ORA BANDA MINING LIMITED
AND ITS CONTROLLED ENTITIES

ABN 69 100 038 266

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

CORPORATE DIRECTORY AND CONTENTS

Directors

Peter Mansell (Non-executive Chairman)
David Quinlivan (Managing Director)
Keith Jones (Non-executive Director)
Mark Wheatley (Non-executive Director)

Registered & Principal Office Address

Level 2, 220 St Georges Terrace
Perth WA 6000

Telephone:
- Within Australia: 1300 035 592
- Outside Australia: +61 8 6365 4548

Email: admin@orabandamining.com.au
Website: www.orabandamining.com.au

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001

Telephone: 1300 555 159

Auditors

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Securities Exchange Listing

Listed on the Australian Securities Exchange under the trading code **OBM**

DIRECTORS' REPORT

The Directors of Ora Banda Mining Limited ("Ora Banda", "Company" or "OBM") present their report on the results and state of affairs of the Group, being the Company and its controlled entities for the financial year ended 30 June 2019.

DIRECTORS

The names and details of the Group's Directors in office during the financial year and until the date of this report are as follows.

NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES OF DIRECTORS & COMPANY SECRETARIES

Director	Qualifications, experience and special responsibilities
Peter Mansell – Non-executive Chairman **Appointed 22 June 2018**	B.Com, LLB, H. Dip. Tax, FAICD Mr Mansell has extensive experience in the mining, corporate and energy sectors, both as an advisor and independent non-executive director of listed and unlisted companies. Mr Mansell practised law for a number of years as a partner in corporate and resources law firms in South Africa and Australia. *Other current ASX directorships:* • Energy Resources Australia Limited (appointed 26 October 2015) *Former ASX directorships in the last three years:* • Tap Oil Limited (appointed 27 May 2016 / resigned 1 February 2018)
David Quinlivan – Managing Director **Appointed 2 April 2019**	B.App Sci, Min Eng, Grad Dip Fin Serv, FAusImm, FFINSA, MMICA Mr Quinlivan is a mining engineer and principal of Borden Mining Services. He has over 35 years' experience on projects throughout the world including mining and executive leadership experience gained through a number of mining development roles. Mr Quinlivan is a Fellow of the Australian Institute of Mining and Metallurgy, Fellow of the Financial Services Institute of Australia, Member of the Mining Industry Consultants Association and Member of the Institute of Arbitrators & Mediators Australia. *Other current ASX directorships:* • Silver Lake Resources Limited (appointed 25 June 2015)
Keith Jones – Non-executive Director **Appointed 2 April 2019**	B.Bus, FCA, FAICD Mr Jones is a chartered accountant with 38 years' industry experience. He led the Western Australian practice of Deloitte for 15 years, the Energy and Resources group and was Chairman of Deloitte Australia. *Former ASX directorships in the last three years:* • Gindalbie Resources Limited (appointed 27 February 2013 / resigned 23 July 2019)
Mark Wheatley – Non-executive Director **Appointed 2 April 2019**	B.E (Chem Eng Hons 1), MBA Mr Wheatley is a chemical engineer with over 30 years in mining and related industries. He has been involved as a director in both large and small companies and has led a number of listed company exploration and production turnaround stories. *Other current ASX directorships:* • Peninsula Energy Limited (appointed 26 April 2016) *Former ASX directorships in the last three years:* • Xanadu Mines Limited (appointed 9 November 2012 / resigned 29 May 2017)

DIRECTORS' REPORT

Director	Qualifications, experience and special responsibilities
Michael Fotios – Executive Director **Resigned 28 August 2018**	B.Sc (Hons), MAusIMM Mr Fotios is a geologist with over 25 years' experience in exploration throughout Australia in gold, base metals, tantalum, tin and nickel and taking projects from exploration to feasibility. *Former ASX directorships in the last three years:* • Horseshoe Metals Limited (appointed 25 May 2012 / resigned 1 May 2019) • Redbank Copper Limited (appointed 14 September 2012 / resigned 1 May 2019) • Galaxy Resources Limited (appointed 20 April 2006 / resigned 28 December 2016) • General Mining Corporation Limited (appointed 15 June 2016 / resigned 2 September 2016) • Oklo Resources Limited (appointed 29 July 2016 / resigned 24 December 2018) • Scorpion Minerals Limited (appointed 17 December 2009 / resigned 31 October 2018)
Alan Still – Non-executive Director **Resigned 28 August 2018**	AMIM Mr Still is a metallurgist with over 14 years' experience in steelmaking and a further 42 years' mining experience in a variety of commodities. *Other current ASX directorships:* • Horseshoe Metals Limited (appointed 24 June 2014) • Scorpion Minerals Limited (appointed 29 January 2015) *Former ASX directorships in the last three years:* • General Mining Corporation Limited (appointed 21 October 2015 / resigned 9 August 2016)
Craig Readhead – Non-executive Director **Resigned 22 February 2019**	B.Juris, LLB Mr Readhead is a lawyer with over 33 years' experience specialising in the mining and resources sector, including the implementation of large-scale mining projects both in Australia and overseas. *Other current ASX directorships:* • Western Areas Limited (appointed 26 June 2014) *Former ASX directorships in the last three years:* • General Mining Corporation Limited (appointed 28 August 2007 / resigned 21 October 2015) • Redbank Copper Limited (appointed 23 April 2013 / resigned 21 January 2019) • Beadell Resources Limited (appointed 15 April 2010 / resigned 6 March 2019)
Campbell Baird – Non-executive Director **Resigned 22 February 2019**	B.Eng, MAusIMM, AICD Mr Baird has been involved in the mining industry for over 25 years. He has extensive international experience developing projects, and leading multiple feasibility studies across a range of commodities. *Former ASX directorships in the last three years:* • Artemis Resources Limited (appointed 17 August 2015 / resigned 23 June 2017) • Indiana Resources Limited (appointed 15 June 2016 / resigned 8 February 2019)

Joint Company Secretaries

Tony Brazier –
Appointed 2 April 2019

B.Bus, ACA, AGIA, ACIS
Mr Brazier is a chartered accountant with over 25 years' experience across a range of industries. He has extensive experience in project modelling and financing, process optimisation, financial reporting and analysis, corporate governance and risk management.

Susan Hunter –
Appointed 2 April 2019

B.Com, ACA, F Fin, FGIA, FCIS, GAICD
Ms Hunter has over 23 years' experience in the corporate finance industry. She has held senior management positions at Ernst & Young, PricewaterhouseCoopers, Bankwest and Norvest Corporate.

Directors' Interests in the shares and options of Ora Banda Mining Limited

Direct and indirect interests of the Directors and their related parties in the Company's shares and options as at 27 September 2019 were:

Director	Fully paid shares	Unlisted incentive options	Unlisted performance options	Unlisted remuneration options
Peter Mansell	1,666,667	1,777,778	-	385,000
David Quinlivan	1,366,667	1,185,185	1,300,000	256,667
Keith Jones	666,667	1,185,185	-	256,667
Mark Wheatley	400,000	1,185,185	-	256,667

OPERATING AND FINANCIAL REVIEW

This review provides an overview of the Group's operations, financial position, business strategies and prospects.

The review also provides contextual information, including the impact of key events that have occurred during the year and material business risks faced by the business to allow shareholders to make an informed assessment of the results and prospects of the Group.

1. Operating Review

Principal Activities and Significant Changes in those Activities

The principal activity of the Group during the financial year was mineral exploration and evaluation, both open pit and underground gold mining combined with processing activities at the Davyhurst gold project. Care and maintenance of its historically producing gold mine at the Mt Ida gold project remained ongoing.

In late August and early September 2018, the Company announced it had completed a systematic winding down of all activities at the Davyhurst gold project, including underground mining at Golden Eagle and all other surface mining operations.

Further information is provided in *Significant Changes in the State of Affairs* below.

2. Operating Financial Results

The Group's financial performance and result is attributable to its ongoing exploration, evaluation, development and corporate administration costs. The result includes $32 million in other income arising from debt forgiveness pursuant to the terms of a Deed of Company Arrangement ('DOCA').

The Group's net profit after tax for the year was $8,074,000 (30 June 2018: net loss of $85,922,000).

Financial Position

At 30 June 2019 total Group assets were $53,044,000 (30 June 2018: $46,032,000) and net assets were $35,368,000 (30 June 2018: net liabilities of $35,977,000).

Liquidity and Capital Resources

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the five years to 30 June 2019:

Performance Measures	FY 2019 $	FY 2018 $	FY 2017 $	FY 2016 $	FY 2015 $
Net assets/(liabilities)	35,368,000	(35,977,000)	11,115,000	4,164,000	(40,897,000)
Current assets	14,710,000	3,544,000	8,030,000	16,669,000	261,000
Cash	14,142,000	5,000	44,000	15,401,000	52,000
Contributed equity	350,519,000	287,168,000	251,282,000	228,343,000	168,040,000
Accumulated losses	(328,181,000)	(336,255,000)	(250,333,000)	(232,231,000)	(214,229,000)
Net profit/(loss) before tax	8,233,000	(86,390,000)	(18,103,000)	(18,011,000)	(7,702,000)
Share price at start of year	0.11	0.37	0.43	0.15	0.15
Share price at end of year	0.16	0.11	0.37	0.43	0.15
Profit/(loss) per share	0.11	(1.69)	(0.03)	(0.08)	(0.08)

3. Key Developments

Significant Changes in the State of Affairs

1. On 8 August 2018 the Group entered into a repayment plan with the ATO in relation to a debt of $421,689. The final payment of $321,689 required under the plan was made on 31 August 2018.

2. On 13 August 2018 the Group announced a settlement had been agreed with GR Engineering Services Limited ('GRES') involving the payment of cash to GRES and the issue of shares to the total value of $8.25 million inclusive of GST, payable in three tranches. On 4 November 2018 the Group reached agreement with GRES that the final instalment would be paid on or before 30 November 2018. The payment was not made and, as a result, the settlement was terminated. On 14 February 2019 the Group announced that GRES had agreed to the terms and conditions of a DOCA under which GRES would receive cash and scrip consideration for a portion of its admitted claim.

3. On 16 August 2018 a Deed of Settlement was executed between the Group and Eureka Mine Constructions Pty Limited, which required payment to Eureka of $150,000 by 20 September 2018. The payment was not made.

4. On 28 August 2018 Hawke's Point acquired the outstanding debt owed by the Group to Investec, pursuant to the Investec Debt Facility, as well as the assignment of the Syndicated Facility Agreement (and associated security documents), from Investec.

5. On 3 September 2018 all mining and processing activities were suspended to reduce spending, whilst a proposed recapitalisation plan was developed.

Significant Changes in the State of Affairs (Continued)

6. On 27 September 2018 the Group raised an additional $8.75 million from the issue of convertible notes to each of Hawke's Point, Donald Smith Value Fund LP, National Nominees Limited (as nominee for Perennial Value Microcap Opportunities Fund) and Wyllie Group Pty Limited.

7. On 28 September 2018 the Group announced a $75 million recapitalisation plan. This plan included a restructured board and leadership team, and a $5 million entitlements issue to existing shareholders. The $75 million recapitalisation plan included:

   a. $8.75 million interim funding via the issue of secured convertible loan notes;
   b. $36.8 million placement to sophisticated, professional and institutional investors;
   c. Up to $17.5 million of in-kind services to be performed by Adaman Resources Pty Limited; and
   d. Conversion of the Syndicated Facility of $9.6 million and certain trade creditors of $2.5 million.

8. On 27 November 2018 the Group announced that the $75 million recapitalisation plan would not proceed.

9. On 29 November 2018 the Group resolved to appoint Martin Jones and Andrew Smith of Ferrier Hodgson as Joint and Several Administrators of the Group.

10. On 18 January 2019 the Administrators received a Deed of Company Arrangement ('DOCA') proposal from Hawke's Point. The proposed DOCA included the following key features:

Key Elements	DOCA Proposal
Purpose	• Ensure that creditors of the Companies receive a better return than in liquidation. • Facilitate a capital raising for the Companies of not less than $22 million, expected to comprise a rights issue, issue of convertible notes and placement of shares. • Minimise holding costs and reducing the further administrators' fees that may be incurred. • Ensure that, at the conclusion of the DOCA process, the Group is sufficiently funded to pursue a resource development and mine planning programme.
Creditors Trust	A creditors' trust will be established for the purposes of the DOCA, named Eastern Goldfields Creditors' Trust.
Contributions	The funds available for distribution to creditors of the Companies out of the Creditors' Trust will be an amount of up to $7.3 million out of proceeds of the Capital Raising.
Capital raising	Not less than $22 million shall be raised to: satisfy the obligations of the Companies under the DOCA; and • provide the Companies with adequate working capital to advance its business post administration. It is intended that this amount shall be raised via any or all of the following (each carried out by OBM): • a one-for-one rights issue priced at one cent per share, which will be underwritten as to at least 25% (inclusive of its entitlement amount) by Hawke's Point or such lesser percentage as required to ensure it is fully underwritten (Rights Issue); • an offering of: o secured convertible notes ('New Convertible Notes'), to be converted at one cent per share; and o ordinary shares ('Placement Shares') to be issued via a placement. Capital Raising participants subscribing for Placement Shares, if any, shall escrow their subscription funds contemporaneous with the funding of the New Convertible Notes; and • such other equity and/or debt capital raising as the directors of OBM, the Deed Administrators and Hawke's Point agree, having regard to the objects of the DOCA. Finalisation of the Capital Raising will be subject to the Deed Administrators and the directors of OBM being satisfied that the events subsequent to completion of the DOCA will occur, including the passing of certain shareholder approvals for OBM.

DIRECTORS' REPORT

<table>
<tr><th>Key Elements</th><th>DOCA Proposal</th></tr>
<tr><td></td><td></td></tr>
<tr><td>Position of Creditors</td><td>Creditors' claims are to be dealt with in the following categories of creditor:

a) Employee entitlements;
b) Debts due to government and statutory authorities;
c) Supporting Creditors;
d) PPSR Secured Creditors;
e) Non-Supporting Creditors – Pool A;
f) Non-Supporting Creditors – Pool B.

To the extent that there are any arrears or other amounts due and payable to employees with respect to wages and other employee entitlements, the debts due to employees will be paid in full. To the extent that any government or statutory authority or regulator is a creditor, and the non-payment of the debt to that authority or regulator puts at risk any of the assets of the Companies, such debts will be paid in full.

Supporting Creditors and PPSR Secured Creditors will not participate as creditors/beneficiaries under the Creditors' Trust. Supporting Creditors are defined as the creditors specified at 1 to 8 below with whom the Companies seek to have an ongoing commercial relationship and to whom offers of securities can be made without disclosure under Chapter 6D of the Act and who agree to accept:

• a cash payment out of the Capital Raising equal to 22c/$ of 60% of each Supporting Creditor's agreed claim amount; and
• to convert the remaining 40% of their respective agreed claims to equity in OBM fully paid ordinary shares at the rate of one cent per share,

in full satisfaction of the respective debts owed to them by the Companies.

1) Aggreko Generator Rentals Pty Limited – to the extent of $674,795.70;
2) GR Engineering Services Limited – to the extent of $11,554,660.81;
3) Pit N Portal Mining Services Pty Limited – to the extent of $14,482,318.50;
4) Ralmana Pty Limited t/as R J Vincent & Co – to the extent of $3,461,378.19;
5) Squire Patton Boggs (AU) – to the extent of $1,930,300.29;
6) Gilbert & Tobin – to the extent of $1,190,932.45;
7) Seismic Drilling Pty Limited – to the extent of $854,060.36; and
8) Junile Nominees Pty Limited t/as Red Dirt Personnel Group – to the extent of $679,152. (together the Supporting Creditors).

Supporting Creditors will be paid out of the Capital Raising proceeds and by the Deed Administrators at conclusion of the DOCA.

PPSR secured creditors will be serviced in the ordinary way and will not participate under the Creditor's Trust.</td></tr>
<tr><td>Dividends and order of distribution</td><td>Other unsecured creditors will be split into Pool A and Pool B, subject to whether the claimed debt is greater or less than $50,000. Pool A creditors are those that are owed less than $50,000. They will be paid up to 100 cents in the dollar. Pool B creditors are those that are owed greater than $50,000. They will be paid $50,000 plus a pro-rata share of the funds available in the Creditors trust, which is estimated at $3.9 million.</td></tr>
</table>

Key Elements	DOCA Proposal
Secured Creditor	Hawke's Point will agree to: • take up its entitlements under the Rights Issue in full and underwrite the Rights Issue to the extent of at least 25% (inclusive of its entitlement) or such lesser percentage as required to ensure the Rights Issue is fully underwritten; • subscribe to at least 25% of the New Convertible Notes or such lesser percentage as required to ensure that the offering of New Convertible Notes is fully subscribed; and • subsequent to the Rights Issue closing, convert its secured debt (being both its loan facility and its holding of the convertible notes issued 28 September 2018 ('Existing Convertible Notes') into equity at the rate of one cent per share, subject to the approval of the shareholders of OBM at the shareholders meeting to be held after completion of the DOCA, with such conversion to occur simultaneously with the conversion of the New Convertible Notes and the issue of the Placement Shares. Wyllie Group Pty Limited, National Nominees Limited (as nominee for Perennial Value Microcap Opportunities Fund) and Donald Smith Value Fund LP (the Other Secured Creditors), who agree to convert the secured debt under their existing convertible notes into equity at the rate of one cent per share, subject to the approval of the OBM shareholders at the shareholders meeting to be held after completion of the DOCA, with such conversion to occur simultaneously with the conversion of the new convertible notes and the issue of the Placement Shares.
Termination	In the event that completion does not occur by 30 April 2019 or such other date as agreed between Hawke's Point and the Deed Administrators, the Deed Administrators may: • Cause the Companies to be placed into liquidation; and/or • Convene a meeting of creditors to vary or terminate the DOCA.
Key Conditions and Subsequent Events	The DOCA will complete on the date which is two business days after satisfaction of the last of the following Conditions Precedent: (a) That the creditors of the Companies approve the DOCA; (b) The creation of the Creditors' Trust; (c) The entry into any requisite new contracts or amendments to existing contracts, in each case to be negotiated in good faith, between Supporting Creditors (or any of their respective associated entities) and the Companies (or an associated entity) in respect of their ongoing commercial relationship on terms reasonably acceptable to both parties; (d) The appointment of the interim managing director; and (e) The receipt by the Companies of no less than: a. $22 million from the Capital Raising (other than the funds that are to be received in respect of the issue of Placement Shares, which shall be held in escrow pending shareholder approval); and b. $19 million (of that sum of $22 million) to be raised from the New Convertible Notes and Rights Issue; (f) The Conditions Precedent: a. at (a) above can be waived by Hawke's Point (ie: if entry into the DOCA is not approved by all of the Companies); b. at (e)(b) can be waived by agreement between Hawke's Point and the Administrators if they are satisfied that sufficient funds are available to the Companies to enable completion to occur; c. are otherwise for the benefit of Hawke's Point and the Administrators and may only be waived by mutual agreement between Hawke's Point and the Administrators in writing; (g) Upon completion occurring: a. the DOCA will terminate; b. the control of the Companies will return to the New Directors; c. the sum of $7.3 million out of the Capital Raising will be paid to the Trustee of the Creditors' Trust; d. the sums due to Supporting Creditors will be paid out of the Capital Raising by the Deed Administrators; and

Key Elements	DOCA Proposal
	e. the claims of all creditors except for the PPSR Secured Creditors against the Companies will be released, and creditors other than Supporting Creditors will only be entitled to participate as beneficiaries under the Creditors' Trust; (h) Events subsequent to completion: a. The shareholders of OBM will approve (to the extent required): (1) the conversion of debt to equity by the Supporting Creditors; (2) the conversion of the Proponent's Secured Debt and the secured debt of the Other Secured Creditors; (3) the conversion of the New Convertible Notes; (4) the issuance of the Placement Shares; (5) the effectuation of the Directors LEIP (if necessary); b. The Notice of Meeting seeking the shareholder approvals above will include an independent expert's report stating whether, in the expert's opinion, the conversion of Hawke's Point's Secured Debt to equity is fair and reasonable to shareholders; c. The Companies will change their name to a new name to be agreed by the directors to whom control is being returned at completion;

11. On 1 February 2019, at the second meeting of creditors of the Group, it was resolved that the DOCA proposal received on 18 January 2019 from Hawkes Point I Limited, be executed. The DOCA was executed by the Proponent, the other secured creditors and the Administrators of the Company on 12 February 2019.

12. On 7 February 2019, a Deed of Settlement and Termination was agreed with Intermin Resources Limited covering the Menzies and Goongarrie farm in joint venture with the project returning to Intermin Resources Limited on a 100% basis. An off the market sale was also arranged for the remaining Intermin Resources Limited shares held by the Company.

13. On 30 April 2019 the Company issued a prospectus for the proposed recapitalisation of the Company including the following features:

Key Elements	Recapitalisation Summary
Purpose	The purpose of the recapitalisation was to: • Extinguish all the current debt obligations of the Group owing as at 28 November 2018 (being the date immediately prior to the date that voluntary administrators were appointed to the Company); and • Provide the Group with sufficient capital to execute its future business plans.
Recapitalisation process	The Company completed the following steps to recapitalise the Company: • Conducted the Capital Raising; • Issued shares pursuant to the Capital Raising (except Placement Shares); • Held the General Meeting to approve all resolutions in relation to, amongst other things, issue shares in connection with the Capital Raising and the Debt Repayment; • Issued shares to various creditors to satisfy claims (and issue Placement Shares); and • Satisfied ASX that its shares should be reinstated to trading on ASX.
Capital raising	Under the Recapitalisation, the Company is undertaking a capital raising to raise no less than $30 million and up to $40 million which will be completed prior to the Company's Shares being reinstated to trading on ASX. The Capital Raising comprises: • A 1 for 1 non-renounceable entitlement offer priced at 1 cent per share to raise up to approximately $7.6 million, which is available to existing Eligible Shareholders (Entitlement Offer); • An offer of shares not subscribed for under the Entitlement Offer, which is available to existing Shareholders and new investors (Shortfall Offer); • An offering of convertible notes (New Convertible Notes) raising up to $38.7 million, available to sophisticated and professional investors (the amount to be reduced to the extent that existing Eligible Shareholders take up their entitlements under the Entitlement Offer and Shortfall Offer and new investors to subscribe for Shares under the Shortfall Offer and Placement Offer). The New Convertible Notes will automatically convert following Shareholder approval at 1 cent per share; and

Key Elements	Recapitalisation Summary
	• An offer of shares priced at 1 cent per share to raise up to $4 million, with the shares to be issued following receipt of Shareholder approval (Placement Offer).
Underwriting	Three of the Directors have agreed to partially underwrite the Entitlement Offer as follows: **Director** — **Underwritten Amount** Peter Mansell — $250,000 Keith Jones — $100,000 David Quinlivan — $100,000
Lead Manager Offer	The Company is offering up to 165,000,000 options to the Lead Manager appointed to manage the Capital Raising as part consideration for their facilitation of the Capital Raising and assistance with the recapitalisation. The Lead Manager will also be issued with 30,000,000 shares as consideration for facilitating the Capital Raising.
Noteholder Offer	Consistent with the terms of the Existing Convertible Note Deeds, the Company is offering 43,750,000 options to the Secured Creditors.
Debt and Convertible Notes	The Company and the Secured Creditors have agreed, subject to Shareholder approval, for the Company to issue shares (and the Noteholder Options) to the Secured Creditors (and/or their nominees) in full satisfaction of claims under the Existing Convertible Notes in accordance with the DOCA. The Company and Hawke's Point have agreed, subject to Shareholder approval, for the Company to issue shares to Hawke's Point (and/or their nominees) in full satisfaction of claims under the Secured Hawke's Point Debt in accordance with the DOCA. The Supporting Creditors have agreed to accept a cash payment out of the Capital Raising equal to 22 cents in the dollar for 60% of each such Supporting Creditor's agreed claim amount and, subject to shareholder approval, convert the remaining 40% of their respective agreed claims to shares in full satisfaction of the respective debts owed to them by the Company. The sum of $4.6 million will be paid from the proceeds of the Capital Raising to the Supporting Creditors in full satisfaction of 60% of those creditors' compromised claims. Subject to Shareholder approval, the Company will issue up to 1,393,103,932 shares at a deemed issued price of 1 cent per share to the Supporting Creditors in full satisfaction of 40% of their total remaining claims of approximately $34.8 million.

