$																								
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Terms and conditions relating to the above financial instruments:																									
<ul style="list-style-type: none"> Trade creditors are non-interest bearing and are normally settled on 30 day terms. Due to the short term nature of trade payable and accruals, their carrying value is assumed to approximate their fair value. 																									
14. Provisions																									
	<table> <tr> <th>2020</th><th>2019</th></tr> <tr> <th>\$</th><th>\$</th></tr> <tr> <td>Provision for annual leave</td><td>50,401</td></tr> <tr> <td></td><td>30,268</td></tr> <tr> <td>50,401</td><td>30,268</td></tr> </table>	2020	2019	\$	\$	Provision for annual leave	50,401		30,268	50,401	30,268														
2020	2019																								
\$	\$																								
Provision for annual leave	50,401																								
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15. Issued Capital																									
	<table> <tr> <th>2020</th><th>2020</th></tr> <tr> <th>Number</th><th>\$</th></tr> <tr> <td>5,572,931,762</td><td>76,531,401</td></tr> </table>	2020	2020	Number	\$	5,572,931,762	76,531,401																		
2020	2020																								
Number	\$																								
5,572,931,762	76,531,401																								
(a) Issued and paid up capital																									
Ordinary shares fully paid	5,572,931,762																								
	76,531,401																								
(b) Movement in ordinary shares on issue																									
	<table> <tr> <th>2019</th><th>2019</th></tr> <tr> <th>Number</th><th>\$</th></tr> <tr> <td>5,071,651,832</td><td>70,200,920</td></tr> <tr> <td>3,000,000</td><td>45,000</td></tr> <tr> <td>10,000,000</td><td>110,000</td></tr> <tr> <td>30,769,230</td><td>400,000</td></tr> <tr> <td>134,938,590</td><td>1,750,000</td></tr> <tr> <td>-</td><td>(96,250)</td></tr> <tr> <td>5,250,359,652</td><td>72,409,670</td></tr> </table>	2019	2019	Number	\$	5,071,651,832	70,200,920	3,000,000	45,000	10,000,000	110,000	30,769,230	400,000	134,938,590	1,750,000	-	(96,250)	5,250,359,652	72,409,670						
2019	2019																								
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-	(96,250)																								
5,250,359,652	72,409,670																								
Balance at 1 July 2018	5,071,651,832																								
Issue of shares in settlement of debts on 6 Aug 2018	3,000,000																								
Issue of shares in settlement in lieu of fees on 19 Dec 2018	10,000,000																								
Issue of shares to Peiyu Liang on 15 Feb 2019	30,769,230																								
Issue of shares to Ma Kai Hui on 16 May 2019	134,938,590																								
Less: Capital raising costs	-																								
Balance at 30 June 2019	5,250,359,652																								
	<table> <tr> <th>2020</th><th>2020</th></tr> <tr> <th>Number</th><th>\$</th></tr> <tr> <td>5,250,359,652</td><td>72,409,670</td></tr> <tr> <td>55,000,000</td><td>715,000</td></tr> <tr> <td>49,230,769</td><td>640,000</td></tr> <tr> <td>107,692,308</td><td>1,400,000</td></tr> <tr> <td>41,923,077</td><td>545,000</td></tr> <tr> <td>33,980,764</td><td>441,750</td></tr> <tr> <td>9,745,192</td><td>126,687</td></tr> <tr> <td>25,000,000</td><td>325,000</td></tr> <tr> <td>-</td><td>(71,706)</td></tr> <tr> <td>5,572,931,762</td><td>76,531,401</td></tr> </table>	2020	2020	Number	\$	5,250,359,652	72,409,670	55,000,000	715,000	49,230,769	640,000	107,692,308	1,400,000	41,923,077	545,000	33,980,764	441,750	9,745,192	126,687	25,000,000	325,000	-	(71,706)	5,572,931,762	76,531,401
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Issue of shares on 12 Jun 2020 ¹	25,000,000																								
Less: Capital raising costs	-																								
Balance at 30 June 2020	5,572,931,762																								

15. Issued Capital (continued)

¹The Group issued the following parcel of shares at \$0.013 per share under share placements to sophisticated and professional investors:

- 55,000,000 on 4 December 2019;
- 49,230,769 on 19 December 2019;
- 41,923,077 on 17 January 2020;
- 33,980,764 on 31 January 2020; and
- 25,000,000 on 12 June 2020.

