Ballymore Resources Limited
ACN 632 893 611

Financial report for the period 12 April 2019 to 30 June 2020

Contents

Corporate Information

Directors and Company Secretary

David A-Izzeddin
Andrew Gilbert
Nicholas Jorss
Duncan Cornish (Company Secretary)

Head Office and Registered Office

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Auditors

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Australian Company Number

632 893 611

Directors Report

The directors submit their report on Ballymore Resources Limited (**Ballymore** or the **Company**) at the end of, and during, the financial period commencing on incorporation (12 April 2019) and ended 30 June 2020.

Directors

The following persons were directors of Ballymore during the financial period and up to the date of this report, unless otherwise stated:

- David A-Izzeddin (appointed 12-Apr-19)
- Andrew Gilbert (appointed 12-Apr-19)
- Nicholas Jorss (appointed 25-Mar-20)

Information on Directors

The board has a strong combination of technical, managerial, commercial and capital markets experience. Expertise and experience includes mineral exploration and development and operation of mining projects. The names and qualifications of the current directors are summarised as follows:

David A-Izzeddin

David A-Izzeddin is a geologist with over 30 years' experience in exploration, project assessment, feasibility studies, mine development and business development across a broad range of commodities including gold, base metals, iron, uranium, phosphate and bauxite. David has worked in Australia, Asia-Pacific, Europe, North and South America.

He has operated in a number of operational and management roles and played a major role in the discovery and development of a number of deposits. David also coordinated project generation activities globally for Xstrata Copper for 5 years and has been directly involved in the successful negotiation of project acquisitions and joint venture agreements within Australia and internationally. David is a co-founder and director of Konstantin Resources doo, a private Serbian gold and copper company with tenements in the prospective Timok Basin, prior to co-founding Ballymore Resources Pty Ltd in Australia.

Andrew Gilbert

Andrew is a Mining Engineer with over 16 years' experience in engineering, operational and management roles within the mining and tunnelling industry. He has extensive experience in establishment, development, and operational control of surface and underground mine sites and has held statutory appointed positions for large workforces in QLD and South Australia.

Andrew is a Member of the Australasian Institute of Mining and Metallurgy and holds a Queensland First Class Mine Manager Certificate of Competency

Nicholas Jorss

Mr Jorss is the founding Managing Director of Stanmore Coal Ltd. Mr Jorss served on Stanmore's Board from its formation in June 2008 through to 26 November 2016. He has over 20 years' experience in investment banking, civil engineering, corporate finance and project management. Mr Jorss was instrumental in the success of Stanmore Coal Ltd, which currently has a market value of around A$200m. As the founding Managing Director, Mr Jorss led Stanmore's growth from a coal exploration company to a profitable, mid-tier producer. In his prior roles in investment banking (as a director of Pacific Road Corporate Finance) he has been involved in leading advisory mandates with corporate, government and private equity clients across industry sectors ranging from resources to infrastructure.

Prior to this Mr Jorss was an engineer with Baulderstone Hornibrook where he delivered significant infrastructure and resource projects over a period of approximately eight years. Mr Jorss is a founding shareholder and director of Konstantin Resources. He was previously a director of Kurilpa Uranium, Vantage Private Equity Growth, Vantage Asset Management and WICET Holdings Pty Ltd. Mr Jorss holds a Bachelor with Honours in Civil Engineering from the University of Queensland, a Master of Business Administration from the University of NSW (AGSM) and a Graduate Diploma of Applied Finance and Investment.

Company Secretary

Duncan Cornish was appointed Company Secretary (and CFO) on 25 March 2020. Mr Cornish is a Chartered Accountant with significant experience as public company CFO and Secretary, focused on junior resource companies, as well as financial, administration and governance.

David A-Izzeddin was the previous company secretary from incorporation (12 April 2019) to 25 March 2020.

Interests in Securities

Director	Shares	Options ($0.30 @ 30-Jun-24)
David A-Izzeddin	14,595,500(1)	3,000,000
Andrew Gilbert	7,574,473	3,000,000
Nicholas Jorss	17,345,500(1)	2,500,000

Note:

(1) This balance includes 1,250,000 shares are held by Ballymore Gold Pty Ltd, an entity of which both Messrs A-Izzeddin and Jorss have an associated interest

Principal Activities

The principal activity of the Company during the period was gold and base metal exploration.