14. On 27 May 2019 the conditions precedent were satisfied and the DOCA was effectuated. On effectuation of the DOCA, control of the Company reverted to the Directors of the Company.

15. On 7 June 2019 shareholders approved a share consolidation on a 1 for 15 basis of the ordinary shares on issue.

16. On 7 June 2019 all resolutions put to the Annual General Meeting of the Shareholders were carried.

17. On 28 June 2019 Ora Banda relisted on ASX which completed the recapitalisation of the Company.

SIGNIFICANT EVENTS AFTER REPORTING DATE

1. The Company's planned exploration drilling programme and high impact resource drill out programme have commenced.
2. On 16 August 2019 Ora Banda completed a successful placement to raise $18.5 million to accelerate its high-grade gold resource, reserve and exploration definition programmes in the eastern goldfields region of WA.

Apart from the above, no other matters have arisen since the end of the financial year that impact or are likely to impact the results of the Group in subsequent financial periods.

DIVIDENDS

No amounts were paid or declared by way of dividend since the end of the previous financial year. The Directors do not recommend the payment of a dividend in respect of the current financial year.

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option as at 27 September 2019 are as follows:

Date options granted	Number of unissued ordinary shares under option	Exercise price of options	Expiry date of the options
Various (i)	1,468,334	$2.8350	8 March 2020
31 January 2018	2,178,331	$3.3375	31 January 2023
31 January 2018	2,178,331	$2.9625	31 January 2023
2 February 2018	66,667	$6.1875	2 February 2021
2 February 2018	509,500	$3.1125	2 February 2021
Various (ii)	3,854,862	$3.3375	2 February 2023
Various (ii)	3,854,862	$2.9625	2 February 2023
11 June 2019	2,916,667	$1.1250	11 June 2023
11 June 2019	7,666,667	$0.2625	11 June 2021
11 June 2019 (iii)	1,155,001	Nil	11 December 2020
11 June 2019 (iv)	5,333,333	Nil	Various
11 June 2019 (v)	1,300,000	Nil	Various
28 June 2019 (vi)	11,251,358	Nil	Various

(i) Consists of options provided to employees, directors and as consideration for tenements acquired. The issue dates of these options were 30 December 2015, 4 April 2016 and 3 May 2016;
(ii) Consists of options issued to Hawke's Point, as participants under the rights issue (including pursuant to underwriting arrangements). The issue dates of these options were 9 February 2018, 27 February 2018 and 14 March 2018.
(iii) These Remuneration Options represent 35% of the Directors' salaries issued in lieu of the payment of the Directors' salaries in cash. They are issued for nil consideration and with zero exercise price, exercisable after one year of service to the Company and expiring 18 months from the date of grant.
(iv) These Incentive Options are eligible to vest in three tranches on 30 June 2020, 30 June 2021 and 30 June 2023 subject to the satisfaction of the vesting conditions outlined in the Remuneration Report.
(v) These Performance Options are eligible to vest in four tranches beginning 30 June 2019, subject to the satisfaction of the vesting conditions outlined in the Remuneration Report.
(vi) These represent options issued under the Group's Employee Share Scheme to various Key Management Personnel.

The following ordinary shares of the Company were issued during or since the end of the financial year as a result of the exercise of an option:

Date issued	Number of ordinary shares issued	Amount paid per share
25 September 2018	5	$0.275
25 September 2018	7	$0.25

MEETINGS OF DIRECTORS

The number of meetings of the Board of Directors held during the year and the number of meetings attended by each Director was as follows:

	Board of Directors		Remuneration & Nomination Committee		Audit & Risk Management Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Peter Mansell	19	18	1	1	1	1
David Quinlivan	3	3	-	-	-	-
Keith Jones	3	3	1	1	1	1
Mark Wheatley	3	3	1	1	1	1
Michael Fotios	13	13	-	-	-	-
Craig Readhead	16	16	-	-	-	-
Alan Still	13	13	-	-	-	-
Campbell Baird	16	16	-	-	-	-

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the remuneration arrangements in place for Key Management Personnel of the Group which includes Non-executive Directors and Executives in accordance with the requirements of the Corporations Act 2001 and its regulations. The remuneration structures of the Group have been supported by the shareholders based on the Annual General Meeting (AGM) voting results. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001.

For the purposes of this report, Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company. Unless otherwise indicated, all Key Management Personnel held their position throughout the financial year and up to the date of this report.

The Report details the remuneration arrangements for the Group's Key Management Personnel (KMP) including Non-executive Directors, Executive Directors and Senior Executives:

Name	Position	Term as KMP
Non-executive Directors		
Peter Mansell	Non-executive Chairman	Full financial year
Keith Jones	Non-executive Director	Appointed 2 April 2019
Mark Wheatley	Non-executive Director	Appointed 2 April 2019
Craig Readhead	Non-executive Director	Resigned 22 February 2019
Campbell Baird	Non-executive Director	Resigned 22 February 2019
Alan Still	Non-executive Director	Resigned 28 August 2018
Executive Directors		
David Quinlivan	Managing Director	Appointed 2 April 2019
Michael Fotios	Executive Director	Resigned 28 August 2019
Senior Executives		
Tony Brazier	Chief Financial Officer & Company Secretary	Appointed 7 January 2019
Andrew Czerw	General Manager – Resource Development	Full financial year

Principles used to determine the nature and amount of remuneration

Directors and executives' remuneration
Overall remuneration policies are determined by the Board of Directors and are adapted to reflect competitive market and business conditions. Within this framework, the board considers remuneration policies and practices generally, and determines specific remuneration packages and other terms of employment for executive Directors and senior management. Executives may be provided with longer-term incentives through participation in option schemes, which serve to align the interests of the executives with those of shareholders. Executive remuneration and other terms of employment are reviewed annually by the Board to ensure alignment to the market and the Company's stated objectives and must be:

1. Competitive and reasonable, enabling the Company to attract and retain high calibre talent;
2. Aligned to the Company's strategic and business objectives and the creation of shareholder value;
3. Transparent and easily understood; and
4. Acceptable to shareholders.

Executive remuneration combines fixed and variable components as follows:

- Fixed – Fixed remuneration in the form of a base salary, superannuation and other benefits;
- Variable – Short term incentives (STI), in the form to be determined by the Board from time to time; and
- Variable – Long term incentives (LTI), in the form to be determined by the Board from time to time.

The relative proportion of targeted total remuneration between fixed and variable (STI and LTI) remuneration for Executives is as follows:

Executive	Fixed Remuneration (% of total remuneration)	Target STI (% of total remuneration)	Target LTI (% of total remuneration)
Managing Director	40%	20%	40%
Other Executives	40%	20%	40%

STI Plan
The purpose of the STI plan is to link the achievement of key Company targets with the remuneration received by those Executives charged with meeting those targets. The STI Plan is structured so that Executives have the opportunity to earn a cash and/or equity bonus if certain key performance indicators (KPIs) are achieved. The Company must be cash flow positive from normal operating and sustaining capital activities for the applicable performance period for any cash STI to be paid.

The terms of the STI plan (including any KPIs) for a financial year, will be determined in the first quarter of that financial year and communicated to the applicable Executives.

The maximum target STI opportunity for Executives is as follows:

Executive	Target STI Opportunity – Cash	Target STI Opportunity – Equity
Managing Director	50% of fixed remuneration	75% of fixed remuneration
Other Executives	50% of fixed remuneration	75% of fixed remuneration

LTI Plan
Participation in the LTI plan will take the form of a grant of incentives (being either performance rights and/or options) under the Company's 2019 Long Term Incentive Plan (or such other similar plan in existence from time to time). The grant of incentives, including the terms attaching to the grant, will be determined annually by the Board and shall be consistent with the rules of the 2019 Long Term Incentive Plan (or such other similar plan in existence from time to time). Typically, the vesting period for incentives granted under the LTI plan will be three years.

Non-executive Directors' remuneration
The Company's Policy is to remunerate Non-executive Directors ('NEDs') at market rates (for comparable companies) for time commitment and responsibilities. Fees for Non-executive Directors are not linked to the performance of the Company, however to align Directors' interests with those of shareholders, Directors are encouraged to hold shares in the Company. The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to NEDs of comparable companies.

Payments to Non-executive Directors reflect the demands that are made on, and the responsibilities of the NEDs. Non-executive Directors' fees and payments are reviewed annually by the Board. The Company's constitution and ASX Listing Rules specify that the NED fee pool shall be determined from time to time at a general meeting of shareholders.

In accordance with current corporate governance practices, the structure for the remuneration of Non-executive Directors and senior executives is separate and distinct. Shareholders approve the maximum aggregate remuneration for Non-executive Directors. On 7 June 2019 shareholders approved the current limit of $850,000. The Board determines the actual payments to Directors. The remuneration of Directors (inclusive of all committee fees and exclusive of superannuation) for the year ended 30 June 2019 have been set at $165,000 for the Chair and $110,000 for other Directors.

Remuneration Options
Further to the significant effects in helping to drive the recapitalisation and rebirth of the Company and in recognition of the need for the Company to preserve cash, prior to the Company entering into commercial production, the Directors have agreed to take 35% of their salary in non-cash form, specifically in options (Remuneration Options). The number of Remuneration Options has been calculated with each Remuneration Option having a value of 1 cent (pre-consolidation) and based on an annual salary of $165,000 for the Chair and $110,000 for the other Directors. Pursuant to this structure, the Directors' cash salaries will be reduced to $107,250 for the Chair and $71,500 for the other Directors.

As the Remuneration Options are issued in lieu of the payment of Directors' salaries in cash, Remuneration Options are issued for nil consideration and with an exercise price of nil, exercisable after one year of service to the Company and expiring 18 months from the date of grant.

The Remuneration Options have been accounted for as a share based payment and have been fair valued at grant date, which was when the awards were approved by shareholders.

Incentive Options
To appropriately incentivise the continued performance of Directors and Executives and to align their interests with those of the Shareholders and the strategic goals and targets of the Company, the Company also considers it appropriate to grant Options to the Directors and Executives which are subject to vesting conditions (Incentive Options) and an exercise price of nil. Each Incentive Option entitles the Director or Executive to one ordinary share in the Company on vesting and exercise. Prior to vesting and exercise, Incentive Options do not entitle the Director or Executive to any dividends or voting rights.

Incentive Options will be eligible to vest in three tranches subject to satisfaction of the vesting conditions outlined below:

Percentage of Incentive Options granted to Directors	Incentive Option Vesting Conditions	Incentive Option Expiry Date
33.33%	Incentive Options will vest if at any time prior to the Incentive Option expiry date, the Company's Share Price is 18 cents or higher (post consolidation), calculated over a 10 trading day VWAP.	30 June 2020
33.33%	Incentive Options will vest if at any time prior to the Incentive Option expiry date, the Company's Share Price is 22.5 cents or higher (post consolidation), calculated over a 10 trading day VWAP.	30 June 2021
33.33%	Incentive Options will vest if at any time prior to the Incentive Option expiry date, the Company's Share Price is 30 cents or higher (post consolidation), calculated over a 10 trading day VWAP.	30 June 2023

Performance Options

To appropriately incentivise the continued performance of the Executive Director and to align his interest with those of the Shareholders and the strategic goals and targets of the Company, the Company also considers it appropriate to grant Options to the Managing Director which are subject to vesting conditions (Performance Options). Each Performance Option entitles the Director to one ordinary share in the Company on vesting and exercise. Prior to vesting and exercise, Performance Options do not entitle the Director to any dividends or voting rights. Performance Options have an exercise price of nil.

Performance Options will be eligible to vest in four tranches subject to the satisfaction of the vesting conditions outlined below:

Percentage of Options granted to Directors	Performance Option Vesting Condition	Performance Option Expiry Date
35%	The Company's shares being reinstated to trading on ASX	30 June 2019[1]
35%	Delivery of a bankable feasibility study	30 June 2020
15%	Actual operational and financial performance against the plan outlined in the prospectus.	Measured upon David Quinlivan ceasing to be Managing Director
15%	Safety record meets or exceeds mining industry key performance indicators.	Measured upon David Quinlivan ceasing to be Managing Director

1. Options vested and were converted to ordinary shares on 11 July 2019

Vesting of Performance Options will be determined by the Board following completion of testing. Any tranche of Performance Options that do not vest will lapse.

Where a Director ceases to be a director of the Company, unless the Board determines otherwise:

a) All of the unvested Incentive Options will lapse;
b) All of the vested Incentive Options will lapse if the Director has not exercised them within 30 days from the date they cease to hold the office of a director.

Contracts with Key Management Personnel

David Quinlivan – Managing Director

Mr Quinlivan is employed under a Contract for Services with Borden Mining Services Pty Limited which commenced on 1 December 2018. Mr Quinlivan receives the following remuneration:

- A monthly retainer fee of $25,000 plus superannuation, together with reasonable out of pocket expenses incurred on a direct basis;
- The issue of 2,000,000 OBM Performance Options. The options have various vesting conditions and are each convertible into one fully paid ordinary share at no cost.

The term of the agreement is six months from the commencement date being 1 December 2018. OBM has the ability to extend the contract term for a further two separate periods of three months each by giving written notice at least 30 days prior to the expiry of each period.

Either party may terminate the contract and term upon the provision of 60 days written notice, or such shorter period remaining on the contract period being not less than 30 days. Mr Quinlivan has agreed an ongoing role as Managing Director following completion of the Capital Raising, with the primary role being to guide the Company through its re-establishment phase.

Contracts with Key Management Personnel (Continued)

Tony Brazier – Chief Financial Officer & Company Secretary
Mr Brazier is employed under an Executive Employment Agreement which commenced on 7 January 2019. Mr Brazier receives the following remuneration:

- Fixed remuneration of $301,125 per annum comprising a base salary of $275,000 and 9.5% superannuation;
- Variable remuneration comprising a cash bonus equal to a percentage of his cash salary (to a maximum of 50%) which will be paid pro-rated on the successful completion of agreed performance targets at the completion of one year of continuous employment; and
- Non-cash incentive – Following completion of the probation period, he will be invited to participate in the Company's Option Scheme, subject to final Board approval. Invitation to participate in the Company's Option Scheme is at the full discretion of the Board and may be amended from time to time.

The termination provisions of the agreement are:
- For no cause or incapacity:
  - During the probation period – Four weeks' notice period;
  - After the probation period – Three months if the notice is given by the Company or one month if the notice is given by the Employee;
- For cause:
  - Two weeks' notice period (or any greater period required by the Fair Work Act 2009).

Andrew Czerw – General Manager – Resource Development
Mr Czerw was employed under an Employment Agreement which commenced on 10 April 2014. Mr Czerw receives the following remuneration:

- Fixed remuneration of $284,700 per annum comprising a base salary of $260,000 and 9.5% superannuation;

The termination provisions of the agreement are:
- Termination for no cause or incapacity – Four weeks' notice period (or any greater period required by the Fair Work Act 2009);
- Termination for cause – One week's notice period (or any greater period required by the Fair Work Act 2009).

Michael Fotios – Executive Director (resigned 28 August 2018)
The Group and Michael Fotios entered into an executive services agreement on 20 October 2016 for his role as Executive Chairman which commenced on 14 September 2012. The terms of employment for executive Directors and specified executives were updated in service agreements on 13 August 2018. The principal terms of the executive service agreements existing at reporting date are set out below:

- Base fee of $100,000 per annum for acting as Executive Chairman; and
- Base fee of $66,667 per annum for acting as Non-executive Director.

Termination is upon written resignation being presented to the Group or if Mr Fotios is not re-elected by shareholders as and when required by the Corporations Act and ASX Listing Rules.

The updated service agreements were effective retrospectively from 15 May 2018.

Share based payments
2019

During the 30 June 2019 financial year, the following options were issued to Directors or Key Management Personnel under the Company's Employee Option Plan:

Director	Unlisted incentive options	Unlisted performance options	Unlisted remuneration options	Option award date	Option weighted average fair value
Peter Mansell	1,777,778	-	385,000	11/06/2019	$0.13
David Quinlivan	1,185,185	2,000,000	256,667	11/06/2019	$0.15
Keith Jones	1,185,185	-	256,667	11/06/2019	$0.13
Mark Wheatley	1,185,185	-	256,667	11/06/2019	$0.13
Tony Brazier	3,942,208	-	-	28/06/2019	$0.13
Andrew Czerw	3,726,233	-	-	28/06/2019	$0.13

2018

During the 30 June 2018 financial year, no options were issued to Directors or Key Management Personnel under the Company's Employee Option Plan.

Details of remuneration

The following table discloses details of the nature and amount of each element of the emoluments of each Director of Ora Banda Mining and each of the officers receiving the highest emoluments for the year ended 30 June 2019.

30 June 2019	Primary (Short-term Benefits)			Post-employment	Share based Payments	Total
Name	Salary & director fees	Other fees[5]	Annual leave	Superannuation		
	$	$	$	$	$	$
Non-executive Directors						
Peter Mansell[7]	63,086	150,000	-	2,547	21,592	237,225
Keith Jones[6]	17,875	-	-	1,698	14,394	33,967
Mark Wheatley[6]	17,875	-	-	1,698	14,394	33,967
Alan Still[2]	16,667	-	-	-	-	16,667
Craig Readhead[3]	41,667	-	-	-	-	41,667
Campbell Baird[4]	41,667	-	-	-	-	41,667
Executive Directors						
David Quinlivan[6]	-	157,669	-	-	131,922	289,591
Michael Fotios[1]	16,667	35,625	-	-	-	52,292
Senior Executives						
Tony Brazier	128,334	-	7,884	12,192	1,615	150,025
Andrew Czerw	260,000	-	34,226	24,700	1,527	320,453
Total	**603,838**	**343,294**	**42,110**	**42,835**	**185,444**	**1,217,521**

Details of remuneration (Continued)

30 June 2018	Primary (Short-term Benefits)			Post-employment	Share based Payments	Total
Name	Salary & director fees	Other fees[5]	Annual leave	Superannuation		
	$	$	$	$	$	$
Non-executive Directors						
Alan Still[2]	43,434	-	-	-	-	43.434
Craig Readhead[3]	43,434	160,600	-	-	-	204,034
Campbell Baird[4]	8,585	-	-	-	-	8,585
Peter Mansell	1,644	-	-	-	-	1,644
Executive Director						
Michael Fotios[1]	65,000	356,250	-	-	-	421,250
Total	**162,097**	**516,850**	**-**	**-**	**-**	**678,947**

1 Michael Fotios resigned on 28 August 2018. Director and other fees accruing to Mr Fotios for the year ended 30 June 2019 were outstanding at the date of administration, 29 November 2018, and were settled through the Creditors Trust.
2 Alan Still resigned on 28 August 2018. Director fees accruing to Mr Still for the year ended 30 June 2019 were outstanding at the date of administration, 29 November 2018, and were settled through the Creditors Trust.
3 Craig Readhead resigned on 22 February 2019. Director and other fees accruing to Mr Readhead for the year ended 30 June 2019 were outstanding at the date of administration, 29 November 2018, and were settled through the Creditors Trust.
4 Campbell Baird resigned on 22 February 2019. Director fees accruing to Mr Baird for the year ended 30 June 2019 were outstanding at the date of administration, 29 November 2018, and were settled through the Creditors Trust.
5 Other fees represent consulting fees paid to the Directors for services provided to the Group.
6 David Quinlivan, Keith Jones and Mark Wheatley were appointed on 2 April 2019.
7 Director and other fees accruing to Peter Mansell of $186,273 for the period 1 July 2018 to 29 November 2018 were outstanding at the date of administration, 29 November 2018, and were settled through the Creditors Trust (estimated to be $63,627).

Option holdings of Key Management Personnel (Consolidated)

30 June 2019	Balance at 1 July 2018	Options issued during the year[1]	Consolidation of Capital during the year[2]	Balance at 30 June 2019	Award date	Vesting date	Options Vested during the year
Non-executive Directors							
Peter Mansell	-	32,441,675	(30,278,897)	2,162,778	11/06/19	Various	-
Keith Jones	-	21,627,775	(20,185,923)	1,441,852	11/06/19	Various	-
Mark Wheatley	-	21,627,775	(20,185,923)	1,441,852	11/06/19	Various	-
Alan Still[3]	1,800,000	-	(1,680,000)	120,000	-	-	-
Craig Readhead[4]	-	-	-	-	-	-	-
Campbell Baird[5]	-	-	-	-	-	-	-
Executive Directors							
David Quinlivan[6]	-	51,627,775	(48,185,923)	3,441,852	11/06/19	Various	700,000
Michael Fotios[7]	31,000,000	-	(28,933,333)	2,066,667	-	-	-
Senior Executives							
Tony Brazier	-	3,942,208	-	3,942,208	28/06/19	Various	-
Andrew Czerw	999,990	3,726,233	(933,324)	3,792,899	28/06/19	Various	-
Total	**33,799,990**	**134,993,441**	**(150,383,323)**	**18,410,108**			**700,000**

1 Options issued during the year represents Remuneration Options, Incentive Options and Performance Options issued under the terms outlined above.
2 Shareholders approved a resolution to consolidate the shares and options on issue on a 1 for 15 basis at a general meeting held on 7 June 2019.
3 Alan Still resigned on 28 August 2018. Director's fees accruing to Mr Still for the year ended 30 June 2019 were outstanding at the date of administration, 29 November 2018, and were settled as part of the Creditors Trust.
4 Craig Readhead resigned on 22 February 2019. Directors fees accruing to Mr Readhead for the year ended 30 June 2019 were outstanding at the date of administration, 29 November 2018, and were settled as part of the Creditors Trust.
5 Campbell Baird resigned on 22 February 2019. Director's fees accruing to Mr Baird for the year ended 30 June 2019 were outstanding at the date of administration, 29 November 2018, and were settled as part of the Creditors Trust.
6 700,000 Performance Options vest on 30 June 2019.
7 Michael Fotios resigned on 28 August 2018. Director's and other fees accruing to Mr Fotios for the year ended 30 June 2019 were outstanding at the date of administration, 29 November 2018, and were settled as part of the Creditors Trust.
8 No options were exercised and no options lapsed during the year.