²On 31 January 2020, the Group issued 9,745,192 shares to non-related parties as settlement of supplier invoices totalling \$126,687. Corporate advisory expenses to the value of \$117,390 were recognised in the statement of profit or loss and other comprehensive income and \$9,297 was recognised in the statement of changes in equity.

³On 24 December 2019, the Group issued 107,692,308 shares to Sundance at a deemed issue price of \$0.013 per share as a bonus to Sundance Resources Ltd for securing written consent of all Noteholders to extend the end date of the Sundance Transaction from 31 December 2019 to 30 June 2020. As the completion of the Sundance Transaction did not occur before 30 June 2020, this payment has been recognised in the statement of profit or loss and other comprehensive income.

(c) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

16. Reserves

Option issue reserve
Foreign currency translation reserve
Revaluation reserve for financial assets at fair value through other comprehensive income

Consolidated	
2020 \$	2019 \$
6,356,964	6,296,964
84,431	86,958
(3,820,000)	(70,000)
2,621,395	6,313,922

(a) Option issue reserve*(i) Nature and purpose of reserve*

The option issue reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of incentive based share options.

(ii) Movements in reserve

Opening balance 1 July
Options issued
Closing balance 30 June

\$	\$
6,296,964	6,296,964
60,000	-
6,356,964	6,296,964

(b) Foreign currency translation reserve*(i) Nature and purpose of reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

(ii) Movements in reserve

Opening balance 1 July
Foreign currency translation
Closing balance 30 June

\$	\$
86,958	(37,152)
(2,527)	124,110
84,431	86,958

16. Reserves (continued)**(c) Revaluation reserve for financial assets at fair value through other comprehensive income****(i) Nature and purpose of reserve**

The reserve is used to recognise movement in the fair value of shares in Sundance Resources Limited (ASX: SDL). The shares in SDL were classified as financial assets at fair value through other comprehensive income in accordance with AASB 9 Financial Instruments.

(ii) Movements in reserve

Opening balance 1 July

Revaluation loss

Closing balance 30 June

Consolidated	
2020	2019
\$	\$
(70,000)	-
(3,750,000)	(70,000)
(3,820,000)	(70,000)

17. Commitments**Exploration Commitments**

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial report. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year.

Expenditure may be reduced by seeking exemption from individual commitments, by relinquishment of tenure or by new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended. The minimum expenditure commitment on the tenements is:

	Consolidated	
	2020	2019
	\$	\$
Not later than one year	472,000	478,377
Operating Lease Commitments		
Within one year	-	230,133
1-5 years	-	353,423
Total commitments	-	583,556

18. Contingent Liabilities**Legal claim**

In the prior financial year, the Company received a claim from an unrelated party in relation to an alleged breach of agreement. No formal court proceedings have commenced and the Directors are of the opinion it is unlikely that the unrelated party would be able to demonstrate any material loss, even if it were able to establish the claim. Accordingly, no provision has been recognised in the financial statements.

Native title

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the Company has an interest. It is not possible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the Company. However, at the date of this report, the Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over tenements held by the Company.

AUSTSINO RESOURCES GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
19. Financial Reporting by Segments

The Group has identified its operating segments based on the internal reports that are reported to the Board (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Group operates predominately in one industry, being mineral exploration.

The main geographic areas that the entity operates in are Australia and China. The parent entity is registered in Australia. The Group's exploration assets are located in Australia.

The following table present revenue, expenditure and certain asset and liability information regarding geographical segments are as follows:

	Australia	China	Total
Year ended 30 June 2019			
Other income	19,000	-	19,000
Interest income	5,839	-	5,839
Segment revenue	24,839	-	24,839
Result			
Loss before tax	(5,158,800)	(468,598)	(5,627,398)
Income tax expense	-	-	-
Loss for the year	(5,158,800)	(468,598)	(5,627,398)
Asset and liabilities			
Segment assets	3,312,437	2,172,392	5,484,829
Segment liabilities	(585,197)	(91,567)	(676,764)
Year ended 30 June 2020			
Other income	22,000	-	22,000
Interest income	1,567	-	1,567
Segment revenue	23,567	-	23,567
Result			
Loss before tax	(3,879,699)	(466,955)	(4,346,654)
Income tax expense	-	-	-
Loss for the year	(3,879,699)	(466,955)	(4,346,654)
Asset and liabilities			
Segment assets	1,354,166	2,092,849	3,447,015
Segment liabilities	(2,174,893)	(381,507)	(2,556,400)

20. Related Party Transactions
(a) Parent entity

AustSino Resources Group Limited is the ultimate Australian parent entity and ultimate parent of the Group.