Since the incorporation of Ballymore Resources Pty Ltd on 12 April 2019, the Company has been compiling and exploring a portfolio of gold and base metal projects in Queensland.

Review of Operations

Following the incorporation of Ballymore Resources Pty Ltd on 12 April 2019 to 30 June 2020, the Company's activities were limited to the initial assessment of, negotiating and then acquiring or applying for, a portfolio of gold and base metal projects in Queensland.

In October 2019 the Company entered into a Sale and Purchase Agreement for the Ruddygore Project tenements, comprising EPMs 14015, 15047 and 15053. The consideration paid was $40,000.

In January 2020, EPM27282 was granted to the Company, forming part of the Dittmer Project.

In May 2020 the Company entered into a Farm-In and Option Agreement for the Ravenswood Project, comprising EPMs 18424, 18426, 18637, 25466 and 25467.

In June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM26912, forming part of the Dittmer Project. The consideration price of $25,000 was payable upon the successful transfer of the title and ownership of the licence to Ballymore.

In June 2020 the Company entered into a further Mining Asset Sale Agreement to acquire ML's 10340 and 10341 and EPM14255, adding to the Dittmer Project. The total cash consideration was $490,000 payable upon achievement of certain conditions, with $290,000 payable upon the successful transfer of the title and ownership of the licences to Ballymore, and the balance of $200,000 payable six months after the successful transfer of the title and ownership of the licences to Ballymore.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of Ballymore in the financial period other than those referred to elsewhere in this report.

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year.

Capital Structure

The Company was incorporated on 12 April 2019 with four shares issued at $1.00 each.

In March 2020, 12,981,995 shares were issues to the founding shareholders of the Company (for no consideration) and a further 23,086,920 shares were issued at $0.01 each, raising a total of $230,869

On 7 May 2020, 12,500,000 shares were issued at $0.04 each, raising $500,000.

On 7 May 2020 at total of 10,000,000 options exercisable at $0.30 each on or before 30 June 2024 were issued to the Board and Senior Management.

As at 30 June 2020 the Company had 48,568,919 ordinary shares and 10,000,000 options on issue.

On 31 August 2020, 11,609,147 shares were issued at $0.30 per share following a private (seed capital) placement, raising $3,482,744.

On 1 November 2020, 620,000 options exercisable at $0.45 each on or before 30 June 2024 were issued to Company employees.

As at the date of this report, the Company had 60,178,066 ordinary shares and 10,620,000 options on issue.

Treasury policy

The Company does not have a formally established treasury function. The Board is responsible for managing the Company's finance facilities. The Company does not currently undertake hedging of any kind and is not currently directly exposed to material currency risks.

Liquidity and funding

The Company has sufficient funds to finance its operations and exploration activities, and to allow the Company to take advantage of favourable business opportunities, not specifically budgeted for, or to fund unforeseen expenditure.

Subsequent Events

On 31 August 2020, 11,609,147 shares were issued at $0.30 per share following a private (seed capital) placement, raising $3,482,744.

On 1 November 2020, 620,000 options exercisable at $0.45 each on or before 30 June 2024 were issued to Company employees.

On 20 November 2020, the Company converted to a Public Company.

As noted above, in June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM14255, ML10340 and ML10341. The total cash consideration was $490,000 payable upon achievement of certain conditions, with $290,000 payable upon the successful transfer of the title and ownership of the licences to Ballymore, and the balance of $200,000 payable six months after the successful transfer of the title and ownership of the licences to Ballymore. The $290,000 was paid in December 2020, with the balance of $200,000 payable in June 2021.

As noted above, in June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM26912, forming part of the Dittmer Project. The consideration price of $25,000 was paid in February 2021 following the successful transfer of the title and ownership of the licence to Ballymore.

There are no other matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Environmental Issues

The Company is subject to significant environmental regulations under the (Federal, State and local) laws in which the Company operates, which currently includes Australia.

The directors monitor the Company's compliance with environmental obligations. The directors are not aware of any compliance breach arising during the year and up to the date of this report.

Native Title

Mining tenements that the Company currently holds may be subject to Native Title claims. The Company has a policy that is respectful of the Native Title rights and will, as required, negotiate with relevant indigenous bodies.