Shareholdings of Key Management Personnel (Consolidated)

30 June 2019	Balance at 1 July 2018	On the exercise of options	Share Placement & Entitlements Offer	Consolidation of Capital[3]	Open market acquisitions	Balance at 30 June 2019
Non-executive Directors						
Peter Mansell	-	-	25,000,000	(23,333,333)	-	1,666,667
Keith Jones	-	-	10,000,000	(9,333,333)	-	666,667
Mark Wheatley	-	-	-	-	300,000	300,000
Alan Still	1,800,000	-	-	(1,680,000)	-	120,000
Craig Readhead[2]	10,525,134	-	-	(9,823,458)	-	701,676
Campbell Baird	-	-	-	-	-	-
Executive Directors						
David Quinlivan	-	-	10,000,000	(9,333,333)	-	666,667
Michael Fotios[1]	232,296,384	-	-	(216,809,958)	-	15,486,426
Senior Executives						
Tony Brazier	-	-	-	-	-	-
Andrew Czerw	1,466,670	-	-	(1,368,892)	-	97,778
Total	**246,088,188**	**-**	**45,000,000**	**(271,682,307)**	**300,000**	**19,705,881**

Shareholdings of Key Management Personnel (Consolidated) (Continued)

30 June 2018	Balance at 1 July 2017	On the exercise of options	Net change other	Balance at 30 June 2018
Non-executive Directors				
Peter Mansell	-	-	-	-
Alan Still	-	1,800,000	-	1,800,000
Craig Readhead[2]	9,775,134	-	750,000	10,525,134
Campbell Baird	-	-	-	-
Executive Directors				
Michael Fotios[1]	194,068,723	-	38,227,661	232,296,384
Total	**203,843,857**	**1,800,000**	**38,977,661**	**244,621,518**

1 Includes shareholdings by Michael Fotios and entities he controlled (Michael Fotios Family A/C, Investmet Limited, Delta Resource Management Pty Limited, Whitestone Mining Services Pty Limited).
2 Includes shareholdings and on market share purchases by Craig Readhead and entities he controlled (Hengolo Pty Limited as trustee for CL Readhead Family Trust).
3 Shareholders approved a resolution to consolidate the shares and options on issue on a 1 for 15 basis at a general meeting held on 7 June 2019.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the year.

Loans to Key Management Personnel

There were no loans to Key Management Personnel during the financial year (30 June 2018: Nil).

Other transactions with Directors

The following transactions occurred during the year between the Group and Directors or their director-related entities. These amounts are not included in the Remuneration table in the preceding pages:

- Delta Resources Management Pty Limited, a company in which Michael Fotios is a substantial shareholder and director, provided technical and administrative support to the Group to the value of $363,000 inclusive of GST (30 June 2018: $980,000). No amount remains outstanding at 30 June 2019 (30 June 2018: $1,048,000) as full settlement was made during the year under the terms of the DOCA;

- Whitestone Mining Services Pty Limited, a company which is 100% owned by Investmet Limited, a company in which Michael Fotios is a substantial shareholder and director, provided no consulting services to the Company during the year (30 June 2018: $2,704,000). No amount remains outstanding at 30 June 2019 (30 June 2018: $168,000) as full settlement was made during the year under the terms of the DOCA;

- Horseshoe Metals Limited is a company of which Michael Fotios is a substantial shareholder and director. A loan of $36,000 is receivable (30 June 2018: $36,000), however has been fully provided for. Interest has not been charged on the outstanding amounts;

- Scorpion Minerals Limited (formerly Pegasus Metals Limited) is a company in which Michael Fotios is a substantial shareholder. $4,000 remains due and receivable by the Group as at 30 June 2019 (30 June 2018: $4,000) which have been fully provided for in the financial statements. Interest has not been charged on the outstanding amount;

- Redbank Copper Limited is a company in which Michael Fotios is a substantial shareholder and director. $35,000 remains due and receivable by the Group as at 30 June 2019 (30 June 2018: $35,000) and has been fully provided for. Interest has not been charged on the outstanding amount;

- Crixus Pty Limited, a company in which Michael Fotios is a substantial shareholder and director, converted 5,000,000 options during the year ended 30 June 2018 valued at $840,000 which remains due and receivable by the Group as at 30 June 2019. A provision for doubtful debts has been included in these financial statements for the outstanding balance of $840,000;

Other transactions with Directors (Continued)

- Apollo Corporation (WA) Pty Limited, a related party company to Michael Fotios, converted 2,500,000 options during the year ended 30 June 2018 valued at $420,000 which remains due and receivable by the Group as at 30 June 2019. A provision for doubtful debts has been included in these financial statements for the outstanding balance of $420,000;

- Allan Still converted 1,800,000 options during the year ended 30 June 2018 valued at $302,400 which remains due and receivable by the Group as at 30 June 2019. A provision for doubtful debts has been included in these financial statements for the outstanding balance of $302,400;

- During the year, the Group received legal services from Craig Readhead and Readhead Legal Pty Limited in the amount of $304,000 which has been settled under the terms of the DOCA;

- During the year, the Group received services from Peter Mansell in the amount of $189,000 which has been settled under the terms of the DOCA;

- Investmet Limited ('Investmet') is a company of which Mr Michael Fotios is a substantial shareholder and Director. During the previous year, the Group drew down on a loan with Investmet. The interest rate applicable to the loan was 4.5% up to 30 January 2018 and 19% thereafter. No amount remains outstanding at 30 June 2019 (30 June 2018: $10,592,000) as full settlement was made during the year under the terms of the DOCA;

- During the previous year, the Group drew down on a loan with the Michael Fotios Family Trust. The interest rate applicable to the loan was 4.5% up to 30 January 2018 and 19% thereafter. No amount remains outstanding at 30 June 2019 (30 June 2018: $849,000) as full settlement was made during the year under the terms of the DOCA;

- Andrew Czerw converted 750,000 options during the year ended 30 June 2018 valued at $126,000 which remains due and receivable by the Group as at 30 June 2019. A provision for doubtful debts has been included in these financial statements for the outstanding balance of $126,000.

Terms and conditions of transactions with Director-related entities:

Outstanding balances at 30 June 2019 and 30 June 2018 are unsecured and settlement occurs in cash unless agreed otherwise. There have been no guarantees provided or received for any related party receivables or payables. An impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Company performance

The table below shows the performance of the Group as measured by its earnings per share and share price. In the past five years the Group has not paid or declared any dividends. Any improvement to earnings is viewed as a long-term position that is not yet fully determinable.

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Profit/(loss) per share	0.11	(1.69)	(0.03)	(0.08)	(0.08)
Share price at end of year	0.16	0.11	0.37	0.43	0.15

End of REMUNERATION REPORT (AUDITED)

ENVIRONMENTAL REGULATIONS

The Group is subject to significant environmental regulation in respect to its mineral exploration activities. These obligations are regulated under relevant government authorities within Australia. The Group is a party to exploration and mine development licences. Generally these licences specify the environmental regulations applicable to exploration and mining operations in the respective jurisdictions. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates.

Compliance with environmental obligations is monitored by the Directors. No environmental breaches have been notified to the Group by any government agency during the year ended 30 June 2019.

WARDENS COURT PROCEEDINGS

The Company (and its wholly owned subsidiaries) is a party to various proceedings in the Wardens Court pursuant to which third parties are seeking to challenge its title to various mining tenements by way of forfeiture and other proceedings. The Director is confident that the Company (and its wholly owned subsidiaries) will be successful in defending these proceedings. There were no proceedings against any subsidiary that could bring into doubt whether the Company controlled any of its subsidiaries within the Group.

PROCEEDINGS ON BEHALF OF THE COMPANY

Other than as referred to above, no person has applied for leave of court or to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company, for all or any part of those proceedings.

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important. The Directors consider the general standard of independence for auditors imposed by the Corporations Act 2001 before any engagements are agreed.

There were no non-audit services provided by Ernst & Young, the Group's auditors, during the year (30 June 2018: $Nil). Further details of remuneration of the auditors are set out at Note 19.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included immediately following the Directors' Report and forms part of this Directors' Report.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified sum). No payment has been made to indemnify Ernst & Young during or since the financial year end.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into indemnity agreements with each of the Directors and Officers of the Company. Under the agreements, the Company will indemnify those Officers against certain claims or for any expenses or costs which may arise as a result of work performed in their respective capacities as officers of the Company or any related entities.

The Company has taken out an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors or Officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

During the year, the Company paid premiums in respect of the above insurance policy. The contract prohibits the disclosure of the nature of the liabilities and/or the amount of the premium.

DIRECTORS' REPORT

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

David Quinlivan
Managing Director

Perth, Western Australia
27 September 2019

ANNUAL RESOURCE AND RESERVES STATEMENT

In accordance with ASX Listing Rule 5.21, the Company reviews and reports its Mineral Resources and Ore Reserves at least annually. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its Mineral Resources or Ore Reserves over the course of the year, the Company is required to promptly report these changes.

As at 30 June 2019, the Company has the following reported Mineral Resources and Ore Reserves:

- Total Mineral Resources are estimated of 21.0 Mt @ 2.6 g/t Au for 1.78 million ounces of contained gold;
- Total Ore Reserves are estimated of 2.0 Mt @ 2.3 g/t Au for 150,000 ounces of contained gold.

Mineral Resources as at 30 June 2019

The Company's total Measured, Indicated and Inferred Mineral Resources as at 30 June 2019 are 21.0 million tonnes (Mt) @ 2.6 grams per tonne of gold (g/t Au) containing 1.78 million ounces of gold (Moz).

As no active ore mining occurred within any project area listed below, no resource depletion has occurred for the review period.

Mineral Resource Table

PROJECT	MEASURED		INDICATED		INFERRED		TOTAL MATERIAL		
	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
GOLDEN EAGLE	0	0.0	345	2.5	311	2.6	**656**	**2.5**	**54**
LIGHTS OF ISRAEL UNDERGROUND	0	0.0	74	4.3	180	4.2	**254**	**4.2**	**35**
MAKAI SHOOT	0	0.0	1,985	2.0	153	1.7	**2,138**	**2.0**	**136**
WAIHI	0	0.0	805	2.4	109	2.4	**914**	**2.4**	**71**
Central Davyhurst Subtotal	**0**	**0.0**	**3,209**	**2.2**	**753**	**2.6**	**3,962**	**2.3**	**296**
LADY GLADYS	0	0.0	1,858	1.9	190	2.4	**2,048**	**1.9**	**128**
RIVERINA AREA	0	0.0	941	2.4	1,644	2.5	**2,585**	**2.5**	**205**
FOREHAND	0	0.0	386	1.7	436	1.9	**822**	**1.8**	**48**
SILVER TONGUE	0	0.0	155	2.7	19	1.3	**174**	**2.5**	**14**
SUNRAYSIA	0	0.0	175	2.1	318	2.0	**493**	**2.0**	**32**
Riverina-Mulline Subtotal	**0**	**0.0**	**3,515**	**2.1**	**2,607**	**2.3**	**6,122**	**2.2**	**427**
SAND KING	0	0.0	1,773	3.3	680	3.7	**2,453**	**3.4**	**272**
MISSOURI	0	0.0	2,022	3.0	409	2.6	**2,431**	**2.9**	**227**
PALMERSTON / CAMPERDOWN	0	0.0	118	2.3	174	2.4	**292**	**2.4**	**22**
BEWICK MOREING	0	0.0	0	0.0	50	2.3	**50**	**2.3**	**4**
BLACK RABBIT	0	0.0	0	0.0	434	3.5	**434**	**3.5**	**49**
THIEL WELL	0	0.0	0	0.0	18	6.0	**18**	**6.0**	**3**
Siberia Subtotal	**0**	**0.0**	**3,913**	**3.1**	**1,765**	**3.2**	**5,678**	**3.1**	**577**
CALLION	0	0.0	86	2.8	83	2.3	**169**	**2.6**	**14**
Callion Subtotal	**0**	**0.0**	**86**	**2.8**	**83**	**2.3**	**169**	**2.6**	**14**
FEDERAL FLAG	32	2.0	112	1.8	238	2.5	**382**	**2.3**	**28**
SALMON GUMS	0	0.0	199	2.8	108	2.9	**307**	**2.8**	**28**
WALHALLA	0	0.0	448	1.8	216	1.4	**664**	**1.7**	**36**
WALHALLA NORTH	0	0.0	94	2.4	13	3.0	**107**	**2.5**	**9**
MT BANJO	0	0.0	109	2.3	126	1.4	**235**	**1.8**	**14**
MACEDON	0	0.0	0	0.0	186	1.8	**186**	**1.8**	**11**
Walhalla Subtotal	**32**	**2.0**	**962**	**2.1**	**887**	**2.0**	**1,881**	**2.1**	**126**

Mineral Resource Table (Continued)

IGUANA	0	0.0	690	2.1	2,032	2.0	**2,722**	**2.0**	**177**
LIZARD	106	4.0	75	3.7	13	2.8	**194**	**3.8**	**24**
Lady Ida Subtotal	**106**	**4.0**	**765**	**2.3**	**2,045**	**2.0**	**2,916**	**2.1**	**201**
Davyhurst Total	**138**	**3.5**	**12,450**	**2.5**	**8,140**	**2.4**	**20,728**	**2.5**	**1,641**
BALDOCK	0	0.0	136	18.6	0	0.0	**136**	**18.6**	**81**
BALDOCK STH	0	0.0	0	0.0	0	0.0	**0**	**0.0**	**0**
METEOR	0	0.0	0	0.0	143	9.3	**143**	**9.3**	**43**
WHINNEN	0	0.0	0	0.0	39	13.3	**39**	**13.3**	**17**
Mount Ida Total	**0**	**0.0**	**136**	**18.6**	**182**	**10.2**	**318**	**13.8**	**141**
Combined Total	**138**	**3.5**	**12,586**	**2.7**	**8,322**	**2.6**	**21,046**	**2.6**	**1,782**

1. All Resources listed above with the exception of the Missouri and Sand King Resources were prepared and first disclosed under JORC Code 2004 (refer to ASX release *Swan Gold Prospectus* dated 13 February 2013). It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.
2. Missouri and Sand King Mineral Resources have been updated and comply with all relevant aspects of JORC Code 2012, initially announced on ASX on 15 December 2016 and 3 January 2017 respectively.
3. The numbers in the above table are rounded.

Ore Reserves at 30 June 2019

The Company's total Proved and Probable Gold Ore Reserve as at 30 June 2019 are 2.0 million tonnes (Mt) @ 2.3 grams per tonne of gold (g/t Au) containing 150,000 ounces of gold (Koz). The maiden Ore Reserves for Missouri and Sand King were announced to ASX on 15 December 2016 and 14 February 2017 respectively and there was previously no publicly reported estimate of Gold Ore Reserves as at 30 June 2016. As no active ore mining has occurred in this project area hence no resource depletion has occurred for the year.

Ore Reserve Table

Reserve	Proven		Probable		Total		
	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz)
Missouri (15 December 2016)	-	-	1,205	2.2	1,205	2.2	85
Sand King (14 February 2017)	-	-	820	2.5	820	2.5	65
Combined Total	**-**	**-**	**2,025**	**2.3**	**2,025**	**2.3**	**150**

Governance Arrangements and Internal Controls

Ora Banda Mining has ensured that the Mineral Resources and Ore Reserves quoted are subject to good governance arrangements and internal controls. The Mineral Resources and Ore Reserves reported have been generated by internal Company geologists, who are experienced in best practice in modelling and estimation methods. The competent person has also undertaken reviews of the quality and suitability of the underlying information used to generate the resource estimation. In addition, Ora Banda Mining's management carry out regular reviews and audits of internal processes and external contractors that have been engaged by the Company.

ANNUAL RESOURCE AND RESERVES STATEMENT

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled under the supervision of Mr Andrew Czerw, a full-time employee of Ora Banda Mining Limited, who is Member of the Australian Institute of Mining and Metallurgy. Mr Czerw has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Czerw consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Craig Mann, who is an independent mining engineering consultant and a full-time employee of Entech Pty Limited and has sufficient relevant experience to advise Ora Banda Mining Limited on matters relating to mine design, mine scheduling, mining methodology and mining costs. Mr Mann is satisfied that the information provided in this statement has been determined to a PFS level of accuracy, based on the data provided by Ora Banda Mining Limited. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been modified from the original announcement and, in the case of estimates of Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the initial announcement continue to apply and have not materially changed.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been modified from the original announcement and, in the case of estimates of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the initial announcement continue to apply and have not materially changed. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

This Annual Resources and Reserves Statement has been compiled under the supervision of Mr Andrew Czerw, a full-time employee of Ora Banda Mining Limited, who is Member of the Australian Institute of Mining and Metallurgy. Mr Czerw has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Czerw consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Czerw also consents to the Annual Resources and Reserves Statement as a whole.

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of Ora Banda Mining Limited

As lead auditor for the audit of the financial report of Ora Banda Mining Limited for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Ora Banda Mining Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Philip Teale
Partner
27 September 2019

PT:CT:OBM:021

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	NOTES	30 June 2019 $'000	30 June 2018 $'000
Revenue – Gold sales		6,429	16,152
Cost of sales		(8,767)	(33,310)
Gross Loss		**(2,338)**	**(17,158)**
Other income/(expense)	4	32,169	(33)
General and administration	5	(9,596)	(54,079)
Other operating expenses	5	(7,391)	(12,379)
Operating profit/(loss)		**12,884**	**(83,649)**
Finance income		-	2
Finance costs	5	(4,611)	(2,743)
Profit/(loss) before income tax expense		**8,233**	**(86,390)**
Income tax (expense)/benefit	6	(159)	468
Profit/(loss) for the year		**8,074**	**(85,922)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Loss on revaluation of financial assets at fair value through other comprehensive income, net of tax		(467)	1,198
items that may be reclassified to profit or loss			
Cash flow hedges	18	-	(271)
Other comprehensive income, net of income tax		(467)	927
Total comprehensive income/(loss) for the year		**7,607**	**(84,995)**
Total comprehensive income/(loss) attributable to:			
Equity holders of the Parent		7,607	(84,995)
Basic earnings/(loss) per share	29	**0.11**	**(1.69)**
Diluted earnings/(loss) per share	29	**0.11**	**(1.69)**

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	NOTES	30 June 2019 $'000	30 June 2018 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	14,142	5
Trade and other receivables	8	568	1,481
Inventories	9	-	2,058
TOTAL CURRENT ASSETS		**14,710**	**3,544**
NON-CURRENT ASSETS			
Trade and other receivables	8	20	64
Mine properties	10	38,314	38,460
Capitalised exploration expenditure	11	-	-
Financial assets at fair value through other comprehensive income	12	-	3,845
Derivative financial instruments	13	-	119
TOTAL NON-CURRENT ASSETS		**38,334**	**42,488**
TOTAL ASSETS		**53,044**	**46,032**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	853	40,627
Loans and borrowings	15	-	21,543
Provisions	16	179	1,303
Derivative financial instruments	13	-	293
TOTAL CURRENT LIABILITIES		**1,032**	**63,766**
NON-CURRENT LIABILITIES			
Provisions	16	16,644	18,243
TOTAL NON-CURRENT LIABILITIES		**16,644**	**18,243**
TOTAL LIABILITIES		**17,676**	**82,009**
NET ASSETS/(LIABILITIES)		**35,368**	**(35,977)**
SHAREHOLDERS' EQUITY/(DEFICIT)			
Contributed equity	17	350,519	287,168
Accumulated losses		(328,181)	(336,255)
Reserves	18	13,030	13,110
TOTAL SHAREHOLDERS' EQUITY/(DEFICIT)		**35,368**	**(35,977)**

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

Consolidated	NOTES	Contributed equity $'000	Accumulated losses $'000	Share based payments reserve $'000	Cash flow hedge reserve $'000	Financial assets at fair value through other comprehensive income reserve $'000	Total equity/ (shareholders' deficit) $'000
At 1 July 2017		251,282	(250,333)	9,875	271	20	**11,115**
Loss for the year		-	(85,922)	-	-	-	**(85,922)**
Other comprehensive income, net of income tax		-	-	-	(271)	1,198	**927**
Total comprehensive loss		-	(85,922)	-	(271)	1,198	**(84,995)**
Issue of ordinary shares (net of costs)		35,886	-		-	-	**35,886**
Share based payments		-	-	2,017	-	-	**2,017**
At 30 June 2018		**287,168**	**(336,255)**	**11,892**	**-**	**1,218**	**(35,977)**
Profit for the year		-	8,074	-	-	-	**8,074**
Other comprehensive income, net of income tax		-	-	-	-	(467)	**(467)**
Total comprehensive income		-	8,074	-	-	(467)	**7,607**
Issue of ordinary shares (net of costs)	17	63,351	-	-	-	-	**63,351**
Share based payments	18	-	-	387	-	-	**387**
At 30 June 2019		**350,519**	**(328,181)**	**12,279**	**-**	**751**	**35,368**

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	NOTES	30 June 2019 $'000	30 June 2018 $'000
Cash flows from Operating Activities			
Receipts from customers		6,429	16,152
Payments to suppliers and employees		(31,493)	(40,413)
Interest received		-	2
Finance costs paid		(190)	(746)
Net cash flows used in operating activities	28	**(25,254)**	**(25,005)**
Cash flows from Investing Activities			
Payments for capitalised exploration expenses		-	(53)
Payments for mine properties		(1,565)	(10,887)
Receipts for financial assets		3,215	-
Payments for financial assets		-	(73)
Net cash flows provided by/(used in) investing activities		**1,650**	**(11,013)**
Cash flows from Financing Activities			
Proceeds from share issue		7,946	29,939
Payments for costs of raising capital		(1,349)	(1,387)
Proceeds from loan advances		31,794	14,974
Repayment of loans		(650)	(7,547)
Net cash flows from financing activities		**37,741**	**35,979**
Net increase/(decrease) in cash and cash equivalents held		**14,137**	**(39)**
Cash and cash equivalents at the beginning of the year		5	44
Cash and cash equivalents at the end of the year	7	**14,142**	**5**

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated financial report of Ora Banda Mining Limited ('parent') and its subsidiaries (collectively referred to as the 'Group') for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of Directors, on the date of signing of the Directors' Report. Ora Banda Mining Limited is a for-profit company limited by shares that is incorporated and domiciled in Australia.