(b) Subsidiaries

The consolidated financial statements include the financial statements of AustSino Resources Group Limited and the subsidiaries listed in the following table:

20. Related Party Transactions (continued)

	Country of incorporation	Equity Holding	
		2020 %	2019 %
Controlled entities			
Desert Resources Pty Ltd	Australia	100	100
Apogee Pty Ltd	Australia	80	80
Mid West Infrastructure Group Pty Ltd	Australia	100	100
Aurium Resources Limited	Australia	100	100
Padbury (Shanghai) Enterprise Development Company Ltd	China	100	100
Havelock Resources Pty Ltd	Australia	100	100
China Cameroon Resources SARL	Cameroon	100	100

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 22.

(d) Related party transactions

During the year ended 30 June 2020, Mr Chun Ming Ding acted as Managing Director of Mid-West Infrastructure Group Pty Ltd, a wholly owned subsidiary of the Company. The amount incurred for the provision of his directorship services for the reporting period is \$422,278 (2019: \$411,768) (included as part of Mr Ding's remuneration in the table above). This amount is due and payable to Aust-China Resources Ltd (ACR), a company Mr Ding is a Chairman and controlling shareholder of. As at 30 June 2020, a total of \$494,890 is accrued and outstanding (2019: \$110,859).

As at 30 June 2020, the Company recorded an amount of AUD \$52,782 (2019: AUD \$91,567) reimbursable to Mr Ding for the business expenses which he had paid out of pocket for the Shanghai subsidiary.

During the year, Pantheon Legal Pty Ltd, a company associated with Mr Phil McKeiver provided legal services to AustSino. The amounts billed related to the legal services amounted to \$27,056 (2019: \$287,380), and \$8,875 remained outstanding as of the reporting date.

The Company also paid a total of \$11,779 (2019: \$98,353) in legal fees to Gilbert + Tobin, a law firm which Mr Phil McKeiver is senior consultant of, for legal services provided during the year, and \$28,179 remained outstanding as of the reporting date.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The current payables balance as at 30 June 2020 owing to key management personnel and their related parties were:

	2020 \$	2019 \$
Director fees (C Ding)	492,890	76,859
Director fees (M Keemink)	162,000	23,400
Accrued chairman fees (C Ding)	2,000	34,000
Accrued superannuation (M Keemink)	15,390	-
Accrued annual leave (M Keemink)	44,120	30,118
Legal fees (Pantheon Legal)	8,875	40,833
Legal fees (Gilbert + Tobin)	28,179	145,819
Accrued directors fees and super (P Mitchell)	25,020	-
Accrued directors fees (B Shi)	50,000	-
Accrued directors fees (M Kaihui)	19,109	-
Accrued directors fees and super (P McKeiver)	2,948	5,000
Business expenses to be reimbursed (C Ding)	52,782	91,567
	903,312	447,596

21. Parent Entity Disclosures**a) Summary financial information****Financial Position**

	Parent	
	2020	2019
	\$	\$
Assets		
Current assets	487,506	1,243,725
Non-current assets	2,575,390	580,446
Total assets	3,062,896	1,824,171
Liabilities		
Current liabilities	(2,013,391)	(549,586)
Non-current liabilities	(158,889)	-
Total liabilities	(2,172,280)	(549,586)
Equity		
Issued capital	76,531,402	72,409,670
Reserves	6,356,964	6,296,964
Accumulated losses	(81,997,751)	(77,432,050)
Total equity	890,615	1,274,584

Financial Performance

	Parent	
	2020	2019
	\$	\$
(Loss) for the year	(6,759,988)	(5,616,5987)
Other comprehensive (loss) / income	-	-
Total comprehensive (loss) for the year	(6,759,988)	(5,616,5987)

(b) Guarantees

AustSino Resources Group Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

(c) Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

22. Key Management Personnel Disclosures

The aggregate compensation of the key management personnel is summarised below:

	Consolidated	
	2020	2019
	\$	\$
Short-term personnel benefits	805,847	761,830
Post-employment benefits	29,977	27,078
Directors remuneration	835,824	788,908
Share-based payment - shares	-	110,000
Total remuneration	835,824	898,908

23. Share Based Payments**(a) Ordinary Shares**

On 31 January 2020, the Group issued 9,745,192 shares to non-related parties as settlement of supplier invoices totalling \$126,687. Corporate advisory expenses to the value of \$117,390 were recognised in the statement of profit or loss and other comprehensive income and \$9,297 was recognised in the statement of changes in equity.