Options

At the date of this report, the unissued ordinary shares of the Company under options are as follows:

Grant Date	Expiry Date	Exercise Price	Number of Options
7-May-20	30-Jun-24	$0.30	10,000,000
1-Nov-20	30-Jun-24	$0.45	620,000
Total			**10,620,000**

There have been no unissued shares or interests under option during or since reporting date. Option holders do not have any rights to participate in any share issue or other interests in the Company or any other entity.

Indemnifying Directors and Auditors

The Company has entered into a Deed with each of the directors (and the Company Secretary) whereby the Company has agreed to provide certain indemnities to each director (and the Company Secretary) to the extent permitted by the Corporations Act and to use its best endeavours to obtain and maintain management or directors' and officers' indemnity insurance, subject to such insurance being available at reasonable commercial terms.

The Company has paid premiums to insure each of the directors (and the Company Secretary) of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director (or Company Secretary) of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The contracts include a prohibition on disclosure of the premium paid and nature of the liabilities covered under the policy.

The Company has not given an indemnity or entered into an agreement to indemnify or paid or agreed to pay insurance premiums in respect of any person who is or has been an auditor of the Company or a related entity during the year and up to the date of this report.

Proceedings on Behalf of the Company

No person has applied for leave of Court 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. The Company was not a party to any such proceedings during the year.

Non-Audit Services

The auditors did not provide any non-audit services during the period.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is attached to this financial report.

Signed in accordance with a resolution of the board of directors.
Nick Jorss
Director

Dated: 31 March 2021
Brisbane, Queensland

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DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF BALLYMORE RESOURCES LIMITED

As lead auditor of Ballymore Resources Limited for the period 12 April 2019 to 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 31 March 2021

Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 30 June 2020

	Note	2020 $
Other income		2
Corporate and administrative expenses	2	(57,109)
Exploration expenses		(28,316)
Legal expenses		(22,238)
Share-based payments		(205,528)
Loss before income tax expense		(313,189)
Income tax expense	3	-
Loss for the period		**(313,189)**
Other comprehensive income		-
Other comprehensive income/(loss) for the period, net of tax		-
Total comprehensive loss for the period		**(313,189)**
Loss for the period attributable to:		
Owners of the parent company		(313,189)
Total comprehensive loss for the period attributable to:		
Owners of the parent company		(313,189)
Loss per share attributable to owners of the parent company		(313,189)
Basic and diluted earnings per share	11	(3.3 cents)

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2020

	Note	30 June 2020 $
CURRENT ASSETS		
Cash and cash equivalents	4	411,358
Trade and other receivables	5	31,680
Total Current Assets		**443,038**
NON-CURRENT ASSETS		
Exploration and evaluation assets	6	361,376
Total Non-Current Assets		**361,376**
TOTAL ASSETS		**804,414**
CURRENT LIABILITIES		
Trade and other payables	7	181,202
Total Current Liabilities		**181,202**
TOTAL LIABILITIES		**181,202**
NET ASSETS		**623,212**
EQUITY		
Issued capital	8	730,873
Reserves	9	205,528
Accumulated losses		(313,189)
TOTAL EQUITY		**623,212**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the Period Ended 30 June 2020

	Note	Issued Capital	Reserves	Accumulated Losses	Total
		$	$	$	$
Balance on incorporation		**4**	**-**	**-**	**4**
Loss for the period		-	-	(313,189)	(313,189)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income		**-**	**-**	**(313,189)**	**(313,189)**
Issue of shares		730,869	-	-	730,869
Share-based payments	15	-	205,528	-	205,528
Share issue costs		-	-	-	-
Balance at 30 June 2020		**730,873**	**205,528**	**(313,189)**	**623,212**

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Period Ended 30 June 2020

		2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts		2
Payments to suppliers and employees		(119,296)
Net cash used in operating activities	10	**(119,294)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation assets:		
- Purchase prices paid to acquire tenements		(109,567)
- Other tenement acquisition costs		(33,358)
- Capitalised exploration expenditure		(57,292)
Net cash used in investing activities		**(200,217)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		730,869
Net cash provided by financing activities		**730,869**
Net increase/(decrease) in cash held		411,358
Cash at Beginning of Period		-
Cash at End of Period	4	**411,358**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the Period Ended 30 June 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board. Ballymore Resources Limited is a for-profit entity for the purpose of preparing the financial statements. The financial statements are presented in Australian dollars.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Ballymore Resources Limited was incorporated and is domiciled in Australia. At reporting date the Company was a proprietary limited company and on 20 November 2020 it converted to a public company. The financial statements have been prepared on an accruals basis and are based on historical cost.