Ora Banda Mining Limited, via its subsidiaries, is the 100% owner of the Davyhurst gold project located 120 kilometres northwest of Kalgoorlie, and the Mt Ida gold project located 200 kilometres northwest of Kalgoorlie. Processing infrastructure includes a 1.2Mtpa processing plant, two camps (at Davyhurst Central and Mt Ida), mains power and operating bore fields.

The principal activity of the Group during the financial year was mineral exploration and evaluation, both open pit and underground gold mining combined with processing activities at the Davyhurst gold project. Care and maintenance of its historically producing gold mine at the Mt Ida gold project remained ongoing.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'). The financial report has been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured on a fair value basis. The consolidated financial report is presented in Australian dollars, which is the parent and Group's functional and presentation currency.

Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

(b) Changes in accounting policies and disclosures

New and amended standards and interpretations
The Group applied AASB 9 and AASB 15 for the first time from 1 July 2018. The nature and effect of these changes as a result of the adoption of these new standards are described below. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

The Group has not early adopted any standards, interpretations or amendments that has been issued but are not yet effective.

AASB 9 *Financial Instruments*
AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* ('AASB 139') for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied AASB 9 retrospectively, with the initial application date of 1 July 2018 and has elected to restate comparative information for the period beginning 1 July 2017. There were no material impacts on the comparative balances other than a change in classification of some financial assets.

The effects of adopting AASB 9 are set out below.

(i) Classification and measurement

Under AASB 9, there is a change in the classification and measurement requirements relating to financial assets. Previously, there were four categories of financial assets: loans and receivables, fair value through profit or loss, held to maturity and available for sale. Under AASB 9, financial assets are either classified as amortised cost, fair value through profit or loss ('FVTPL') or fair value through other comprehensive income ('FVTOCI').

For debt instruments, the classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest ('SPPI') on the principal amount outstanding. A financial asset can only be measured at amortised cost if both these criteria are satisfied.

The assessment of the Group's business model was made as of the date of initial application, 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assessment of whether contractual cash flows on debt instruments are SPPI was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Group. The following are the changes in the classification of the Group's financial assets:

- Trade receivables, related party receivables and other receivables, previously classified as Loans and receivables – these were assessed as being held to collect contractual cash flows and give rise to cash flows representing SPPI. These are now classified and measured at amortised cost. The Group has no receivables which are subject to provisional pricing;
- Equity investments previously classified as available for sale financial assets are now classified and measured as financial assets at fair value through other comprehensive income. The Group elected to classify its equity investments under this category as it does not hold these investments for trading. There were no impairment losses recognised in profit or loss for these investments in prior periods.

In summary, upon adoption of AASB 9, the Group reclassified its financial assets as follows:

As at 1 July 2018

	Carrying Amount	**AASB 9 Measurement Category**		
		FVTPL	**Amortised Cost**	**FVTOCI**
AASB 139 Measurement Category	**$'000**	**$'000**	**$'000**	**$'000**
Loans and receivables				
Trade & other receivables	1,545	-	1,545	-
Available for sale				
Quoted equity investments	3,845	-	-	3,845
Fair value through profit and loss				
Derivative financial instruments – listed options	119	119	-	-
Total	**5,509**	**119**	**1,545**	**3,845**

Financial Liabilities

Other than derivative financial liabilities, the Group has not designated any financial liabilities as at fair value through the profit or loss. There are no changes in classification or measurement of the Group's financial liabilities.

(ii) Impairment

The adoption of AASB 9 has changed the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss ('ECL') approach. AASB 9 requires the Group to recognise an allowance for ECLs for financial assets not held at fair value through profit or loss.

As all of the Group's trade receivables and other current receivables which the Group measures at amortised cost are short term (ie: less than 12 months), the change to a forward-looking ECL approach did not have a material impact on the amounts recognised in the financial statements.

(iii) Hedge Accounting

The Group has elected to adopt the new general hedge accounting model under AASB 9 which will be applied prospectively. At the date of initial application there were no existing hedge relationships eligible to be treated as continuing hedges.

AASB 15 *Revenue from contracts with customers*
AASB 15 and its related amendments supersede AASB 118 *Revenue* ('AASB 118') and related Interpretations. It applies to all revenue arising from contracts with customers and became effective for annual periods beginning on or after 1 January 2018. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers. It requires revenue to be recognised when (or as) control of a good or service transfers to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires enhanced and extensive disclosures about revenue to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group adopted AASB 15 using the full retrospective method of adoption. The effect of adopting AASB 15 is set out below.

Overall impact

The Group's revenue comprises a single stream being the sale of gold bullion to one customer, Perth Mint. The Group undertook an analysis of the impact of the new revenue standard based on a review of the terms of its principal revenue stream with the focus being to understand whether the timing and amount of revenue recognised could differ under AASB 15.

Under AASB 118, revenue from the sale of gold bullion was recognised when risks and rewards of ownership were transferred to Perth Mint. This occurred when Perth Mint accepted the refined gold on out-turn of the gold, and the Group agreed to sell the gold to Perth Mint. This is also point in time when control passes, and the performance obligation is satisfied in accordance with AASB 15. There are no advance payments received from Perth Mint under this arrangement. A transaction price is determined at outturn by virtue of a deal confirmation received from Perth Mint and there are no further adjustments to this price. For the Group's principal revenue stream, the nature and timing of satisfaction of the performance obligations, and, hence, the amount and timing of revenue recognised under AASB 15, is the same as that under AASB 118.

AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share Based Payment Transactions*

This Standard amends AASB 2 *Share Based Payments,* that addresses three main areas: the effects of vesting conditions on the measurement of a cash settled share based payment transaction; the classification of a share based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. This standard is effective for annual periods commencing on or after 1 January 2018.

The Group has no share based payment transactions with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share based payment transactions. Therefore, these amendments do not have a material impact on the Group's consolidated financial statements.

(c) New Accounting Standards and Interpretations issued but not yet effective or early adopted

The following Accounting Standards and Interpretations have been issued by the AASB but are not yet effective for the year ended 30 June 2019. The Group has not yet early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

AASB 16 *Leases*
AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (ie: personal computers) and short-term leases (ie: leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (ie: the lease liability) and an asset representing the right to use the underlying asset during the lease term (ie: the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (ie: a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

AASB 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under AASB 117. The Group will apply AASB 16 from 1 July 2019.

Transition to AASB 16
The Group plans to adopt AASB 16 using the modified retrospective approach. The Group will elect to apply the standard to contracts that were previously identified as leases applying AASB 117 and AASB Interpretation 4. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying AASB 117 and AASB Interpretation 4.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (ie: printing and photocopying machines) that are considered of low value.

The Group has performed a detailed impact assessment of AASB 16 and in its opinion the effect on the financial statements will be immaterial.

Other new or amending accounting standards and interpretations

Title of Standard	**Nature of Change**	**Impact**	**Mandatory Application date / Date of Adoption by Group**
AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*	Under AASB 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to AASB 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.	These amendments are currently not applicable to the Group but may apply in future transactions.	Financial years commencing on or after 1 January 2019. Expected date of adoption by the Group: 1 July 2019

Title of Standard	Nature of Change	Impact	Mandatory Application date / Date of Adoption by Group
AASB 2017-7 *Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures*	The amendments clarify that an entity applies AASB 9 to long-term interests in an associate or joint venture to which the equity method is applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in AASB 9 applies to such long-term interests. The amendments also clarified that, in applying AASB 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying AASB 128 *Investment in Associates and Joint Ventures.*	These amendments are currently not applicable to the Group but may apply in future transactions.	Financial years commencing on or after 1 January 2019. Expected date of adoption by the Group: 1 July 2019
AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*	The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.	These amendments are currently not applicable to the Group but may apply in future transactions.	Financial years commencing on or after 1 January 2019. Expected date of adoption by the Group: 1 July 2019
AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*	AASB 11 *Joint Arrangements* – A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in AASB 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.	These amendments are currently not applicable to the Group but may apply in future transactions.	Financial years commencing on or after 1 January 2019. Expected date of adoption by the Group: 1 July 2019
AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*	AASB 12 *Income Taxes* – The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.	These amendments are currently not applicable to the Group but may apply in future transactions.	Financial years commencing on or after 1 January 2019. Expected date of adoption by the Group: 1 July 2019
AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements*	AASB 123 *Borrowing Costs* – The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.	These amendments are currently not applicable to the Group but may apply in future transactions.	Financial years commencing on or after 1 January 2019. Expected date of adoption by the

Title of Standard	Nature of Change	Impact	Mandatory Application date / Date of Adoption by Group
2015-2017 Cycle			Group: 1 July 2019
AASB Interpretation 23 *Uncertainty over Income Tax treatment*	The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following: • Whether an entity considers uncertain tax treatments separately; • The assumptions an entity makes about the examination of tax treatments by taxation authorities; • How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; • How an entity considers changes in facts and circumstances; An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.	Although the Group does not operate in a complex multinational tax environment, applying the Interpretation may affect its consolidated financial statements in future periods. In addition, the Group may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.	Financial years commencing on or after 1 January 2019. Expected date of adoption by the Group: 1 July 2019

(d) Principles of consolidation

The consolidated financial statements comprise the financial statements of Ora Banda Mining Limited and its subsidiaries (as outlined in Note 25) as at 30 June 2019.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Specifically, the Group controls an entity if, and only if, the Group has all of the following:

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

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

The Group reassesses whether or not it controls an entity 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 consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary. Where the Group's interest is less than 100 per cent, the interest attributable to outside shareholders is reflected in non-controlling interests ('NCIs').

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 NCIs, 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 derecognises the related assets (including goodwill), liabilities, non- controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Investments in subsidiaries held by Ora Banda Mining Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

(e) Revenue recognition

The Group's revenue comprises a single stream being the sale of gold bullion to one customer, Perth Mint. The Group has generally concluded that it is the principal in its revenue contracts because it typically controls the goods before transferring them to the customer.

Revenue from the sale of gold bullion is recognised at the point in time when control of the asset is transferred to the customer, which occurs when Perth Mint accepts the refined gold on outturn of the gold and the Group has agreed to sell the gold to Perth Mint.

A transaction price which reflects the consideration to which the Group expects to be entitled in exchange for the gold bullion, is determined at outturn by virtue of a deal confirmation received from Perth Mint and there are no further adjustments to this price. No advance payments received from Perth Mint under this arrangement.

(f) Mine properties (plant & equipment, construction in progress, mine development)

All assets acquired, including property, plant and equipment are initially recorded at their cost of acquisition being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Upon completion of the construction phase, all assets are transferred to Mine Properties at cost.

Plant and equipment located on a mine site (and carried forward mine development costs) is carried at cost less accumulated depreciation and any accumulated impairment losses. All such assets are depreciated over the estimated remaining economic life of the mine, using a units-of-production ('UOP') basis. The UOP rate calculation for depreciation/amortisation of plant & equipment located on the mine site (and carried forward mine development costs) takes into account expenditures incurred to date, together with future development expenditure, as well as economically recoverable reserves (comprising proven and probable reserves).

All other plant and equipment are carried at cost less accumulated depreciation and impairment losses. These items are depreciated on a straight-line basis over the assets estimated useful life which is three to eight years. Depreciation commences from the time the asset is held ready for use. All repairs and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgments, estimates and assumptions (at Note 3) and provisions for further information about the recognised decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

Asset residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period and adjusted prospectively, if deemed appropriate.

(g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, being the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, the Group's financial assets are classified into the following categories:

- Financial assets at amortised cost;
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition; and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

1) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Interest received is recognised as part of finance income in the consolidated statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that do not pass the SPPI test are required to be classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVTOCI, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVTOI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss and other comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

1) The rights to receive cash flows from the asset have expired; or
2) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Refer to Note 8 for further discussion on impairment assessments of financial assets.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Loans and borrowings and trade and other payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group holds derivative financial instruments to mitigate its risk exposures from commodity price movements. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

1) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
2) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

1. There is 'an economic relationship' between the hedged item and the hedging instrument.
2. The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
3. The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss and other comprehensive income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating commodity contracts is recognised in other operating income or expenses.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction.

(h) Exploration and evaluation expenditure

The Group applies the area-of-interest method when accounting for exploration and evaluation costs. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred unless the Group concludes that a future economic benefit is more likely than not to be realised. Exploration and evaluation costs include the acquisition of rights to explore, studies, exploratory drilling, sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Capitalised exploration and evaluation costs related to areas of interest are carried forward to the extent that the rights to tenure of the areas of interest are current and the Group controls the area of interest in which the expenditure has been incurred, and

a) such costs 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 of interest 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 in relation to, the area of interest are continuing.

Impairment
The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. These include:

a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, from successful development or by sale.

If impairment indicators exist, the Group determines the recoverable amount of the capitalised exploration and evaluation expenditure. An impairment loss exists when the carrying amount exceeds the recoverable amount. In this instance, the capitalised exploration and evaluation expenditure is written down to its recoverable amount. Any impairment losses are recognised in profit or loss.

Any impairment loss in relation to capitalised exploration and evaluation expenditure, recognised in accordance with AASB 6, is reversed if, and 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 this is the case, the carrying amount of the asset is increased to its recoverable amount. However, such reversals do not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

(i) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset (or CGU) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's FVLCD and its VIU. The recoverable amount 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, in which case, the asset is tested as part of a larger CGU to which it belongs. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount. Management has assessed its CGU as being the Davyhurst gold project, which is the lowest level for which cash inflows are largely independent of those of other assets.

In calculating VIU, 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/ CGU. In determining FVLCD, recent market transactions (where available) 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 share prices for publicly traded companies, or other available fair value indicators.

(j) Impairment of non-financial assets (continued)

Impairment losses of continuing operations, including impairment of inventories, are recognised in the consolidated statement of profit or loss and other comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets/CGUs, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's/CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset/CGU does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset/CGU in prior years. Such a reversal is recognised in the consolidated statement of profit or loss and other comprehensive income as other income.

(k) Joint operations

The Group has an interest in a joint arrangement that is a joint operation. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control. To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such the Group recognises its:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities held jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- share of revenue from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

All such amounts are measured in accordance with the terms of the arrangement which are in proportion to the Group's interest in each asset, liability, income and expense item of the joint operation.

(l) Inventories

Inventories include consumable stores, ore stockpiles, gold in circuit and finished goods (dore). Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct purchase costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods.

Net realisable value represents estimated selling price in the ordinary course of business less any further costs expected to be incurred to completion and disposal.

Consumable stores are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

(m) Income tax

Current tax

Current income 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 at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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:

- Where 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; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 reassessed at each reporting date and are recognised to the extent that is 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 by the end of the reporting period.

Deferred tax relating to items recognised in other comprehensive income or equity, is recognised in other comprehensive income and not in profit or loss.

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

(n) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received and is classified as equity. The 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.

(o) Earnings per share

Basic earnings per share is determined by dividing net operating results after income tax attributable to members of the parent entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

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 potential ordinary shares.

(p) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the tax authority is included as a current asset or liability in the consolidated statement of financial position. Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the tax authority are classified as operating cash flows.

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

(q) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable that 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.

Employee benefits – Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits and other benefits expected to be settled wholly within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Employee benefits – Other long-term employee benefits
The liabilities for annual leave and long service leave not expected to be settled within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Rehabilitation costs
Mine rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities and mine properties. The Group assesses its mine rehabilitation provision at each reporting date. The Group recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The nature of these restoration activities includes dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the mining operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine.

Additional disturbances that arise due to further development/construction at the mine are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset measured in accordance with AASB 116.

Rehabilitation 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 financing cost. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances.

Onerous lease contracts
A provision for onerous leases is recognised when the expected benefits (expected lease inflows) to be derived by the Group from a lease are exceeded by the unavoidable costs of meeting the obligations under existing lease contracts. The provision is measured as the present value of the of the lower of the expected cost of terminating the lease and the expected net cost of continuing the lease. Prior to the establishment of a provision for onerous leases, the Group recognises any impairment loss that has occurred on assets associated with the lease.

(r) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. A distinction is made between financial leases, which effectively transfer from the lessor to the lessee, substantially all the risks and benefits incidental to the ownership of the leased asset, and operating leases, under which the lessor effectively retains such risks and benefits.

Assets acquired under a finance lease arrangement are capitalised. A lease asset and lease liability are established at the fair value of the leased assets, or if lower, the present value of future minimum lease payments. Leased assets are depreciated over the shorter of the lease term or the asset's useful life.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

The Group is not a lessor in any transactions, it is only a lessee.

(s) Rounding of amounts

The Group has applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

(t) Comparative figures

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(u) Borrowing costs

Borrowing costs can include interest expense calculated using the effective interest method and finance charges in respect of finance arrangements. Borrowing costs are expensed as incurred except for borrowing costs incurred as part of the cost of construction of a qualifying asset which are capitalised until the asset is ready for its intended use or sale.

(v) Share based payments

Goods or services received or acquired in a share based payment transaction are recognised as an increase in equity if the goods or services were received in an equity settled share based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity settled share based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted using a 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, together with non-vesting conditions that do not determine whether the Group 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. 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.

Market conditions are taken into account in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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

For awards with non-market vesting conditions that are forfeited the accumulated vesting expense is reversed at the date of forfeiture.

If equity settled awards are cancelled, it is treated as if the award had 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.

(w) Fair value measurement

The Group measures certain assets and liabilities at fair value at each reporting date. Also, from time to time, the fair values of non-financial assets and liabilities are required to be determined, ie: when the entity acquires a business, or where an entity measures the recoverable amount of an asset or CGU at fair value less costs of disposal.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly. For derivative hedging instruments, the inputs used are forward gold prices.
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(x) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period; or
- 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 current when:

- It is expected to be settled in the 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.

The Group classifies all other liabilities as non-current.

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified a number of areas where significant judgements, estimates and assumptions are required, as described below:

Significant Judgements

Deferred tax assets
Deferred tax assets, including those arising from unutilised tax losses, require the Group to assess the likelihood that it will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure and other capital management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets could be impacted. At 30 June 2019, deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group can utilise the benefits thereof.

Significant Estimates and Assumptions

Exploration and evaluation costs carried forward
The future recoverability of capitalised exploration and evaluation expenditure is dependent on several factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made. At 30 June 2019, the capitalised exploration and evaluation expenditure was written down to nil, as it was assessed that it was unlikely future economic benefits would be realised for the areas of interest that the expenditure relates to.

Net realisable value of inventories
Gold dore, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost or net realisable value. Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale.

Consumable stores are valued at the lower of cost or net realisable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

At 30 June 2019, the Group wrote off inventories of $79,000 (30 June 2018: $549,000).

Provision for rehabilitation
Decommissioning and restoration costs are a normal consequence of mining and much of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine) and the estimated future level of inflation. The ultimate cost of decommissioning and restoration is uncertain, and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, currently proposed to be 2025 (2017: 2024), for example in response to changes in reserves or to production rates. Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results. At 30 June 2019, the provision of $16.6 million (30 June 2018: $15.6 million) represents management's best estimate of the rehabilitation costs required and represents an $1,049,000 increase over the 30 June 2018 provision. Refer to Note 16 for further details.

Ore reserve and mineral resource estimates
Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Group's reported financial position and results, in the following way:

- The carrying value of exploration and evaluation assets, mine properties and plant and equipment, may be affected due to changes in estimated future cash flows;
- Depreciation and amortisation charges in the consolidated statement of profit or loss and other comprehensive income may change where such charges are determined using the units of production method, or where the useful life of the related assets change;
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.
The Group estimates and reports ore reserves and mineral resources in line with the principles contained in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (December 2012 Edition).

As the economic assumptions used may change and as additional geological information is produced during the Group's operations, estimates of ore reserves and mineral resources may change.

Impairment of mine properties
Assets, including plant and equipment, are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'air value less costs to sell'. Fair value is 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. Assessments of the recoverable amounts require the use of estimates and assumptions such as reserves, mine lives, discount rates, exchange rates, commodity prices, grade of ore mined, recovery percentage, operating performance, costs and capital estimates.

At 30 June 2018, the Group concluded there were indicators of impairment present in relation to the Group's CGU. In accordance with the Accounting Standards, the recoverable amount of the CGU was determined to be its fair value of $39.66 million less costs of disposal of $1.2 million. As a result, an amount of $26.46 million was recognised as an impairment loss in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2018.

As at 30 June 2019, it was assessed that there were no significant changes in assumptions and the Group concluded that there were no further indicators of impairment present in relation to the Group's cash generating unit ('CGU') to require the FVLCD to be re-determined. As a result, an impairment expense of $692,000 was recognised in the statement of profit or loss and other comprehensive income, for the net of capital expenditure incurred during the year ended 30 June 2019. Refer to Note 10 for further details.

Fair value measurements
For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, they are measured using valuation techniques including the discounted cash flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

When the fair values of non-financial assets/CGUs need to be determined, ie: for the purposes of calculating FVLCD or VIU for impairment testing purposes, they are measured using valuation techniques. Further information about the significant judgements, estimates and assumptions impacting impairment testing is contained in Note 10.

Share based Payments
The Group measures the cost of equity settled share based payments at fair value at the grant date using an option pricing model taking into account market vesting conditions, exercise prices, option terms, impact of dilution, share price at grant date, expected volatility of the underlying share, expected dividend yield and risk-free interest rate for the term of the option.

During the year, the Group recognised share based payments expenses of $145,000 (30 June 2018: $1.09 million) in the consolidated statement of profit or loss and other comprehensive income. Refer to Note 30 for details of the key estimates and assumptions used.