On 22 October 2019, the Group agreed to provide \$1,400,000 as a bonus to Sundance Resources Ltd for securing written consent of all Noteholders to extend the end date of the Sundance Transaction from 31 December 2019 to 30 June 2020. On 24 December 2019, the Group issued 107,692,308 shares to Sundance at a deemed issue price of \$0.013 per share totalling \$1,400,000. As the completion of the Sundance Transaction did not occur before 30 June 2020, this payment has been recognised in the statement of profit or loss and other comprehensive income.

(b) Unlisted Options

As at 30 June 2020, the Group had 79,000,000 unlisted options on issue (30 June 2019: 125,000,000).

Expiry date	Exercise Price	Balance at 1 July 2019	Granted/ Exercised during the period	Cancelled/ lapsed during the period	Balance at 30 June 2020
17 April 2020	\$0.04	20,000,000		(20,000,000)	-
30 Nov 2019	\$0.02	65,000,000	-	(65,000,000)	-
30 Nov 2020	\$0.03	40,000,000	-	-	40,000,000
31 Jan 2021	\$0.02	-	9,000,000	-	9,000,000
12 June 2021	\$0.02	-	30,000,000	-	30,000,000
		125,000,000	39,000,000	(85,000,000)	79,000,000
Weighted average exercise price		\$0.03	\$0.02	\$0.02	\$0.03

On 31 January 2020, the Group issued 9,000,000 free-attaching unlisted options to non-related parties as settlement of supplier invoices. The 9,000,000 free-attaching options were deemed at nil value.

On 16 June 2020, the Group issued 30,000,000 unlisted options as settlement of a legal claim from an unrelated party in relation to an alleged breach of agreement. The fair value of the options issued was calculated at \$0.002 using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The value of the options of \$60,000 was recognised within other expenses in the statement of profit or loss and comprehensive income for the year ended 30 June 2020.

The valuation was determined using the following inputs:

	Options
Number of options issued	30,000,000
Grant date share price (cents)	\$0.013
Exercise price (cents)	\$0.020
Expected volatility	75%
Option life	1 year
Dividend yield	-
Risk-free interest rate	0.81%
Valuation per option	\$0.0020
Total valuation	\$60,000

During the year, 65,000,000 unlisted options exercisable at \$0.02 each and 20,000,000 unlisted options exercisable at \$0.04 expired unexercised.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.64 years (2019: 0.8 years)

24. Financial Risk Management

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits. The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, foreign currency risk and liquidity risk. The Group does not speculate in the trading of derivative instruments. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates.

Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts. The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

Risk Exposures and Responses**Interest rate risk**

The Group's exposure to risks of changes in market interest rates relates primarily to the Group's cash balances. The Group constantly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities. The decision on how the Group will raise future capital will depend on market conditions existing at that time. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. Trade payables were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

24. Financial Risk Management (continued)*Maturities of financial liabilities*

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Consolidated	Less than 1 year \$	1 - 5 years \$	5+ years \$	Total contractual cash flows \$	Carrying amount \$
As at 30 June 2020					
Trade and other payables	1,633,145	-	-	1,633,145	1,633,145
Lease liabilities	291,722	281,131	-	572,853	572,853
Borrowings	300,000	-	-	300,000	300,000
	<u>2,224,867</u>	<u>281,131</u>	<u>-</u>	<u>2,505,998</u>	<u>2,505,998</u>
As at 30 June 2019					
Trade and other payables	646,496	-	-	646,496	646,496
	<u>646,496</u>	<u>-</u>	<u>-</u>	<u>646,496</u>	<u>646,496</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise deposits with banks and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the statement of financial position represents the Group's maximum exposure to credit risk in relation to those assets.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

There are no significant concentrations of credit risk within the Group.

Capital Management Risk

Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues. There have been no changes in the strategy adopted by management to control capital of the Group since the prior year.

Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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 risk is measured using sensitivity analysis and cash flow forecasting.