Ballymore Resources was incorporated on 12 April 2019. The financial report is for the period 12 April 2019 to 30 June 2020.

The financial report was authorised for issue on 31 March 2021 by the directors of the Company.

Going Concern

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

As disclosed in the financial statements, the Company achieved a net loss of $313,189 and net operating cash outflows of $119,294 for the period ended 30 June 2020. As at 30 June 2020 the Company has cash of $411,358.

The ability of the Company to continue as a going concern is principally dependent upon the following conditions:

- the ability of the Company to successfully raise capital, as and when necessary;
- the ability to complete successful exploration and subsequent exploitation of the areas of interest; and
- the ability of the Company to sell non-core assets.

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- proven ability of the Company to raise the necessary funding or settle debts via the issuance of shares as evidenced by raising over $4.2million in the short period since incorporation (including $3.5million subsequent to balance date); and
- proven ability of the Company's directors and management to raise funding for various exploration companies over many years.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

Note 1: Summary of Significant Accounting Policies (continued)

Segment Reporting

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

Management currently identifies the Company as having only one reportable segment, being the exploration of mineral projects.

Income Tax

The income tax expense/(income) for the period comprises current income tax expense/(income) and deferred tax expense/(income). Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses. Current and deferred income tax expense/(income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review will be undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

A provision is raised against exploration and evaluation assets where the directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Note 1: Summary of Significant Accounting Policies (continued)

Restoration Costs

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the exploration and mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

The Company is not currently liable for any future restoration costs in relation to current areas of interest. Consequently, no provision for restoration has been deemed necessary.

Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value or amortised cost using the effective interest rate method.

Fair value is the price that would be received to sell an asset or paid to transfer an asset. Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and

(d) less any reduction for impairment.

Note 1: Summary of Significant Accounting Policies (continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All purchases of financial liabilities are recorded on trade date, being the date on which the Company becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Company's financial liabilities approximate to their fair values.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated at FVTPL, are measured subsequently at amortised cost. The Company's financial liabilities comprise of trade and other payables which are measured at amortised cost.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of less than 3 months.

Note 1: Summary of Significant Accounting Policies (continued)

Issued Capital

Ordinary shares are classified as equity. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

Share-Based Payments

The Company makes equity-settled share-based payments to directors, employees and other parties for services provided or the acquisition of exploration assets. Where applicable, the fair value of the equity is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using the Black and Scholes option valuation pricing model which incorporates all market vesting conditions. Where applicable, the number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where the fair value of services rendered by other parties can be reliably determined, this is used to measure the equity-settled payment.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or overseas VAT), except where the amount of GST incurred is not recoverable. In these circumstances the GST (or overseas VAT) is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period adjusted for any bonus elements in ordinary shares issued during the period.

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

Leases

AASB 16 (Leases) and its consequential amendments were applied from 1 July 2019, replacing the accounting requirements applicable to leases in AASB 117 Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. This means that for most leases, a right-of-use asset and a lease liability will be recognised, with the right-of-use asset being depreciated and the lease liability being unwound in principal and interest components over the life of the lease. The Company does not have any leases that meet the AASB 16 definition.

New and Amended Standards and Interpretations

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are necessary for the current reporting period.

Note 1: Summary of Significant Accounting Policies (continued)

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Judgements:

Exploration and Evaluation Assets

The Company performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of exploration and drilling results performed to reporting date. Exploration and evaluation assets at 30 June 2020 were $361,376.

NOTE 2: EXPENSES

	2020 $
Included in corporate and administration expenses are the following items:	
Tax and audit fees	16,000
Consulting fees	30,000
Travel	5,586

NOTE 3: INCOME TAX EXPENSE

	2020 $
(a) The prima facie tax on the operating loss is reconciled to income tax expense as follows:	
Prima facie tax/(benefit) on loss from ordinary activities before income tax at 30%	(93,957)
Adjust for tax effect of:	
Share-based payments expense	61,658
Non-deductible amounts	-
Tax loss offset	(43,244)
Temporary differences recognised	75,543
Income tax expense/(benefit)	**-**
(b) Recognized deferred tax assets and liabilities	
Deferred tax assets	
Carried forward tax losses	-
Deferred tax liabilities	
Exploration and evaluation assets	75,543
Net deferred tax asset	75,543
Unrealised tax losses available	144,147
Net unrealised deferred tax assets at 30%	43,244

NOTE 4: CASH AND CASH EQUIVALENTS

	30 June 2020 $
Cash at bank and on hand	411,358
Total cash and cash equivalents	**411,358**

NOTE 5: TRADE AND OTHER RECEIVABLES

	30 June 2020 $
Current:	
Other receivables	31,680
Total trade and other receivables	**31,680**

Receivables are non-interest bearing and are generally on 30-60 day terms. No allowance for expected credit losses has been recorded for the current period.