Provision for expected credit losses of trade and other receivables
The Group uses a provision matrix to calculate expected credit losses for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4. OTHER (EXPENSE)/INCOME

	30 June 2019 $'000	30 June 2018 $'000
Loss on sale of investment	(119)	(33)
Debt forgiveness on DOCA effectuation (Note 31)	32,288	-
	32,169	(33)

5. OPERATING PROFIT/(LOSS)

	30 June 2019 $'000	30 June 2018 $'000
Profit/(loss) from continuing operations before income tax has been determined after charging/(crediting):		
Depreciation & amortisation	1,019	4,912
Impairment of mine properties	692	26,460
Exploration & evaluation expensed	1,754	4,154
Exploration & evaluation written off	-	637
Realised hedging (gain)/loss	(293)	602
Operating lease (refunds)/expenses	(23)	1,144
Onerous lease provision	(3,602)	3,602
Share based payments	145	1,088
Employee benefits expense	5,629	10,438
Directors' fees	239	109
Consulting fees	2,490	1,130
Mining costs	6,136	12,784
Processing costs	1,736	15,614
Site contractors and consultants	3,307	5,602
NRV write-down	79	549
Finance costs expensed:		
• Accretion of rehabilitation provision	1,049	441
• Interest bearing loans & borrowings measured at amortised cost	3,534	2,301
• Other parties	28	-

	30 June 2019 $'000	30 June 2018 $'000
6. INCOME TAX		
(a) Components of tax expense:		
Current tax benefit	(43)	-
Deferred tax	202	(468)
Under/(over) provision in prior years	-	-
	159	(468)
(b) Deferred income tax related to items recognised directly to equity		
Gain on financial asset at fair value through other comprehensive income	202	468
(c) Prima facie income tax expense		
The prima facie tax payable on loss before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax expense on loss before income tax at 30% (2018: 30%).	2,470	(25,917)
Tax effect of:		
- expenses not deductible in determining taxable profit/loss	918	1,477
- items which are non-assessable in determining taxable profit/loss	(10,619)	-
- losses and other deferred tax balances not recognised during the period	7,390	23,972
Income tax expense/(benefit) attributable to loss	159	(468)

Deferred tax assets are recognised for the carry-forward of unused tax losses to the extent that it is probable that taxable profits will be available in the future against which unused tax losses can be utilised. The deductible carry-forward tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Given the current status of the Group's operating activities and the nature of its future plans, it is uncertain as to the extent to which the carried forward unused tax losses will continue to be available to it in future periods. At the date of this report, the Group has yet to complete its assessment of the availability or otherwise of its carry forward unused tax losses.

(d) Tax consolidation

Ora Banda Mining Limited and its wholly owned Australian resident subsidiary have formed a tax consolidated group with effect from 1 July 2002. Ora Banda Mining Limited is the head entity of the tax consolidated group.

(i) Members of the tax consolidated Group and the tax sharing agreement

Members of the group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

(ii) Tax effect accounting by members of the tax consolidated group

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*.

	30 June 2019 $'000	30 June 2018 $'000
7. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	14,142	5
	14,142	5

For the purposes of the consolidated statement of cashflow, cash and cash equivalents comprise:

Cash at bank and on hand	14,142	5
	14,142	5

	30 June 2019 $'000	30 June 2018 $'000
8. TRADE AND OTHER RECEIVABLES		
CURRENT		
GST Receivables	71	1,156
Security deposits (ii)	-	250
Related party receivables (iii)	1,343	1,217
Other receivables	1,099	1,801
Less provision for doubtful debts	(2,442)	(3,268)
	71	1,156
Prepayments (i)	497	325
	568	1,481
NON-CURRENT		
Security deposits (iv)	20	64

(i) Prepayments consist of expenses paid in advance.

(ii) Security deposits relate to amounts paid to secure the services of contractors. These amounts are not available to finance the Group's day-to-day operations and have therefore been excluded from cash and cash equivalents in the Group's consolidated statement of cashflows.

(iii) These receivables relate to outstanding amounts for shares issued to related parties during the previous year and advances provided to related parties for the recharges of certain costs incurred by the Group on behalf of the related party. There are no interest charges on these amounts – refer Note 23.

(iv) Security deposits consist of bank guarantees held for the Group's credit card arrangements. Amounts cannot be released until such time as any outstanding amounts for these items have been met. These amounts are not available to finance the Group's day-to-day operations and have therefore been excluded from cash and cash equivalents in the Group's consolidated statement of cashflows.

The carrying amount of trade and other receivables, which is the gross receivable less provisions for doubtful debts, approximates their fair value. No collateral is held by the Group in relation to any amounts included above.

Impairment of receivables
In relation to the provision for doubtful debts, no expense was recognised during the year ended 30 June 2019. The provision relates to outstanding amounts for shares issued to related parties and advances provided to related parties for the recharges of costs incurred by the Group on behalf of the related party, during the previous year. The outstanding amounts are therefore not considered materially impaired based on the creditworthiness of the counterparty.

8. TRADE AND OTHER RECEIVABLES (Continued)

During the year ended 30 June 2018, the Group recognised expenses of $3,060,000 in relation to provisions for doubtful debts for related party receivables, other receivables and security deposits that have been fully provided for based on an expected credit loss rate of 100%.

	30 June 2019 $'000	30 June 2018 $'000
Reconciliation of provision for doubtful debts		
Carrying amount at beginning of year	3,268	208
Provision for expected credit losses	-	3,060
Amounts written off during the year	(826)	-
Carrying amount at the end of year	2,442	3,268

Past due but not impaired

Receivables with balances that are past due but not impaired amount to nil (30 June 2018: Nil).

9. INVENTORIES

	30 June 2019 $'000	30 June 2018 $'000
CURRENT		
Ore stockpiles	-	9
Gold in circuit – At NRV	-	1,561
Finished goods – Dore at NRV	-	488
Total inventories	-	2,058

10. MINE PROPERTIES

	30 June 2019 $'000	30 June 2018 $'000
Plant and equipment		
Gross carrying amount at cost	49,315	49,315
Accumulated depreciation and impairment	(36,036)	(35,585)
	13,279	13,730
Mine development		
Gross carrying value at cost	44,343	42,777
Accumulated depreciation and impairment	(19,308)	(18,047)
	25,035	24,730
Total mine properties		
Gross carrying value at cost	93,658	92,092
Accumulated depreciation and impairment	(55,344)	(53,632)
	38,314	38,460

Refer to Note 15 for encumbrances against these assets.

10. MINE PROPERTIES (Continued)

	30 June 2019 $'000	30 June 2018 $'000
Reconciliations		
Reconciliations of the carrying amounts of mine properties at the beginning and end of the current financial year		
Plant and Equipment		
Carrying amount at beginning of year	13,730	3,173
Additions	-	197
Transfers in from construction in progress	-	34,477
Depreciation	(451)	(4,274)
Impairment expense	-	(19,843)
Carrying amount at the end of year	13,279	13,730
Construction in Progress		
Carrying amount at beginning of year	-	35,197
Additions	-	101
Transfers	-	(35,298)
Carrying amount at the end of year	-	-
Mine Development		
Carrying amount at beginning of year	24,730	17,333
Additions (i)	1,565	13,744
Transfers in from construction in progress	-	908
Depreciation	(568)	(638)
Impairment	(692)	(6,617)
Carrying amount at the end of year	25,035	24,730

(i) A total of $3.24 million is included above for reassessment of rehabilitation provisions during the previous year. This amount was attributed directly to mine properties as the Group at the time of reassessment, was not in production. Refer to Note 16 for further details.

(ii) Refer to Note 15 for details on asset encumbrances.

Impairment testing

In accordance with the Group's accounting policies and processes, each CGU or asset is evaluated annually, at 30 June, to determine whether there are any indications of impairment or any circumstances justifying the reversal of previously recognised impairment losses. Factors such as changes in assumptions in future commodity prices, exchange rates, production rates and input costs, are monitored to assess for indications of impairment or reversal of previously recognised impairments. If any such indications of impairment or impairment reversals exist, a formal estimate of the recoverable amount is performed. In assessing whether an impairment is required, the carrying value of the asset or CGU is compared with its recoverable amount, which is the higher of fair value less cost to dispose ('FVLCD') and value-in-use ('VIU').

At 30 June 2018, the Group concluded there were indicators of impairment present in relation to the Group's CGU. In accordance with applicable accounting standards, the recoverable amount of the CGU was determined to be its fair value of $39.66 million less costs of disposal of $1.2 million. As a result, an amount of $26.46 million was recognised as an impairment loss in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2018.

As at 30 June 2019, it was assessed that there were no significant changes in assumptions and the Group concluded that there were no further indicators of impairment present in relation to the Group's CGU to require the FVLCD to be reviewed. As a result, an impairment expense of $692,000 was recognised in the statement of profit or loss and other comprehensive income, for the net of capital expenditure incurred during the year ended 30 June 2019.

10. MINE PROPERTIES (Continued)

Cash generating units

CGUs represent a grouping of assets at the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This results in the Group evaluating its CGUs as individual mining operations. As the Group has one mining operation, being the Davyhurst gold project, this is considered to be the only CGU, which is consistent with the Group's presentation of its operating segments. There has been no change in the determination of the Group's CGUs since the previous financial year.

In determining the fair value of the Davyhurst CGU separate valuation were performed for plant and equipment and mine property assets.

Plant and Equipment

Valuation Methodology

The FVLCD was determined using a combination of the following valuation methods:

- Depreciated Replacement Cost – involves the determination of the costs of new plant and equipment and the establishment of reasonable estimates of applicable depreciation;
- Comparable Transactions – involves reviewing recent transactions for the sale of plant & equipment on an appropriate basis.

The valuation is on the basis that the plant and equipment would remain in its current location for continued use, representing the highest and best use of the asset.

Recoverable Values

The recoverable value of plant & equipment of $13.73 million was determined based on its estimated fair value of $14.16 million less estimated costs of disposal of $0.43 million, as at 30 June 2018.

The key assumption in determining recoverable value under the Depreciated Replacement Cost method, which was the primary method used for determining the fair value, is the age of the plant and equipment. Items of plant and equipment were categorised into two broad categories based on the age of the items, being: Category 1 items, which were items between 23 and 33 years old had an estimated remaining useful life of three to four years; and Category 2 items, which were items that were replaced or refurbished in 2016 and 2017 were considered to have remaining useful live based on 90% of their original estimated useful life.

There were no changes to the key assumptions for the year ended 30 June 2019.

Mine Development

Valuation Methodology

The fair value of mine development assets was determined based on comparable market transactions. Comparable transactions included recent transactions of mineral asset that were comparable in location and commodity to the Group's Davyhurst gold project and were considered to be arm's length transactions. Based on the consideration paid and the types of tenements/ resources acquired in the comparable transactions a range of values were determined for the group's resources, tenements and exploration prospects.

Recoverable Values

Due to the operational history of the Davyhurst gold project, the lower end of the range was considered most appropriate in determining the recoverable value of $24.73 million which includes estimated disposal costs of $0.77 million.

10. MINE PROPERTIES (Continued)

The fair value of the Group's resources makes up more than 80% of the recoverable value. The fair value was determined by multiplying the Group's resource by resource multiples from comparable transactions. The resource multiples from comparable transactions ranged from A$8/oz to A$12/oz for Inferred Resources, and A$12/oz to A$36/oz for Indicated Resources. The value assigned to the Group's resource was dependent on when the resource was initially determined with lower value resource multiples being applied against resources that were not reported under the JORC 2012 code. In future reporting periods, should there be a change in the resource multiple, based on new comparable transactions, or a revision to the Davyhurst resources this will impact in the fair value.

For the Group's mining, prospecting and exploration tenements fair values were determined based on the size of these tenements and the consideration price paid in comparable transactions for similar types of tenements.

FAIR VALUE HIERARCHY

The fair value estimates are considered to be Level 3 fair value measurements (as defined by accounting standards – refer Note 2(v)) as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

SUMMARY OF IMPAIRMENTS

The following impairment losses were recognised during the year:

	30 June 2019 $'000	30 June 2018 $'000
Mine Development	692	6,617
Plant & Equipment	-	19,843
	692	26,460

11. CAPITALISED EXPLORATION EXPENDITURE

	30 June 2019 $'000	30 June 2018 $'000
Exploration and evaluation assets		
Carrying amount at beginning of year	-	585
Expenditure incurred during the year	-	52
Capitalised exploration written off	-	(637)
Carrying amount end of year	-	-

During the year, $1,754,000 of exploration costs incurred were expensed to 'Other Operating Expenses' in the consolidated statement of profit or loss and other comprehensive income (2018: $4,154,000). This amount related to works carried out on the Davyhurst gold project. In accordance with the Group's accounting policy for exploration and evaluation, costs are expensed to the consolidated statement of profit or loss and other comprehensive income as incurred unless the Directors conclude that a future economic benefit is more likely than not to be realised.

As at the reporting date, in light of the Group's revised operating strategy, it was assessed that future economic benefits would not be realised in relation to this expenditure and the expenditure was written off.

	30 June 2019 $'000	30 June 2018 $'000
12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
NON-CURRENT		
At fair value (Note 24(a)):		
Shares in Orion Gold NL	-	1,697
Shares in Intermin Resources Limited	-	2,148
Total financial assets at fair value through other comprehensive income	-	3,845

	30 June 2019 $'000	30 June 2018 $'000
Reconciliation of fair values at the beginning and end of the current and previous financial year:		
Opening fair value	3,845	2,199
Additions	-	24
Disposals	(3,215)	(44)
Revaluation (decrements)/increments	(630)	1,666
Closing fair value	-	3,845

	30 June 2019 $'000	30 June 2018 $'000
13. DERIVATIVE FINANCIAL INSTRUMENTS		
NON-CURRENT ASSETS		
At fair value (Note 24(a)):		
Listed options in Intermin Resources Limited	-	119
	-	119
NON-CURRENT LIABILITIES		
At fair value:		
Forward gold contract derivatives	-	293
	-	293

	30 June 2019 $'000	30 June 2018 $'000
14. TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	183	36,324
Accruals	582	2,860
Other Payables	88	1,443
	853	40,627

Trade payables and accruals are non-interest bearing and are ordinarily settled within 30 to 90-day terms. The carrying amount of trade payables approximate their fair values.

There were no amounts payable to related parties totalling at 30 June 2019 (30 June 2018: $1,233,400).

	30 June 2019 $'000	30 June 2018 $'000
15. LOANS AND BORROWINGS		
Current interest-bearing secured loans and borrowings		
• Investec Australia Loan Facility	-	10,102
• Hawke's Point Loan Facility	-	-
• Convertible Notes	-	-
Current interest-bearing unsecured loans and borrowings		
• Investmet Limited	-	10,592
• Michael Fotios Family Trust	-	849
	-	21,543

Reconciliation:

	Investec/Hawke's Point $'000	Convertible Notes $'000	Investmet $'000	MFFT $'000	Total $'000
Opening balance	10,102	-	10,592	849	21,543
Interest Charged	782	598	1,982	172	3,534
Interest paid	(157)	-	-	-	(157)
Advances – Cashflows	650	30,994	70	80	31,794
Advances – Non-cash	545	-	-	-	545
Repayments – Cashflows	(650)	-	-	-	(650)
Repayments – Share issues	(11,272)	(31,592)	-	-	(42,864)
Debt forgiveness on DOCA effectuation (Note 31)	-	-	(12,644)	(1,101)	(13,745)
Closing balance	-	-	-	-	-

Terms and conditions for loans and borrowings:

<u>Investec Australia Limited/Hawke's Point Holdings I Limited Syndicated Facility Agreement</u>

Under the terms of the Syndicated Facilities Agreement, the Group was required to make a payment of $5 million plus accumulated interest on 1 August 2018 ('Repayment') to Investec Australia Limited. The Group did not make the Repayment to Investec.

The Group subsequently entered into a standstill agreement with Investec pursuant to which the date to make the Repayment was extended to 15 August 2018. The standstill agreement was conditional on:

a) full repayment of all amounts owing under the Syndicated Facilities Agreement by no later than 12 September 2018;
b) a capital plan being provided by the Group to Investec by no later than 9 August 2018;
c) the issue of $300,000 fully paid shares in the capital of the Group to Investec at an issue price equivalent to the price under the Group's recapitalisation capital raising; and
d) existing hedging contracts in place with Investec being closed out with the proceeds applied against monies outstanding under the Facility Agreement.

A revised Standstill Agreement was negotiated with Investec, pursuant to which the date to make the Repayment was extended to 22 August 2018. The revised agreement was conditional upon full repayment of all other amounts owing under the Syndicated Facilities Agreement by no later than 22 August 2018 or such earlier date, where the Group has received funds as part of a capital raising or has the ability to repay all amounts outstanding under the Syndicated Facilities Agreement in full, offset by proceeds received of $460,000 from the close-out of gold forward contracts. The Repayment date was subsequently revised under an extension to the Revised Standstill Agreement, to 30 August 2018. No Repayment was made by the Group and the proceeds from the close out of gold forward contracts were not used to repay the Investec facility.

Following the above, Hawke's Point Holdings I Limited, agreed to acquire the Investec debt and on 28 August 2018, Hawke's Point executed documentation with Investec, whereby Hawke's Point agreed:

- To purchase the outstanding debt owed by the Group to Investec; and
- To acquire an assignment of the Syndicated Facilities Agreement and the associated security documents from Investec.

15. LOANS AND BORROWINGS (Continued)

Convertible Notes

On 27 September 2018 the Group raised $8.75 million from the issue of convertible notes to each of Hawke's Point, Donald Smith Value Fund LP, National Nominees Limited ANF Perennial Investment Management Limited and Wyllie Group Pty Limited. An additional amount of $22.24 million was raised from the issue of convertible notes issued on 28 May 2019.

The key terms and conditions attached to the convertible notes were as follows:

	Tranche 1	Tranche 2
Issue Date	4 October 2018	28 May 2019
Face Value per Note	$100	$100
Number of Notes Issued	87,500	222,439
Conversion Price	$0.05[1]	$0.01
Coupon Interest	Accrues daily at 8% per annum	Accrues daily at 10% per annum
Maturity Date	4 December 2018	31 December 2019

1. Price revised pursuant to the terms of the DOCA – refer to Note 31 for further details.

Other pertinent matters:

	Tranche 1	Tranche 2
Redemption	To the extent that the loan notes have not been converted, they <u>must</u> be redeemed for cash no later than eight weeks after the issue dates of the loan notes.	All of the Notes held by the Noteholder must, unless those Notes have been converted, be redeemed by cash repayment on the Note End Date.
Conversion	Loan notes are secured debt and have no right to convert into ordinary shares until and unless shareholder approval (at a general meeting) has been obtained to issue the conversion shares and the company has raised not less than $36.9 million through a share issue placement at a placement price of $0.05 a share.	Loan notes are secured debt and have no right to convert into ordinary shares until and unless: 1) The company confirms it is not aware of any matter that would prevent the ASX granting quotation of the conversion shares issued upon conversion of the Notes or granting permission for the resumption of trading of the company's securities on ASX; and 2) All necessary shareholder and regulatory approvals have been obtained by the company for the issue of the conversion shares to the Noteholder upon conversion of the Notes.
Free attaching options	Noteholders to be issued with one free attaching option for every four conversion shares. Exercise price of $0.075 and expiry period of four years. The options are contingent on the debt being converted.	No free attaching options were included in the offer.

Under the terms of the convertible note agreements, Tranche 1 and 2 noteholders would receive joint security over the Group's assets alongside the existing Hawke's Point security.

The loan notes were assessed as being a compound financial instruments with the conversion right and free attaching options representing an equity instrument. Due to the short-term nature of the loan notes and as the note holders will have joint security over the assets of the Group, the fair value of the equity component of the loan notes at inception determined to be insignificant.

Following DOCA approval by creditors on 1 February 2019, conversion of the convertible notes into ordinary shares was at the rate of 1 cent per share.

15. LOANS AND BORROWINGS (Continued)

Investmet Limited & Michael Fotios Family Trust

The terms of the Investmet standby and Michael Fotios Family Trust loan facilities are:

(i) Principal amount not to exceed $15 million;
(ii) Maturity date of 6 months after the Investec RLF is closed out;
(iii) Interest is charged at 19% whilst the facility is unsecured; 10% whilst the facility is secured but ranking second in priority and distribution to the Syndicated Facilities Agreement or 3% above BBR whilst the facility is secured and first ranking in priority and distribution. As at 30 June 2018 the Investmet standby and Michael Fotios Family Trusts facilities were unsecured with an interest rate of 19% being charged on outstanding balances. Settlement of outstanding amounts under these facilities was made pursuant to the DOCA – refer to Note 31 for further details.

	30 June 2019 $'000	30 June 2018 $'000
16. PROVISIONS		
CURRENT		
Employee benefits	179	349
Onerous lease	-	954
Total	179	1,303
NON-CURRENT		
Provision for rehabilitation	16,644	15,595
Onerous lease	-	2,648
	16,644	18,243

	30 June 2019 $'000	30 June 2018 $'000
(a) Provision for rehabilitation		
Carrying amount at beginning of year	15,595	11,912
Movement as a result of re-assessment of provision	-	3,242
Accretion	1,049	441
Carrying amount at the end of year	16,644	15,595

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis on the development of mines or installation of those facilities.

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites. These provisions have been based on estimates provided by an external consultant. Key inclusions and pertinent matters underpinning the provision are:

- The provision covered the four project areas, being Carnegie, Siberia, Mt Ida and Heron;
- Project areas (apart from the Davyhurst gold project site) have undergone limited scale exploration activities and have been on care and maintenance;
- Costing estimates for the four project areas, included actual mining contractor and equipment rates and average industry contracting rates;
- The provision incorporates costs for the demolition and cartage of fixed infrastructure to the nearest nominated waste disposal area;
- No allowance has been made for decommissioning of assets not owned by the Group but are located on Group owned leases;
- The rehabilitation costs being incurred over an eight-year period;
- A 15% contingency has been included in the provision calculation; and
- An allowance has been made within the Contingency, for post-closure maintenance and reworking of environmental rehabilitation.

16. PROVISIONS (Continued)

Assumptions, which are based on the current economic environment, have been made which the Company believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for necessary decommissioning works required which will reflect market conditions at the relevant time.

During the financial year ended 30 June 2018, management undertook a detailed review of the Group's future rehabilitation obligations in relation to the mine. This re-assessment resulted in a $3.24 million increase in provisions. This amount was capitalised to mine property assets during the year.

(b) Provision for onerous lease

	30 June 2019 $'000	30 June 2018 $'000
Carrying amount at beginning of year	3,602	-
Arising during the year	-	3,602
Settled pursuant to the DOCA – refer Note 31	(3,602)	-
Carrying amount at the end of year	-	3,602

The onerous lease provision represents the unavoidable costs discounted to present value for an onerous property lease arrangement. The unavoidable costs represent the minimum lease payment over the remaining lease term of eight years less any estimated benefits expected to be received from being able to sublease the property.

17. CONTRIBUTED EQUITY

	30 June 2019 No.	30 June 2019 $'000	30 June 2018 No.	30 June 2018 $'000
Issued and paid up capital	485,719,962	350,519	761,784,738	287,168

The fully paid ordinary shares have no par value.