24. Financial Risk Management (continued)**Foreign Currency Risk (continued)**

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2020	2019	2020	2019
Chinese Yuan	1,718,084	2,012,557	52,782	91,567
US Dollar	17	4,109	-	-
	1,718,101	2,016,666	52,782	91,567

Foreign currency sensitivity analysis

The sensitivity analyses of the Group's exposure to foreign currency risk at the reporting date has been determined based on a change of 10% in the value of the Australian dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

At reporting date, if the Australian dollar was 10% stronger and all other variables were constant, the Group's net loss after tax would have decreased by \$166,532 (2019: \$192,510) with a corresponding decrease in equity. Where the Australian dollar weakened, there would be an equal and opposite impact on the loss after tax and equity.

Fair Value Measurement

The fair value of financial assets and financial liabilities for investment not measured at fair value on a recurring basis, approximates their carrying value at balance date. Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

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

The following tables shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at 30 June 2020 and 30 June 2019:

	30 June 2020 Fair value \$	30 June 2019 Fair value \$	Fair value hierarchy	Valuation technique
Financial assets designated at fair value through other comprehensive income	-	1,050,000	Level 3 (2019: Level 2)	Net Asset Valuation (2019: Quoted market prices in an active market)

Financial assets designated at fair value through other comprehensive income relate to shares held in Sundance Resources Ltd (ASX: SDL) who have been suspended from official quotation since 7 September 2018.

As at 30 June 2020 the shares have been valued by reference to the Independent Expert Report (IER) for Sundance Resources Ltd dated 21 May 2020 prepared by Pendragon Capital Limited. Directors have considered the IER determined the fair value of the shares as nil.

As at 30 June 2019 the shares have been valued previously based on the last share issue on 24 September 2019 at \$0.00375 cents.

The Directors consider that the carrying amounts of current receivables and current payables are a reasonable approximation of their fair values.

24. Financial Risk Management (continued)

Movement in financial assets designated at fair value through other comprehensive income:

	30 June 2020 \$	30 June 2019 \$
Opening balance	1,050,000	-
Additions	2,700,000	1,120,000
Fair value movement through other comprehensive income	(3,750,000)	(70,000)
	-	1,050,000

25. Events Subsequent to Year EndSundance Transaction

On 6 July 2020, AustSino announced the further extension of the New SDL Agreement beyond its expiry date of 30 June 2020 to 30 September 2020, through a new extension letter agreement with Sundance. This extension letter then became effective upon the noteholders in Sundance later accepting its terms. Refer to the ASX announcement on 7 July 2020 for the terms and conditions of the extension.

On 10 July 2020, the Company lodged a draft notice of meeting ('Notice') with the Australian Securities Exchange ("ASX") for their approval.

On 29 July 2020, Sundance formally obtained the approval of its shareholders in general meeting for AustSino to acquire control of Sundance pursuant to the New SDL Agreement.

Capital Raising

On 9 July 2020, the Company announced that it had entered into a binding subscription agreement with Midwest Resource Finance Group Pty Ltd (Midwest) pursuant to which Midwest has agreed to subscribe for 7,692,307,693 ANS shares at an issue price of \$0.013 per share to raise \$100 million (the Midwest Placement).

Midwest is a proprietary company incorporated in Australia whose sole director is Mr Chun Ming Ding, the Executive Chairman of the Company. The Midwest Placement effectively replaces the lapsed WAPRC Transaction and is subject to a number of conditions precedent.

Over the course of July and August 2020, the Company successfully raised the following capital to support its ongoing commitment to Sundance and to provide general working capital. The Company issued fully paid ordinary AustSino shares at an issue price of \$0.013:

- 20 July 2020 - Placement of \$1,053,000 and issued 81,000,000 fully paid shares
- 18 August 2020 - Placement of \$1,137,500 and issued 87,500,000 fully paid shares

The Company issued a further 8,425,000 fully paid ordinary shares and 35,000,000 unlisted options to a non-related party for the provision of services in connection with the Placement on 18 August 2020.

The Company also issued 15,000,000 unlisted options on 18 August 2020 to a non-related party as settlement of a supplier invoice related to working capital expenses in lieu of cash payment.

ASX Extension

On 7 September 2020, the Company received notification from the ASX that it has granted AustSino a three-month extension, to 7 December 2020, for the deadline for automatic removal of the Company from the Official List. ASX also advised that no further extension will be considered or granted.

Coronavirus (COVID-19)

The impact of the Coronavirus (COVID-19) pandemic is ongoing as at 30 June 2020 and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

25. Events Subsequent to Year End (continued)

Other than the abovementioned matters, no other circumstances have arisen, since the end of the financial year, which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the company in subsequent financial years, other than as outlined in the Company review which is contained in these Financial Statements.