(a) Movements in share capital

		No.	$'000
Balance at 1 July 2017		**559,778,054**	**251,282**
14/07/2017	Shares at issue price of $0.35 per share – portion of tranche 2 placements	100,000	35
14/07/2017	Shares at an issue price of $0.168 per share – exercise of 650,000 options utilising the cashless exercise facility	324,030	-
14/07/2017	Shares issue at $0.168 – exercise of options	250,000	42
02/11/2017	Shares issued pursuant to Stirling Settlement Deed as announced 30 December 2015	4,500,000	-
01/02/2018	Shares issued at issue price of $0.20 per share	65,350,000	13,070
01/02/2018	Shares issue at a deemed issue price of $0.20 per share	750,000	150
02/02/2018	Shares issued to Hawkes Point under tranche 2 of placement at issue price of $0.20 per share	87,500,000	17,500
28/02/2018	Shares issued at issue price of $0.20 per share – non-renounceable rights issue	14,021,303	2,804
15/03/2018	Issue of shares at issue price of $0.20 per share pursuant to underwriting agreement entered in relation to the Company's non-renounceable rights issue.	11,000,000	2,200
06/04/2018	Shares issued on conversion of 12,950,000 options at exercise price of $0.168 expiring 8 March 2018	12,950,000	2,176
06/04/2018	2,135,851 shares issued on conversion of 6,975,000 options exercisable at $0.168 expiring 8 March 2018 using cashless exercise facility	2,135,851	-
21/05/2018	Shares issued at $0.20 per share, pursuant to shortfall offer in relation to non-renounceable rights issue	3,125,000	625
21/05/2018	Shares issued on conversion of 250 options at conversion price of $0.25 expiring 2 February 2023	250	-
21/05/2018	Shares issued on conversion of 250 options at conversion price of $0.275 expiring 2 February 2023	250	-
	Cost of Capital Raising	-	(2,716)
Balance at 30 June 2018		**761,784,738**	**287,168**

17. CONTRIBUTED EQUITY (Continued)

		No.	$'000
Balance at 30 June 2018		**761,784,738**	**287,168**
28/09/2018	Shares issued on conversion of 7 unlisted options exercisable at $0.25 expiring 2 February 2023	7	-
28/09/2018	Shares issued on conversion of 5 unlisted options exercisable at $0.275 expiring 2 February 2023	5	-
28/05/2019	Shares issued at $0.01 under the Entitlement Offer	164,025,013	1,640
28/05/2019	Shares issued at $0.01 under the Shortfall Offer	597,755,000	5,978
11/06/2019	Shares issued at $0.01 as Placement Shares under the Capital Raising	32,845,000	328
11/06/2019	Shares issued at $0.01 to Hawke's Point to satisfy claims in respect of the secured debt and existing convertible notes in accordance with the DOCA and on conversion of the new convertible notes	2,912,806,390	29,128
11/06/2019	Shares issued at $0.01 on conversion of new convertible notes	819,484,014	8,196
11/06/2019	Shares issued at $0.01 to satisfy the secured creditors claims in respect of existing convertible notes in accordance with the DOCA	553,997,260	5,540
11/06/2019	Shares issued at $0.01 to supporting creditors to satisfy the remaining supporting creditors debt in accordance with the DOCA	1,393,103,932	13,931
11/06/2019	Shares issued at $0.01 as part consideration for corporate advisory services in relation to the Capital Raising	30,000,000	300
11/06/2019	Shares issued at $0.01 to settle tenement plaints	20,000,000	200
12/06/2019	Consolidation of shares	(6,800,081,397)	-
	Cost of capital raising		(1,890)
Balance at 30 June 2019		**485,719,962**	**350,519**

Non-cash equity transactions during the year comprised:

(i) Shares issued to settle outstanding loans and convertible notes in the amount of $42,864,000 (30 June 2018: $2,500,000);

(ii) Nil shares were issued for which payment had not been received at 30 June 2019 (30 June 2018: $2,591,000);

(iii) Shares issued to settle supplier invoices and salaries in the amount of $13,931,000 (30 June 2018: $3,172,000);

(iv) Shares issued for services provided as part of capital raising for the amount of $300,000 (30 June 2018: $400,000); and

(v) Shares issued to settle tenement plaints in the amount of $200,000 (30 June 2018: Nil).

(b) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

(c) Share Options

Options over ordinary shares:

Employee share scheme

The Group continued to offer employee participation in short-term and long-term incentive schemes as part of the remuneration packages for the employees of the Group. Refer to Note 30 for further information.

Lead manager offer

Pursuant to the DOCA (refer Note 31) the Group issued options to Hartleys Limited appointed to manage, facilitate and assist the capital raising transaction. Refer to Note 30 for further information.

Convertible note holder offer

Pursuant to the terms and conditions of the convertible note deeds, the Group issued options to convertible note holders. Refer to Note 30 for further information.

17. CONTRIBUTED EQUITY (Continued)

(d) Capital Management

When managing capital, management's objective is to ensure the Group continues to maintain optimal returns to shareholders and benefits for other stakeholders, whilst also trying to safeguard the Group's ability to continue as a going concern.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets its obligations attached to its interest-bearing loans and borrowings that form part of its capital structure, as well as its obligations to its trade creditors.

On 29 November 2018 the Group entered Voluntary Administration. A Deed of Company Arrangement and recapitalisation plan was proposed and, subsequently, approved at a meeting of creditors on 1 February 2019. Following a successful capital raising, the DOCA was effectuated on 27 May 2019 and the Company's shares relisted on the Australian Stock Exchange on 28 June 2019. Refer to Note 31 for further information.

(e) Dividends paid or proposed

No dividends were paid or proposed during the current or previous financial year. No dividends have been proposed subsequent to the end of the current financial year.

	Notes	30 June 2019 $'000	30 June 2018 $'000
18. RESERVES			
Fair Value through Other Comprehensive Income	(a)	751	1,218
Cash flow hedge reserve	(b)	-	-
Share based payment reserve	(c)	12,279	11,892
		13,030	13,110

(a) Financial asset at fair value through other comprehensive income reserve

(i) Nature and purpose of reserve

This reserve is used to record unrealised movements in fair values of financial assets at fair value through other comprehensive income and not distributable.

(ii) Movements in reserve	30 June 2019 $'000	30 June 2018 $'000
Balance at beginning of year	1,218	20
Change in fair value of financial assets at fair value through other comprehensive income, net of tax	(467)	1,198
Balance at end of year	751	1,218

(b) Cash flow hedge reserve

(i) Nature and purpose of reserve

This reserve is used to record gains or losses on derivatives that are designed and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit and loss when the associated hedged transaction affects profit or loss.

(ii) Movements in reserve	30 June 2019 $'000	30 June 2018 $'000
Balance at beginning of year	-	271
Charge for the year due to ineffective hedge	-	-
Reclassification to profit and loss net of tax	-	(271)
Balance at end of year	-	-

18. RESERVES (CONTINUED)

As the hedge no longer meets the criteria for hedge accounting the gain has been reclassified to profit and loss.

(c) Share based payments reserve

(i) Nature and purpose of reserve

This reserve is used to record the fair value of shares or options issued to employees and directors as part of their remuneration. The balance is transferred to share capital when options are granted, and balance is transferred to retained earnings when options lapse.

(ii) Movements in reserve

Balance at beginning of year	11,892	9,875
Share based payments expense	145	1,088
Options issued in lieu of payment for share raising costs	242	929
Balance at end of year	12,279	11,892

	30 June 2019 $	30 June 2018 $
19. REMUNERATION OF AUDITORS		
Amounts paid or due and payable to:		
Ernst & Young		
- Auditing and reviewing the financial reports	302,384	248,000
	302,384	248,000

No non-assurance services (30 June 2018: Nil) were provided during the financial year.

	30 June 2019 $	30 June 2018 $
20. COMPENSATION OF KEY MANAGEMENT PERSONNEL		
- Short-term employee benefits	989,242	678,947
- Post-employment	42,835	-
- Share based payments – refer note 30	185,444	-
	1,217,521	678,947

21. EXPENDITURE COMMITMENTS

Under the terms of mineral tenement licences held by the Group, minimum annual expenditure obligations of $4,515,418 (30 June 2018: $4,447,237) may be required to be expended during the forthcoming financial year in order for the tenements to maintain a status of good standing. This expenditure may be incurred by the Group and may be subject to variation from time to time in accordance with Department of Industry and Resources regulations.

22. SEGMENT INFORMATION

For the year ended 30 June 2019, the Group's focus has been on the exploration and evaluation of its interests in mineral tenement licences associated with the Davyhurst gold project.

The Group operates in Australia.

Group performance is evaluated based on the financial position and operating profit or loss and is measured on a consistent basis with the information contained in the consolidated financial statements. As such, no additional information is provided to that already contained in the consolidated financial statements.

Major Customer
During the year ended 30 June 2019 all of the Group's revenue of $6,429,000 (30 June 2018: $16,152,000) was derived from sales to one customer, being Perth Mint.

23. RELATED PARTY TRANSACTIONS

(a) A list of controlled entities can be found at Note 25 of this financial report.

(b) Directors who held office for any time during the year are disclosed in the Directors' Report.

(c) Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured and settlement occurs in cash unless agreed otherwise. There have been no guarantees provided or received for any related party receivables or payables.

(d) Transactions with related parties:

The following transactions occurred during the year between the Group and Directors or their director-related entities:

- Delta Resources Management Pty Limited, a company in which Michael Fotios is a substantial shareholder and director, provided technical and administrative support to the Group to the value of $363,000 inclusive of GST (30 June 2018: $980,000). No amount remains outstanding at 30 June 2019 (30 June 2018: $1,048,000) as full settlement was made during the year under the terms of the DOCA;

- Whitestone Mining Services Pty Limited, a company which is 100% owned by Investmet Limited, a company in which Michael Fotios is a substantial shareholder and director, provided no consulting services to the Company (30 June 2018: $2,704,000). No amount remains outstanding at 30 June 2019 (30 June 2018: $168,000) as full settlement was made during the year under the terms of the DOCA;

- Horseshoe Metals Limited is a company of which Michael Fotios is a substantial shareholder and director. A loan of $36,000 is receivable (30 June 2018: $36,000), however has been fully provided for. Interest has not been charged on the outstanding amounts;

- Scorpion Minerals Limited (formerly Pegasus Metals Limited) is a company in which Michael Fotios is a substantial shareholder. $4,000 remains due and receivable by the Group as at 30 June 2019 (30 June 2018: $4,000) which have been fully provided for in the financial statements. Interest has not been charged on the outstanding amount;

- Redbank Copper Limited is a company in which Michael Fotios is a substantial shareholder and director. $35,000 remains due and receivable by the Group as at 30 June 2019 (30 June 2018: $35,000) and has been fully provided for. Interest has not been charged on the outstanding amount;

- Crixus Pty Limited, a company in which Michael Fotios is a substantial shareholder and director, converted 5,000,000 options during the year ended 30 June 2018 valued at $840,000 which remains due and receivable by the Group as at 30 June 2019. A provision for doubtful debts has been included in these financial statements for the outstanding balance of $840,000;

23. RELATED PARTY TRANSACTIONS (Continued)

- Apollo Corporation (WA) Pty Limited, a related party company to Michael Fotios, converted 2,500,000 options during the year ended 30 June 2018 valued at $420,000 which remains due and receivable by the Group as at 30 June 2019. A provision for doubtful debts has been included in these financial statements for the outstanding balance of $420,000;

- Allan Still converted 1,800,000 options during the year ended 30 June 2018 valued at $302,400 which remains due and receivable by the Group as at 30 June 2019. A provision for doubtful debts has been included in these financial statements for the outstanding balance of $302,400;

- During the year, the Group received legal and consulting services from Craig Readhead and Readhead Legal Pty Limited in the amount of $304,000 which has been settled under the terms of the DOCA;

- During the year, the Group received services from Peter Mansell in the amount of $189,000 which has been settled under the terms of the DOCA;

- Investmet Limited ('Investmet') is a company of which Mr Michael Fotios is a substantial shareholder and Director. During the previous year, the Group drew down on a loan with Investmet. The interest rate applicable to the loan was 4.5% up to 30 January 2018 and 19% thereafter. No amount remains outstanding at 30 June 2019 (30 June 2018: $10,592,000) as full settlement was made during the year under the terms of the DOCA;

- During the previous year, the Group drew down on a loan with the Michael Fotios Family Trust. The interest rate applicable to the loan was 4.5% up to 30 January 2018 and 19% thereafter. No amount remains outstanding at 30 June 2019 (30 June 2018: $849,000) as full settlement was made during the year under the terms of the DOCA;

- Andrew Czerw converted 750,000 options during the year ended 30 June 2018 valued at $126,000 which remains due and receivable by the Group as at 30 June 2019. A provision for doubtful debts has been included in these financial statements for the outstanding balance of $126,000.

24. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities, other than derivatives, comprise trade payables, secured and unsecured loans and borrowings. The main purpose of these financial instruments is to manage cash flow and assist the Group in its daily operational requirements. The Group's principal financial assets, other than derivatives, comprise trade and other receivables, available-for-sale equity investments and cash that arises directly from its operations.

The Group is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting year:

- Equity price risk;
- Interest rate risk;
- Credit risk; and
- Liquidity risk.

The Directors have overall responsibility for identifying and managing operational and financial risks.

(a) Equity price risk

The Group manages the equity price risk through, where appropriate, diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Group was not exposed to any significant price risk following disposal of the Group's equity investments during the year.

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The effective weighted average interest rates for each class of financial asset and liability is set out below.

30 June 2019

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount
	$'000	$'000	$'000
Financial assets			
Cash	14,142	-	14,142
Total financial assets	14,142	-	14,142

30 June 2019

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount
	$'000	$'000	$'000
Financial liabilities			
Trade/other payables	-	853	853
Total financial liabilities	-	853	853

30 June 2018

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount
	$'000	$'000	$'000
Financial assets			
Cash	-	5	5
Total financial assets	-	5	5

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount
	$'000	$'000	$'000
Financial liabilities			
Loans – Variable interest	10,102	-	10,102
Loans – Fixed interest	11,441		11,441
Trade/other payables	-	40,627	40,627
Derivatives	-	293	293
Total financial liabilities	21,543	40,920	62,463

An increase/decrease of 1% in the interest rate applicable to the interest-bearing financial instruments at the reporting date would result in an increase/decrease in net profit of $141,000 for the year ended 30 June 2019 (2018: an increase/decrease in net loss of $101,000).

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other available lines of credit. The Group manages liquidity risk by monitoring forecast cash flows. The table below reflects all contractually fixed payoffs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities as of 30 June 2019. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2019.

24. FINANCIAL RISK MANAGEMENT (Continued)

Maturity analysis

The tables below represent the undiscounted contractual settlement terms for financial instruments and management's expectation for settlement of maturities.

Year ended 30 June 2019	< 6 months	6-12 months	1-5 years	Total contractual cash flows	Carrying amount
	$'000	$'000	$'000	$'000	$'000
Creditors	853	-	-	853	853
Net maturities	853	-	-	853	853

Year ended 30 June 2018	< 6 months	6-12 months	1-5 years	Total contractual cash flows	Carrying amount
	$'000	$'000	$'000	$'000	$'000
Loans	5,022	18,997	-	24,019	21,543
Creditors	40,627	-	-	40,627	40,627
Derivatives	293	-	-	293	293
Net maturities	45,942	18,997	-	64,939	62,463

(d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables). Exposure to credit risk associated with its financing activities arising from deposits with banks and financial institutions, foreign exchange transactions and other financial instruments is not considered to be significant.

Trade and other receivables
Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group trades only with recognised creditworthy third parties. The Group's only customer is Perth Mint and at 30 June 2019, the exposure to credit risk associated with this customer and trade receivables is not significant.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss pattern. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The maximum exposure to credit risk for trade and other receivables at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Group does not hold collateral as security.

Cash and cash equivalents
With respect to the credit risk arising from the cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group limits its counterpart credit risk on these assets by dealing with financial institutions with credit rating of at least A or equivalent.

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investment of surplus funds are made only with approve counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

24. FINANCIAL RISK MANAGEMENT (Continued)

(e) Fair values versus carrying values

Set out below is a comparison of the carrying amounts and fair values of financial instruments:

	30 June 2019 Carrying Amount $'000	30 June 2019 Fair Value $'000	30 June 2018 Carrying Amount $'000	30 June 2018 Fair Value $'000
Financial Assets				
Cash and cash equivalents	14,142	14,142	5	5
Derivative financial instruments	-	-	119	119
Financial Assets	-	-	3,845	3,845
Total	**14,142**	**14,142**	**3,969**	**3,969**
Financial Liabilities				
Loans and borrowings (i)	-	-	21,543	17,835
Trade and other payables (i)	853	853	40,627	27,848
Total	**853**	**853**	**62,170**	**45,683**

The carrying values of financial assets and financial liabilities as at 30 June 2018 which are not measured at fair value, approximate their fair values as a result of their short maturity, except as disclosed as follows:

- The fair values have been estimated using inputs that are based on the Group's net liability position. The fair value estimate first allocates the total assets of the Group of $46.03 million less employee benefits provisions of $1.2 million to the secured loans and borrowings, statutory payables and unpaid employee accruals, after which any residual amount was allocated to the remaining unsecured loans and borrowings and trade and other creditors. The fair values were determined using level 3 inputs.

(f) Fair value measurements

At 30 June 2019 there are no assets and liabilities held by the Group that are measured on a recurring basis at fair value. The following table provides the fair value classification of such assets and liabilities at 30 June 2018:

Year ended 30 June 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements [Note 2(v)]	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets				
Financial assets at FVTOCI	3,845	-	-	3,845
Derivatives – listed options	119	-	-	119
Financial liabilities				
Derivative – hedging instruments	-	(293)	-	(293)
Totals	3,964	(293)	-	3,671

There were no transfers between the fair value hierarchy measurement levels during the current or previous financial year.

25. INVESTMENTS IN CONTROLLED ENTITIES

Name of controlled entities	Country of incorporation	Class of shares	Equity holding 2019	Equity holding 2018
Monarch Nickel Pty Limited	Australia	Ordinary	100	100
Monarch Gold Pty Limited[1]	Australia	Ordinary	80	80
Carnegie Gold Pty Limited	Australia	Ordinary	100	100
Siberia Mining Corporation Pty Limited	Australia	Ordinary	100	100
Eastern Goldfields Mining Services Pty Limited	Australia	Ordinary	100	100
Controlled entities of Siberia Mining Corporation Pty Limited				
Mt Ida Gold Operations Pty Limited	Australia	Ordinary	100	100
Ida Gold Operations Pty Limited	Australia	Ordinary	100	100
Pilbara Metals Pty Limited	Australia	Ordinary	100	100
Siberia Gold Operations Pty Limited	Australia	Ordinary	100	100
Mt Ida Gold Pty Limited	Australia	Ordinary	100	100

1. This entity is in the process of being deregistered and has no assets or liabilities no operating results for the year (30 June 2018: Nil).

Holding Company

The ultimate holding company of the Group is Ora Banda Mining Limited, which is based and listed in Western Australia.

26. INTERESTS IN JOINT OPERATIONS

The Group entered into a joint arrangement with Kingsday Holdings Pty Limited for the operation of the Mt Ida Excluded Area joint operation. Under the agreement Ora Banda Mining retains a 70% interest in the asset and funds 100% of the joint operations expenditure. The Group entitled to recover the contributions it has made from future gold production.

As at 30 June 2019 funding in excess of the Group's working interest in the project amounts to $6,534,637 (30 June 2018: $6,534,637). An applicable notional interest rate of 30% will be charged on these contributions, subject to an interest free period of 20 months commencing when Ora Banda Mining Limited recommences mining operations. The Group's expenditure in respect of the joint operation is brought to account initially as exploration and evaluation expenditure in the consolidated statement of profit or loss and other comprehensive income.

The joint operation has no contingent liabilities or capital commitments.

27. CONTINGENT LIABILITIES

The Company (and its wholly owned subsidiaries) is a party to various proceedings in the Wardens Court pursuant to which third parties are seeking to challenge its title to various mining tenements by way of forfeiture and other proceedings. The Group has legal representation in respect of these plaints. The Directors do not believe the plaints have a reasonable prospect of success and the plaints will be vigorously defended by the Group.

	30 June 2019 $'000	30 June 2018 $'000
28. CASH FLOW STATEMENT		
(a) Reconciliation of cash and cash equivalents		
Cash balances comprise:		
Cash and cash equivalents	14,142	5

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

	30 June 2019 $'000	30 June 2018 $'000
(b) Reconciliation of net cash outflow from operating activities to loss after income tax		
Loss after income tax	8,074	(85,922)
Adjusted for non-cash items:		
Depreciation of property, plant and equipment	1,019	4,912
Impairment writedown	692	27,097
Interest expense – capitalised against loan	3,372	1,556
Accretion of rehabilitation provision	1,049	441
Share based payments	145	1,088
Payments to suppliers made via equity settlement	14,131	3,172
Loss on disposal of investments	119	33
Loss on fair value hedge	(293)	293
Income tax expenses/(benefit)	159	(468)
Debt forgiveness	(32,169)	-
Changes in operating assets and liabilities:		
Decrease in receivables	913	9,096
Decrease/(Increase) in inventories	2,058	(2,058)
(Decrease)/Increase in payables (excluding capital items)	(23,353)	12,009
(Decrease)/Increase of provisions	(170)	3,746
Net cash outflow from operating activities	(25,254)	(25,005)

	30 June 2019 $'000	30 June 2018 $'000
29. EARNINGS (LOSS) PER SHARE		
Profit/(Loss) used in the calculation of basic loss per share	8,233	(85,922)
	Number	**Number**
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	75,373,996	50,785,649
Effect of dilution:	503,510	-
Weighted average number of ordinary shares on issue adjusted for the effect of dilution	75,877,506	50,785,649
Basic earnings/(loss) per share	**0.11**	**(1.69)**
Diluted earnings/(loss) per share	**0.11**	**(1.69)**

A total of 44,433,913 options outstanding at 30 June 2019 have not been accounted for in the above diluted earnings per share calculations as they have exercise prices greater than the average market price of ordinary shares during the reporting period and are therefore considered anti-dilutive. A total of 226,688,555 options were on issue as at 30 June 2018 and have not been accounted for in the above diluted loss per share calculations, as the Group was in a loss position for that year. Further disclosure of options on issue is included within the Directors' Report.

30. SHARE BASED PAYMENTS

Share based payments are provided to directors, employees, consultants and other advisors. The issue to each individual director, employees, consultant or advisor is controlled by the Board and ASX Listing Rules. Terms and conditions of the payments are determined by the Board, subject to approval where required.

Movements during the year

	2019 *Nos.*	**2019** *WAEP ($)*	**2018** *Nos.*	**2018** *WAEP ($)*
At 1 July	226,688,555	0.2608	57,258,501	0.1996
Granted during the year	30,323,026	0.1746	189,638,388	0.2567
Consolidated during the year	(197,552,501)	3.1302	-	-
Exercised/expired during year	(15,025,167)	0.4590	(20,208,334)	0.1680
At 30 June	**44,433,913**	**1.1132**	**226,688,555**	**0.2608**

The fair value of options granted during the 2019 year was calculated at the date of grant using the Black-Scholes and Monti Carlo simulation option pricing models. The inputs to the valuation models used to determine the fair value at the grant dates were as follows:

Option Series	**Consultant Options**	**Employee Incentive Options**	**Remuneration Options**	**Director Incentive Options**	**Director Incentive Options**	**Director Incentive Options**	**Performance Options**
Weighted average fair value per option	$0.03	$0.13	$0.16	$0.14	$0.12	$0.12	$0.16
Grant date	11/06/2019	28/06/2019	11/06/2019	11/06/2019	11/06/2019	11/06/2019	11/06/2019
Number of options	7,666,667	11,251,358	1,155,001	2,477,778	1,777,778	1,777,778	700,000
Expiry date	11/06/2021	30/06/2024	11/12/2020	30/06/2020	30/06/2021	30/06/2023	30/06/2019
Exercise price	$0.263	Nil	Nil	Nil	Nil	Nil	Nil
Price of shares on grant date	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16
Estimated volatility	62%	62%	62%	62%	62%	62%	62%
Risk-free interest rate	1.01%	1.07%	1.01%	1.01%	1.01%	1.07%	1.01%
Dividend yield	0%	0%	0%	0%	0%	0%	0%
Vesting conditions	Nil	Various	Service related	Service & share price related	Service & share price related	Service & share price related	Service & KPI related

A share based payment expense of $145,000 (30 June 2018: $1,088,0000 was recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2019 and $242,000 (30 June 2018: $929,000) was recognised as a share based payment expense that was offset against share capital.

31. RECAPITALISATION

On 29 November 2018 the Group resolved to appoint Martin Jones and Andrew Smith of Ferrier Hodgson as Joint and Several Administrators of the Group.

On 18 January 2019 the Administrators received a Deed of Company Arrangement ('DOCA') proposal from Hawke's Point. The proposed DOCA included the following key features:

Key Elements	DOCA Proposal
Purpose	• Ensure that creditors of the Companies receive a better return than in liquidation. • Facilitate a capital raising for the Companies of not less than $22 million, expected to comprise a rights issue, issue of convertible notes and placement of shares. • Minimise holding costs and reducing the further administrators' fees that may be incurred. • Ensure that, at the conclusion of the DOCA process, the Group is sufficiently funded to pursue a resource development and mine planning programme.
Creditors Trust	A creditors' trust will be established for the purposes of the DOCA, named 'Eastern Goldfields Creditors' Trust.'
Contributions	The funds available for distribution to creditors of the Companies out of the Creditors' Trust will be an amount of up to $7.3 million out of proceeds of the Capital Raising.
Capital raising	Not less than $22 million shall be raised to: satisfy the obligations of the Companies under the DOCA; and • provide the Companies with adequate working capital to advance its business post administration. It is intended that this amount shall be raised via any or all of the following (each carried out by OBM): • a one-for-one rights issue priced at one cent per share, which will be underwritten as to at least 25% (inclusive of its entitlement amount) by Hawke's Point or such lesser percentage as required to ensure it is fully underwritten (Rights Issue); • an offering of: o secured convertible notes ('New Convertible Notes'), to be converted at one cent per share; and o ordinary shares ('Placement Shares') to be issued via a placement. Capital Raising participants subscribing for Placement Shares, if any, shall escrow their subscription funds contemporaneous with the funding of the New Convertible Notes; and • such other equity and/or debt capital raising as the directors of OBM, the Deed Administrators and Hawke's Point agree, having regard to the objects of the DOCA. Finalisation of the Capital Raising will be subject to the Deed Administrators and the directors of OBM being satisfied that the events subsequent to completion of the DOCA will occur, including the passing of certain shareholder approvals for OBM.

Key Elements	DOCA Proposal
Position of Creditors	Creditors' claims are to be dealt with in the following categories of creditor: Employee entitlements: a) Debts due to government and statutory authorities; b) Supporting Creditors; c) PPSR Secured Creditors; d) Non-Supporting Creditors – Pool A; e) Non-Supporting Creditors – Pool B. To the extent that there are any arrears or other amounts due and payable to employees with respect to wages and other employee entitlements, the debts due to employees will be paid in full. To the extent that any government or statutory authority or regulator is a creditor, and the non-payment of the debt to that authority or regulator puts at risk any of the assets of the Companies, such debts will be paid in full. Supporting Creditors and PPSR Secured Creditors will not participate as creditors/beneficiaries under the Creditors' Trust. Supporting Creditors are defined as the creditors specified at 1 to 8 below with whom the Companies seek to have an ongoing commercial relationship and to whom offers of securities can be made without disclosure under Chapter 6D of the Act and who agree to accept: • a cash payment out of the Capital Raising equal to 22c/$ of 60% of each Supporting Creditor's agreed claim amount; and • to convert the remaining 40% of their respective agreed claims to equity in OBM fully paid ordinary shares at the rate of one cent per share, in full satisfaction of the respective debts owed to them by the Companies. 1) Aggreko Generator Rentals Pty Limited – to the extent of $674,795.70; 2) GR Engineering Services Limited – to the extent of $11,554,660.81; 3) Pit N Portal Mining Services Pty Limited – to the extent of $14,482,318.50; 4) Ralmana Pty Limited t/as R J Vincent & Co – to the extent of $3,461,378.19; 5) Squire Patton Boggs (AU) – to the extent of $1,930,300.29; 6) Gilbert & Tobin – to the extent of $1,190,932.45; 7) Seismic Drilling Pty Limited – to the extent of $854,060.36; and 8) Junile Nominees Pty Limited t/as Red Dirt Personnel Group – to the extent of $679,152. (together the Supporting Creditors). Supporting Creditors will be paid out of the Capital Raising proceeds and by the Deed Administrators at conclusion of the DOCA. PPSR secured creditors will be serviced in the ordinary way and will not participate under the Creditor's Trust.
Dividends and order of distribution	Other unsecured creditors will be split into Pool A and Pool B, subject to whether the claimed debt is greater or less than $50,000. Pool A creditors are those that are owed less than $50,000. They will be paid up to 100 cents in the dollar. Pool B creditors are those that are owed greater than $50,000. They will be paid $50,000 plus a pro-rata share of the funds available in the Creditors trust, which is estimated at $3.9 million.

Key Elements	DOCA Proposal
Secured Creditor	Hawke's Point will agree to: • take up its entitlements under the Rights Issue in full and underwrite the Rights Issue to the extent of at least 25% (inclusive of its entitlement) or such lesser percentage as required to ensure the Rights Issue is fully underwritten; • subscribe to at least 25% of the New Convertible Notes or such lesser percentage as required to ensure that the offering of New Convertible Notes is fully subscribed; and • subsequent to the Rights Issue closing, convert its secured debt (being both its loan facility and its holding of the convertible notes issued 28 September 2018 ('Existing Convertible Notes') into equity at the rate of one cent per share, subject to the approval of the shareholders of OBM at the shareholders meeting to be held after completion of the DOCA, with such conversion to occur simultaneously with the conversion of the New Convertible Notes and the issue of the Placement Shares. Wyllie Group Pty Limited, National Nominees Limited (as nominee for Perennial Value Microcap Opportunities Fund) and Donald Smith Value Fund LP (the Other Secured Creditors), who agree to convert the secured debt under their existing convertible notes into equity at the rate of one cent per share, subject to the approval of the OBM shareholders at the shareholders meeting to be held after completion of the DOCA, with such conversion to occur simultaneously with the conversion of the new convertible notes and the issue of the Placement Shares.
Termination	In the event that completion does not occur by 30 April 2019 or such other date as agreed between Hawke's Point and the Deed Administrators, the Deed Administrators may: • Cause the Companies to be placed into liquidation; and/or • Convene a meeting of creditors to vary or terminate the DOCA.
Key Conditions and Subsequent Events	The DOCA will complete on the date which is two business days after satisfaction of the last of the following Conditions Precedent: (a) That the creditors of the Companies approve the DOCA; (b) The creation of the Creditors' Trust; (c) The entry into any requisite new contracts or amendments to existing contracts, in each case to be negotiated in good faith, between Supporting Creditors (or any of their respective associated entities) and the Companies (or an associated entity) in respect of their ongoing commercial relationship on terms reasonably acceptable to both parties; (d) The appointment of the interim managing director; and (e) The receipt by the Companies of no less than: a. $22 million from the Capital Raising (other than the funds that are to be received in respect of the issue of Placement Shares, which shall be held in escrow pending shareholder approval); and b. $19 million (of that sum of $22 million) to be raised from the New Convertible Notes and Rights Issue; (f) The Conditions Precedent: a. at (a) above can be waived by Hawke's Point (ie: if entry into the DOCA is not approved by all of the Companies); b. at (e)(b) can be waived by agreement between Hawke's Point and the Administrators if they are satisfied that sufficient funds are available to the Companies to enable completion to occur; c. are otherwise for the benefit of Hawke's Point and the Administrators and may only be waived by mutual agreement between Hawke's Point and the Administrators in writing; (g) Upon completion occurring: a. the DOCA will terminate; b. the control of the Companies will return to the New Directors; c. the sum of $7.3 million out of the Capital Raising will be paid to the Trustee of the Creditors' Trust; d. the sums due to Supporting Creditors will be paid out of the Capital Raising by the Deed Administrators; and

Key Elements	DOCA Proposal
	e. the claims of all creditors except for the PPSR Secured Creditors against the Companies will be released, and creditors other than Supporting Creditors will only be entitled to participate as beneficiaries under the Creditors' Trust; (h) Events subsequent to completion: a. The shareholders of OBM will approve (to the extent required): (1) the conversion of debt to equity by the Supporting Creditors; (2) the conversion of the Proponent's Secured Debt and the secured debt of the Other Secured Creditors; (3) the conversion of the New Convertible Notes; (4) the issuance of the Placement Shares; (5) the effectuation of the Directors LEIP (if necessary); b. The Notice of Meeting seeking the shareholder approvals above will include an independent expert's report stating whether, in the expert's opinion, the conversion of Hawke's Point's Secured Debt to equity is fair and reasonable to shareholders; c. The Companies will change their name to a new name to be agreed by the directors to whom control is being returned at completion.

On 1 February 2019, at the second meeting of creditors of the Group, it was resolved that the DOCA proposal received on 18 January 2019 from Hawkes Point I Limited, be executed. The DOCA was executed by the Proponent, the other secured creditors and the Administrators of the Company on 12 February 2019.

On 30 April 2019 the Company issued a prospectus for the proposed recapitalisation of the Company including the following features:

Key Elements	Recapitalisation Summary
Purpose	The purpose of the recapitalisation is to: • Extinguish all the current debt obligations of the Group owing as at 28 November 2018 (being the date immediately prior to the date that voluntary administrators were appointed to the Company); and • Provide the group with sufficient capital to execute its business plan.
Recapitalisation process	The Company will undertake the following steps in order to recapitalise the Company: • Conduct the Capital Raising; • Issue shares pursuant to the Capital Raising (except Placement Shares); • Hold the General Meeting to approve all resolutions in relation to, amongst other things, issuing shares in connection with the Capital Raising and the Debt Repayment; • Issue shares to various creditors to satisfy claims (and issue Placement Shares); and • Satisfy ASX that its shares are suitable to be reinstated to trading on ASX.
Capital raising	Under the Recapitalisation, the Company is undertaking a capital raising to raise no less than $30 million and up to $40 million which will be completed prior to the Company's Shares being reinstated to trading on ASX. The Capital Raising comprises: • A 1 for 1 non-renounceable entitlement offer priced at 1 cent per share to raise up to approximately $7.6 million, which is available to existing Eligible Shareholders (Entitlement Offer); • An offer of shares not subscribed for under the Entitlement Offer, which is available to existing Shareholders and new investors (Shortfall Offer); • An offering of convertible notes (New Convertible Notes) raising up to $38.7 million, available to sophisticated and professional investors (the amount to be reduced to the extent that existing Eligible Shareholders take up their entitlements under the Entitlement Offer and Shortfall Offer and new investors to subscribe for Shares under the Shortfall Offer and Placement Offer). The New Convertible Notes will automatically convert following Shareholder approval at 1 cent per share; and • An offer of shares priced at 1 cent per share to raise up to $4 million, with the shares to be issued following receipt of Shareholder approval (Placement Offer).
Underwriting	Three of the Directors have agreed to partially underwrite the Entitlement Offer as follows:

Key Elements	Recapitalisation Summary
	Director **Underwritten Amount** Peter Mansell $250,000 Keith Jones $100,000 David Quinlivan $100,000
Lead Manager Offer	The Company is offering up to 165,000,000 options to the Lead Manager appointed to manage the Capital Raising as part consideration for their facilitation of the Capital Raising and assistance with the recapitalisation. The Lead Manager will also be issued with 30,000,000 shares as consideration for facilitating the Capital Raising.
Noteholder Offer	Consistent with the terms of the Existing Convertible Note Deeds, the Company is offering 43,750,000 options to the Secured Creditors.
Debt and Convertible Notes	The Company and the Secured Creditors have agreed, subject to Shareholder approval, for the Company to issue shares (and the Noteholder Options) to the Secured Creditors (and/or their nominees) in full satisfaction of claims under the Existing Convertible Notes in accordance with the DOCA. The Company and Hawke's Point have agreed, subject to Shareholder approval, for the Company to issue shares to Hawke's Point (and/or their nominees) in full satisfaction of claims under the Secured Hawke's Point Debt in accordance with the DOCA. The Supporting Creditors have agreed to accept a cash payment out of the Capital Raising equal to 22 cents in the dollar for 60% of each such Supporting Creditor's agreed claim amount and, subject to shareholder approval, convert the remaining 40% of their respective agreed claims to shares in full satisfaction of the respective debts owed to them by the Company. The sum of $4.6 million will be paid from the proceeds of the Capital Raising to the Supporting Creditors in full satisfaction of 60% of those creditors' compromised claims. Subject to Shareholder approval, the Company will issue up to 1,393,103,932 shares at a deemed issued price of 1 cent per share to the Supporting Creditors in full satisfaction of 40% of their total remaining claims of approximately $34.8 million.

On 27 May 2019, the conditions precedent were satisfied and the DOCA was effectuated. On effectuation of the DOCA, control of the Company reverted to the Directors of the Company.

On 7 June 2019, all resolutions put to a poll at the Annual General Meeting of shareholders were carried and on 28 June 2019, Ora Banda relisted on ASX, which completed the recapitalisation of the Company.

32. SUBSEQUENT EVENTS

1. The Company's planned exploration drilling programme and high impact resource drill out programme have commenced.
2. On 16 August 2019, Ora Banda completed a successful placement to raise $18.5 million to accelerate its high-grade gold resource, reserve and exploration definition programmes located in the eastern goldfields region of WA.

Apart from the above, no other matters have arisen since the end of the financial year that impact or are likely to impact the results of the Group in subsequent financial periods.

33. PARENT ENTITY INFORMATION

(a) Financial Position	30 June 2019 $'000	30 June 2018 $'000
Assets		
Current assets	21,205	179
Non-current assets	495	2,423
Total assets	**21,700**	**2,602**
Liabilities		
Current liabilities	738	35,773
Non-current liabilities	-	2,648
Total liabilities	**738**	**38,421**
Equity/(Deficit)		
Contributed equity	350,519	287,168
Accumulated losses	(340,918)	(335,687)
Reserves	11,361	12,700
Total equity/(deficit)	**20,962**	**(35,819)**
(b) Financial performance		
Loss for the year	(5,231)	(79,405)
Other comprehensive income	-	927
Total comprehensive loss for the year	**(5,231)**	**(78,478)**

(a) Contingent Liabilities and Commitments

Commitments and Contingent liabilities identified are as per those detailed within Notes 21 and 27 of this report.

(b) Deed of Cross Guarantee

Ora Banda Mining Limited and the following entities are parties to a deed of cross guarantee (which was executed on 26 June 2018 and lodged with the Australian Securities and Investments Commission) under which each Company guarantees the debts of the others:

- Monarch Nickel Pty Limited;
- Carnegie Gold Pty Limited;
- Siberia Mining Corporation Pty Limited;
- Mt Ida Gold Operations Pty Limited;
- Ida Gold Operations Pty Limited;
- Pilbara Metals Pty Limited;
- Siberia Gold Operations Pty Limited; and
- Mt Ida Gold Pty Limited.

By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Ora Banda Mining Limited, they also represent the 'Extended Closed Group'. As the Extend Closed Group includes all material subsidiaries of Ora Banda Mining Limited, there is no difference between the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position of the Ora Banda Mining Limited consolidated entity and the extended closed group.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Ora Banda Mining Limited and its controlled entities:

   (a) the Group's financial statements and notes set out on pages 28 to 81 are in accordance with the Corporations Act 2001, including:
      (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance, for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

   (b) the financial report also complies with International Financial Reporting Standards as set out in Note 2;

   (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

   (d) at the date of this declaration, there are reasonable grounds to believe that the Company and the subsidiaries identified in Note 33, will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries.

2. the Director has been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2019.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

David Quinlivan
Managing Director

Perth, Western Australia
27 September 2019

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's report to the members of Ora Banda Mining Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Ora Banda Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

1. Impairment assessment of non-current assets

Why significant	How our audit addressed the key audit matter
As at 30 June 2019, as disclosed in note 10 the Group had plant and equipment and mine development assets totaling $38.3 million relating to the Davyhurst project. In prior years the carrying value of these assets were impaired down to their recoverable value. At the end of each reporting date the carrying value of plant and equipment and mine development assets are assessed for both indicators of impairment and for the reversal of previously recognised impairments. Where indicators are identified the recoverable value of the assets are determined. The determination as to whether there are any indicators involves a number of judgments including but not limited to considering changes to long term forecasted gold prices, revisions to the Davyhurst resources, external valuation reports and comparable market transactions of similar types of projects. The Group did not identify any indicators of impairment or reversals of impairment as at 30 June 2019, concluding that the recoverable value of the assets had not significantly changed since 30 June 2018. An impairment loss of $0.692 million was recognised for capital expenditure incurred on mine development assets during year. Given the judgmental nature of the assessment of indicators of impairment or reversals of impairment, we consider this a key audit matter	In performing our procedures, we: ► Evaluated management's assessment of whether there were indicators of impairment or indicators of impairments reversal to require the recoverable value of for plant and equipment and mine development assets to be determined at 30 June 2019 ► Considered whether any other information indicated that the recoverable value of the Group's plant and equipment and mine development assets had changed significantly since the last impairment assessment was performed ► Assessed the appropriateness of financial statement disclosures.

2. Accounting treatment for the creditor's claim settlement and debt to equity conversion

Why significant	How our audit addressed the key audit matter
During the year, as result of the Group being placed into voluntary administration, a Deed of Company Arrangement (DOCA) was entered into and approved by creditors on 1 February 2019. The DOCA was given effect on 27 May 2019. Total creditor claims subject to settlement under the DOCA amounted to $101 million. The creditor claims were settled by the payment of $11.9 million in cash and the issue of 5.679 billion ordinary shares, valued at $56.8 million, based on the fair value of the ordinary shares (1 cent per share) at issue date. As disclosed in note 4, a gain of $32.3 million was recognised in the profit and loss, for the difference between the carrying amount of the creditor claims of $101 million that were recognised as liability and the total consideration paid of $68.7 million (cash payments and issue of shares) to extinguish the liabilities. Due to the significance of the transaction this was considered as a key audit matter.	In performing our procedures, we: ► Read the executed Deed of Company Arrangement to gain an understanding of the terms ► Considered the completeness of the liabilities recognised in the Group's accounting records, that were subject to the DOCA, by comparing them against schedules provided by Company's Administrators ► Assessed the appropriateness of the fair value assigned to the shares issued as consideration to settle the creditor claims ► Agreed the cash paid and number of shares issued to settle the creditor claims to supporting documentation.

Building a better working world

3. Valuation of share based payments

Why significant	How our audit addressed the key audit matter
In the current year, the Group granted share based payments in the form of share options with no exercise price. The awards vest subject to the achievement of certain vesting conditions. Due to the complex and judgmental estimates used in determining both the valuation of the share based payment awards and the vesting expense, we considered the Group's calculation of the share based payment expense to be a key audit matter. In determining the fair value of the awards and related expense the Group uses assumptions in respect of future market and economic conditions including the probability of certain market vesting conditions being achieved. Refer to Note 18 to the financial report for the share based payment expenses recognised for the year ended 30 June 2019 and related disclosure.	For awards granted during the year, in performing our procedures we: ► Involved our valuation specialists to assess the assumptions used in determining the fair value of the awards at grant date including the share price of the underlying equity, interest rate, volatility, dividend yield, time to maturity (expected life) and the probability of market vesting conditions being achieved ► Assessed the appropriateness of the estimated vesting dates of the awards and the probability that non market vesting conditions would be met ► Recalculated the vesting expense for a sample of awards based on the service period completed and the fair value of the awards determined at grant ► Assessed the adequacy of the disclosure in Note 18.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Ora Banda Mining Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Philip Teale
Partner
Perth
27 September 2019

PT:CT:OBM:020

TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER	REGISTERED INTEREST	TENEMENT	REGISTERED HOLDER	REGISTERED INTEREST
E16/0337	CARNEGIE GOLD PTY LIMITED	100/100	M24/0665	HERON RESOURCES LIMITED IMPRESS ENERGY PTY LIMITED	90/100 10/100
E16/0344	SIBERIA MINING CORPORATION PTY LIMITED	100/100	M24/0683	HERON RESOURCES LIMITED	100/100
E16/0456	SIBERIA MINING CORPORATION PTY LIMITED	100/100	M24/0686	HERON RESOURCES LIMITED	100/100
E16/0473	CARNEGIE GOLD PTY LIMITED	100/100	M24/0757	HERON RESOURCES LIMITED	100/100
E16/0474	CARNEGIE GOLD PTY LIMITED	100/100	M24/0772-I	HERON RESOURCES LIMITED	100/100
E16/0475	CARNEGIE GOLD PTY LIMITED	100/100	M24/0797	HERON RESOURCES LIMITED	100/100
E16/0480	GOLDSTAR RESOURCES (WA) PTY LIMITED	100/100	M24/0845	SIBERIA MINING CORPORATION PTY LIMITED	100/100
E16/0482	GOLDSTAR RESOURCES (WA) PTY LIMITED	100/100	M24/0846	SIBERIA MINING CORPORATION PTY LIMITED	100/100
E16/0483	GOLDSTAR RESOURCES (WA) PTY LIMITED	100/100	M24/0847	SIBERIA MINING CORPORATION PTY LIMITED	100/100
E16/0484	GOLDSTAR RESOURCES (WA) PTY LIMITED	100/100	M24/0848	SIBERIA MINING CORPORATION PTY LIMITED	100/100
E16/0486	GOLDSTAR RESOURCES (WA) PTY LIMITED	100/100	M24/0915-I	HERON RESOURCES LIMITED	100/100
E16/0487	GOLDSTAR RESOURCES (WA) PTY LIMITED	100/100	M24/0916	HERON RESOURCES LIMITED	100/100
E24/0203	ATRIPLEX PTY LIMITED	100/100	M24/0960	SIBERIA MINING CORPORATION PTY LIMITED	100/100
E29/0640	MT IDA GOLD PTY LIMITED	100/100	M29/0002	MT IDA GOLD PTY LIMITED	100/100
E29/0641	MT IDA GOLD PTY LIMITED	100/100	M29/0014	BLACK MOUNTAIN GOLD LIMITED	96/96
E29/0889	HERON RESOURCES LIMITED	100/100	M29/0088	BLACK MOUNTAIN GOLD LIMITED	96/96
E29/0895	MT IDA GOLD PTY LIMITED	100/100	M29/0153	BLACK MOUNTAIN GOLD LIMITED	100/100
E29/0955	SIBERIA MINING CORPORATION PTY LIMITED	100/100	M29/0154	BLACK MOUNTAIN GOLD LIMITED	100/100
E29/0964	GOLDSTAR RESOURCES (WA) PTY LIMITED	100/100	M29/0165	MT IDA GOLD PTY LIMITED & STUART LESLIE HOOPER	95/100 5/100
E29/0966	BLACK MOUNTAIN GOLD LIMITED	100/100	M29/0184	BLACK MOUNTAIN GOLD LIMITED	100/100
E29/0984	BLACK MOUNTAIN GOLD LIMITED	100/100	M29/0212	BLACK MOUNTAIN GOLD LIMITED	100/100
E30/0333	CARNEGIE GOLD PTY LIMITED	100/100	M29/0410	WAYNE CRAIG VAN BLITTERSWYK	100/100
E30/0334	CARNEGIE GOLD PTY LIMITED	100/100	M29/0420	BLACK MOUNTAIN GOLD LIMITED	100/100
E30/0335	CARNEGIE GOLD PTY LIMITED	100/100	M29/0422	MT IDA GOLD PTY LIMITED	100/100
E30/0336	CARNEGIE GOLD PTY LIMITED	100/100	M30/0102	CARNEGIE GOLD PTY LIMITED	100/100
E30/0338	CARNEGIE GOLD PTY LIMITED	100/100	M30/0103	CARNEGIE GOLD PTY LIMITED	100/100
E30/0449	DELTA RESOURCE MANAGEMENT PTY LIMITED	100/100	M30/0111	CARNEGIE GOLD PTY LIMITED	100/100
E30/0454	CARNEGIE GOLD PTY LIMITED	100/100	M30/0123	CARNEGIE GOLD PTY LIMITED	100/100
E30/0468	CARNEGIE GOLD PTY LIMITED	100/100	M30/0126	CARNEGIE GOLD PTY LIMITED	100/100
L15/0224	SIBERIA MINING CORPORATION PTY LIMITED	100/100	M30/0127	CARNEGIE GOLD PTY LIMITED	96/96
L16/0058	SIBERIA MINING CORPORATION PTY LIMITED	100/100	M30/0133	CARNEGIE GOLD PTY LIMITED	100/100
L16/0062	SIBERIA MINING CORPORATION PTY LIMITED	100/100	M30/0157	CARNEGIE GOLD PTY LIMITED	96/96
L16/0072	CARNEGIE GOLD PTY LIMITED	100/100	M30/0182	CARNEGIE GOLD PTY LIMITED	100/100
L16/0073	CARNEGIE GOLD PTY LIMITED	100/100	M30/0187	CARNEGIE GOLD PTY LIMITED	100/100
L16/0103	SIBERIA MINING CORPORATION PTY LIMITED	100/100	M30/0253	CARNEGIE GOLD PTY LIMITED	100/100
L24/0085	SIBERIA MINING CORPORATION PTY LIMITED	100/100	M30/0255	CARNEGIE GOLD PTY LIMITED	100/100
L24/0101	CARNEGIE GOLD PTY LIMITED	96/96	M30/0256	CARNEGIE GOLD PTY LIMITED	100/100
L24/0115	SIBERIA MINING CORPORATION PTY LIMITED	96/96	P16/2921	GOLDSTAR RESOURCES (WA) PTY LIMITED	100/100

TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER	REGISTERED INTEREST
L24/0123	SIBERIA MINING CORPORATION PTY LIMITED	96/96
L24/0124	SIBERIA MINING CORPORATION PTY LIMITED	96/96
L24/0170	CARNEGIE GOLD PTY LIMITED	100/100
L24/0174	CARNEGIE GOLD PTY LIMITED	100/100
L24/0188	SIBERIA MINING CORPORATION PTY LIMITED	100/100
L24/0189	SIBERIA MINING CORPORATION PTY LIMITED	100/100
L24/0224	SIBERIA MINING CORPORATION PTY LIMITED	100/100
L24/0233	CARNEGIE GOLD PTY LIMITED	100/100
L29/0042	BLACK MOUNTAIN GOLD LIMITED	100/100
L29/0043	BLACK MOUNTAIN GOLD LIMITED	100/100
L29/0044	BLACK MOUNTAIN GOLD LIMITED	100/100
L29/0074	MT IDA GOLD PTY LIMITED	100/100
L29/0109	BLACK MOUNTAIN GOLD LIMITED	100/100
L30/0035	CARNEGIE GOLD PTY LIMITED	96/96
L30/0037	CARNEGIE GOLD PTY LIMITED	100/100
L30/0066	CARNEGIE GOLD PTY LIMITED	100/100
M16/0262	SIBERIA MINING CORPORATION PTY LIMITED	100/100
M16/0263	SIBERIA MINING CORPORATION PTY LIMITED	100/100
M16/0264	SIBERIA MINING CORPORATION PTY LIMITED	100/100
M16/0268	CARNEGIE GOLD PTY LIMITED	100/100
M16/0470	CARNEGIE GOLD PTY LIMITED	100/100
M24/0039	CHARLES ROBERT GARDNER	96/96
M24/0115	SIBERIA MINING CORPORATION PTY LIMITED	96/96
M24/0159	SIBERIA MINING CORPORATION PTY LIMITED	100/100
M24/0208	SIBERIA MINING CORPORATION PTY LIMITED	96/96
M24/0376	SIBERIA MINING CORPORATION PTY LIMITED	100/100
M24/0634	HERON RESOURCES LIMITED	100/100
M24/0660	HERON RESOURCES LIMITED	100/100
M24/0663	HERON RESOURCES LIMITED	100/100
M24/0664	HERON RESOURCES LIMITED	100/100

TENEMENT	REGISTERED HOLDER	REGISTERED INTEREST
P16/2922	GOLDSTAR RESOURCES (WA) PTY LIMITED	100/100
P24/4395	HERON RESOURCES LIMITED	100/100
P24/4396	HERON RESOURCES LIMITED	100/100
P24/4400	HERON RESOURCES LIMITED	100/100
P24/4401	HERON RESOURCES LIMITED	100/100
P24/4402	HERON RESOURCES LIMITED	100/100
P24/4403	HERON RESOURCES LIMITED	100/100
P24/4750	SIBERIA MINING CORPORATION PTY LIMITED	100/100
P24/4751	SIBERIA MINING CORPORATION PTY LIMITED	100/100
P24/4754	SIBERIA MINING CORPORATION PTY LIMITED	100/100
P24/5073	SIBERIA MINING CORPORATION PTY LIMITED	100/100
P24/5074	SIBERIA MINING CORPORATION PTY LIMITED	100/100
P24/5075	SIBERIA MINING CORPORATION PTY LIMITED	100/100
P29/2153	BLACK MOUNTAIN GOLD LIMITED	100/100
P29/2154	BLACK MOUNTAIN GOLD LIMITED	100/100
P29/2155	BLACK MOUNTAIN GOLD LIMITED	100/100
P29/2156	BLACK MOUNTAIN GOLD LIMITED	100/100
P29/2251	BLACK MOUNTAIN GOLD LIMITED	100/100
P29/2252	BLACK MOUNTAIN GOLD LIMITED	100/100
P29/2253	BLACK MOUNTAIN GOLD LIMITED	100/100
P29/2254	BLACK MOUNTAIN GOLD LIMITED	100/100
P29/2328	MT IDA GOLD PTY LIMITED	100/100
P29/2344	BLACK MOUNTAIN GOLD LIMITED	100/100
P29/2345	BLACK MOUNTAIN GOLD LIMITED	100/100
P30/1107	CARNEGIE GOLD PTY LIMITED	100/100
P30/1108	CARNEGIE GOLD PTY LIMITED	100/100
P30/1109	CARNEGIE GOLD PTY LIMITED	100/100
P30/1110	CARNEGIE GOLD PTY LIMITED	100/100
P30/1116	CARNEGIE GOLD PTY LIMITED	100/100
P30/1117	CARNEGIE GOLD PTY LIMITED	100/100
P30/1122	CARNEGIE GOLD PTY LIMITED	100/100

Tenement Applications

- Applications for P29/2428-2430 were made on 28 July 2017
- Application for M24/973 was made on 10 August 2017
- Application for M29/430 was made on 20 July 2018
- Application L30/69 was made on 3 May 2018

Tenement Grants

- E24/203 was granted on 8 August 2017
- L30/66 was granted on 2 March 2018

TENEMENT SCHEDULE

Tenement Acquisitions

- No third party acquisitions, JV, Farm-in arrangements, or other registrable interests were made during the year ending 30 June 2018

Annual Rents

In 2017 DMIRS revised its policies such that tenements under plaint/forfeiture action remain obligated to pay rent and other dues even after tenement relinquishment.

- M16/262 – M16/264, M24/208 due to a third party plaint in place, the 2015-2016, 2016-2017, 2017-2018, 2018-2019 annual rents have yet to be paid
- M24/208 due to a third party plaint in place, the 2015-2016, 2016-2017, 2018-2019 annual rents have yet to be paid
- E30/335, M30/102 due to a third party plaint in place, the 2015-2016, 2017-2018 annual rents have yet to be paid
- E30/468, M16/470, M30/103, M30/255, M30/256, M30/111 due to a third party plaint in place, the 2018-2019 annual rents have yet to be paid
- DMIRS issued notices of intention to forfeit the following tenements for breach of rental payment obligations recorded as at 30 June 2018 against any titles held/beneficially held by the Group: E16/337; E16/344; E29/895; E30/334; E30/449; L24/232; and M24/665

Form 5 Reports

- No DMIRS compliance issue/s recorded as at 30 June 2018 against any titles held/beneficially held by the Group

Extension of Term/Expiries/Relinquishments/Forfeitures

- E16/332 was relinquished on 12 October 2017
- L16/77, L29/34, L29/38, L29/40, L30/43 were relinquished on 4 August 2017
- P29/2311, P29/23/2315-2318 were relinquished on 6 October 2017
- P29/2324-2325 were relinquished on 31 October 2017
- P29/2327 was relinquished on 3 November 2017
- P30/1112-1115, P30/1119-1121 were relinquished on 3 December 2017
- P30/1074 was relinquished on 5 January 2018
- P29/2310, P29/2312-2314 were relinquished on 26 February 2018
- E16/347 was relinquished on 11 March 2018
- E29/419, E29/922, P29/2268-2269, P29/2286-2290 were relinquished on 27 March 2018
- P29/2307-2308 were relinquished on 9 April 2018
- P29/2319-2323, P29/2326 expired on 18 May 2018
- P30/1118 expired on 15 June 2018
- Extension of Term submitted on L24/85, L24/101, L24/174, L30/35 – each tenement was granted an extension of term of a further five years
- Extension of Term submitted on P24/4751, P24/4754, P29/2328, P30/1122 – each tenement was granted an extension of term of a further four years
- Extension of Term submitted on M29/184 – each tenement was granted an extension of term of a further 21 years
- Extension of Term submitted on E16/337, E16/344, E29/640, E29/641, E30/333-334, E30/336, E30/338, E30/449, L24/115 – pending DMIRS assessment

Applications of Forfeiture/Plaints/DMIRS Notices of Intention to forfeit

- M16/262 – M16/264 Application for forfeiture #371015 – #371017 made by Michael Allen Thompson
- E30/335, M16/470, M30/102 and M30/103 Application for forfeiture #460237 – #460240 made by Gerard Francis Brewer
- M24/846 – M24/848 Application for forfeiture #469309, #469308 and #469310 made by Gerard Francis Brewer and Glenn Alan Haythornthwaite jointly
- M24/208 Application for forfeiture #469423 made by Michael John Photios
- M24/376 Application for forfeiture #460290 made by Glenn Alan Haythornthwaite. Case dismissed 12 July 2016
- E30/336, E30/338, E30/454, E30/468, M30/253, M30/255, M30/256 Application for forfeiture #512647, #512648, #512649, #512660, #512663, #512652, #512653 made by Nu-Fortune Gold Pty Limited
- E30/468, M30/253 Plaint #513566, #513565 made by Tasex Geological Services Pty Limited

ADDITIONAL SHAREHOLDER INFORMATION
AS AT 3 SEPTEMBER 2019

The following information is provided, in accordance with Listing Rule 4.10:

CORPORATE GOVERNANCE
The Company's corporate governance plan is available on the Company's website at **www.orabandamining.com.au**.

SECURITY HOLDERS

SUBSTANTIAL SHAREHOLDERS
The Company has the following substantial shareholders as at 3 September 2019:

	Shares Held
• Hawke's Point Holdings I Limited	206,437,092
• NPS Mining Alliance Pty Limited	38,619,516
• GR Engineering Services Limited	30,812,428

NUMBER OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES AND THE VOTING RIGHTS ATTACHED (AS AT 3 SEPTEMBER 2019)

ORDINARY SHARES
There are 5,411 holders of ordinary shares as at 3 September 2019. Each shareholder is entitled to one vote per share. In accordance with the Company's constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

OPTIONS
There are 440 holders of unlisted options. There are no voting rights attaching to the options. A total of 43,733,913 options are on issue. The 43,733,913 options if exercised, will convert into 43,733,913 ordinary shares.

The options have the following exercise prices and expiry dates:

No. of holders	No. of Options	Exercise Price	Expiry Date
32	1,468,334	$2.8350	08/03/2020
1	509,500	$3.1125	02/02/2021
1	66,667	$6.1875	02/02/2021
1	7,666,667	$0.2625	11/06/2021
60	2,178,331	$2.9625	31/01/2023
59	2,178,331	$3.3375	31/01/2023
347	3,854,862	$2.9625	02/02/2023
346	3,854,862	$3.3375	02/02/2023
4	2,916,667	$1.1250	11/06/2023
4	1,155,001	Nil	Various
4	5,333,333	Nil	Various
1	1,300,000	Nil	Various
3	11,251,358	Nil	Various

ADDITIONAL SHAREHOLDER INFORMATION
AS AT 3 SEPTEMBER 2019

DISTRIBUTION SCHEDULE OF THE NUMBER OF HOLDERS IN EACH CLASS OF EQUITY SECURITY AS AT 3 SEPTEMBER 2019

ORDINARY SHARES

Range	Total holders	Units	% Units
1 - 1,000	4,360	496,593	0.09
1,001 - 5,000	380	941,712	0.17
5,001 - 10,000	169	1,263,078	0.23
10,001 - 100,000	323	11,707,961	2.15
100,001 Over	179	529,570,528	97.35
Total	**5,411**	**543,979,872**	**100.00**

RESTRICTED SECURITIES

Class		Number	Latest date that voluntary escrow period ends
Ordinary Shares	10	57,270,131	11/03/2020
Ordinary Shares	10	57,270,131	11/12/2020
Total	**10**	**114,540,262**	

UNQUOTED EQUITY SECURITY ISSUES

UNLISTED OPTIONS EXPIRING 08/03/2020 AT $2.8350

Range	Total holders	Units	% Units
1 - 1,000	-	-	0.00
1,001 - 5,000	3	11,666	0.79
5,001 - 10,000	5	46,667	3.18
10,001 - 100,000	20	670,001	45.63
100,001 Over	4	740,000	50.40
Total	**32**	**1,468,334**	**100.00**

UNLISTED OPTIONS EXPIRING 02/02/2021 AT $3.1125

Range	Total holders	Units	% Units
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	-	-	0.00
100,001 Over	1	509,500	100.00
Total	**1**	**509,500**	**100.00**

UNLISTED OPTIONS EXPIRING 02/02/2021 AT $6.1875

Range	Total holders	Units	% Units
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	1	66,667	100.00
100,001 Over	-	-	0.00
Total	**1**	**66,667**	**100.00**

ADDITIONAL SHAREHOLDER INFORMATION
AS AT 3 SEPTEMBER 2019

UNLISTED OPTIONS EXPIRING 11/06/2021 AT $0.2625

Range	Total holders	Units	% Units
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	-	-	0.00
100,001 Over	1	7,666,667	100.00
Total	**1**	**7,666,667**	**100.00**

UNLISTED OPTIONS EXPIRING 31/01/2023 AT $2.9625

Range	Total holders	Units	% Units
1 - 1,000	3	2,666	0.12
1,001 - 5,000	23	74,996	3.44
5,001 - 10,000	13	97,166	4.46
10,001 - 100,000	16	466,836	21.43
100,001 Over	5	1,536,667	70.55
Total	**60**	**2,178,331**	**100.00**

UNLISTED OPTIONS EXPIRING 31/01/2023 AT $3.3375

Range	Total holders	Units	% Units
1 - 1,000	2	1,666	0.08
1,001 - 5,000	23	74,996	3.44
5,001 - 10,000	13	98,166	4.51
10,001 - 100,000	16	466,836	21.43
100,001 Over	5	1,536,667	70.54
Total	**59**	**2,178,331**	**100.00**

UNLISTED OPTIONS EXPIRING 02/02/2023 AT $2.9625

Range	Total holders	Units	% Units
1 - 1,000	286	48,419	1.26
1,001 - 5,000	46	108,211	2.81
5,001 - 10,000	8	58,269	1.51
10,001 - 100,000	5	210,796	5.47
100,001 Over	2	3,429,167	88.95
Total	**347**	**3,854,862**	**100.00**

UNLISTED OPTIONS EXPIRING 02/02/2023 AT $3.3375

Range	Total holders	Units	% Units
1 - 1,000	286	48,419	1.26
1,001 - 5,000	44	99,886	2.59
5,001 - 10,000	9	66,594	1.73
10,001 - 100,000	5	210,796	5.47
100,001 Over	2	3,429,167	88.95
Total	**346**	**3,854,862**	**100.00**

ADDITIONAL SHAREHOLDER INFORMATION
AS AT 3 SEPTEMBER 2019

UNLISTED OPTIONS EXPIRING 11/06/2023 AT $1.1250

Range	Total holders	Units	% Units
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	-	-	0.00
100,001 Over	4	2,916,667	100.00
Total	**4**	**2,916,667**	**100.00**

UNLISTED INCENTIVE OPTIONS EXPIRING BETWEEN 30/06/2020 AND 30/6/2024 AT NIL EXERCISE PRICE

Range	Total holders	Units	% Units
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	-	-	0.00
100,001 Over	7	16,584,691	100.00
Total	**7**	**16,584,691**	**100.00**

UNLISTED PERFORMANCE OPTIONS EXPIRING ON EVENT RELATED DATES AT NIL EXERCISE PRICE

Range	Total holders	Units	% Units
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	-	-	0.00
100,001 Over	1	1,300,000	100.00
Total	**1**	**1,300,000**	**100.00**

UNLISTED REMUNERATION OPTIONS EXPIRING BETWEEN 30/06/2020 AND 30/6/2021 AT NIL EXERCISE PRICE

Range	Total holders	Units	% Units
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	-	-	0.00
100,001 Over	4	1,155,001	100.00
Total	**4**	**1,155,001**	**100.00**

MARKETABLE PARCEL

There are 4,564 shareholders with less than a marketable parcel, based on the closing price of $0.205 on 3 September 2019.

ADDITIONAL SHAREHOLDER INFORMATION
AS AT 3 SEPTEMBER 2019

TWENTY LARGEST HOLDERS OF EACH CLASS OF QUOTED SECURITY

The names of the 20 largest holders of each class of quoted security, the number of equity securities each holds and the percentage of issued capital each holds (as at 3 September 2019) are set out below:

Rank	Name	Units	%of Units
1.	CITICORP NOMINEES PTY LIMITED	206,622,566	37.98
2.	NPS MINING ALLIANCE PTY LIMITED	38,619,516	7.10
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	34,713,079	6.38
4.	GR ENGINEERING SERVICES LIMITED	30,812,428	5.66
5.	NATIONAL NOMINEES LIMITED	20,584,441	3.78
6.	DONALD SMITH VALUE FUND LP	16,666,666	3.06
7.	WYLLIE GROUP PTY LIMITED	15,887,782	2.92
8.	RALMANA PTY LIMITED	9,463,675	1.74
9.	UBS NOMINEES LIMITED	8,703,043	1.60
10.	INVESTMET LIMITED	8,266,667	1.52
11.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	8,049,145	1.48
12.	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	7,617,222	1.40
13.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED <EQUITY FINANCE A/C>	6,444,681	1.18
14.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,845,195	1.07
15.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	5,631,379	1.04
16.	PERTH SELECT SEAFOODS PTY LIMITED	5,500,000	1.01
17.	GABELLE PTY LIMITED <SQUIRE PATTON BOGGS (AU) PARTNERSHIP A/C>	5,147,468	0.95
18.	NATIONAL NOMINEES LIMITED	5,000,000	0.92
19.	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	4,687,112	0.86
20.	BRISPOT NOMINEES PTY LIMITED <HOUSE HEAD NOMINEE A/C>	3,997,887	0.73
	TOP TWENTY SHAREHOLDERS	**448,259,952**	**82.40**
	TOTAL REMAINING SHAREHOLDERS	**95,719,920**	**17.60**
	TOTAL SHAREHOLDERS	**543,979,872**	**100.00**