Due to the short term nature of these receivables, their carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the carrying value of receivables. Collateral is not held as security.

The receivables are not exposed to foreign exchange risk.

NOTE 6: EXPLORATION AND EVALUATION ASSETS

	30 June 2020 $
Exploration and evaluation expenditure carried forward in respect of areas of interest are:	
Exploration and evaluation phase - at cost	361,376
Movement in exploration and evaluation assets:	
Opening balance - at cost	-
Purchase prices paid to acquire tenements(1)(2)	109,567
Other tenement acquisition costs	43,828
Capitalised exploration expenditure	207,981
Carrying amount at the end of the period	**361,376**

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of projects, or alternatively, through the sale of the areas of interest.

Notes for the above table are:

(1) The Company paid $69,567 purchase price for the assignment of a binding term sheet for the farm-in agreement for the Ravenswood Project, comprising EPMs 18424, 18426, 18637, 25466 and 25467.

(2) The Company paid $40,000 purchase price after entered into a Sale and Purchase Agreement for the Ruddygore Project, comprising EPMs 14015, 15047 and 15053.

NOTE 7: TRADE AND OTHER PAYABLES

	30 June 2020 $
Current:	
Trade payables and accrued expenses	181,202
Total trade and other payables (unsecured)	**181,202**

The average credit period on purchases of goods and services is 30 days. No interest is paid on trade payables.

NOTE 8: CONTRIBUTED EQUITY

(A) Fully Paid Ordinary Shares

		2020	
		No. of Shares	$
Balance issued on incorporation	(a)	4	$4
March 2020	(b)	36,068,915	$230,869
May 2020	(c)	12,500,000	$500,000
Balance as at 30 June		**48,568,919**	**$730,873**
Total transaction costs associated with share issues			-
Net issued capital			$730,873

Ordinary shareholders are entitled to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amount paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Ordinary shares have no par value.

Notes for the above table are:

(a) Issued at $1 for 1 share for the incorporation of the Company on 12 April 2019.
(b) In March 2020, 12,981,995 shares were issues to the founding shareholders of the Company (for no consideration) and a further 23,086,920 shares were issued at $0.01 each, raising $230,869.
(c) In May 2020, 12,500,000 shares were issued at $0.04 each, raising $500,000.

(B) Options

	Note	Weighted average exercise price	30-Jun-20 No. Options	Weighted average exercise price	30-Jun-19 No. Options
Share Options		$0.06[(1)]	10,000,000	-	-
Balance at the beginning of the reporting period		-	-	-	-
Options issued during the period:					
Issued to directors and consultants	15	$0.06[(1)]	10,000,000	-	-
Exercisable at end of year		$0.06[(1)]	10,000,000	-	-

[(1)] Options issued to directors and consultants have an issue price of the higher of $0.06 and the price of the next equity capital raising. As at 30 June 2020 there had been no further capital raising since the issue of these options. Subsequent to year end, the Company undertook a private placement at a price of $0.30 per share thus fixing the exercise price of these options at $0.30.

NOTE 8: CONTRIBUTED EQUITY (continued)

(C) Capital Management

Exploration companies such as Ballymore Resources Limited are funded almost exclusively by share capital. Management controls the capital of the Company to ensure it can fund its operations and continue as a going concern. Capital management policy is to fund its exploration activities principally by way of equity, and where required, debt and/or project finance. No dividend will be paid while the Company is in exploration stage. There are no externally imposed capital requirements.

There have been no other changes to the capital management policies during the period.

NOTE 9: RESERVES

Share-Based Payments Reserve

The share-based payment reserve is used to recognise the fair value of options issued to directors and consultants. This reserve can be reclassified as retained earnings if options lapse. Refer to note 15 for details of share based payment arrangements and valuations.

NOTE 10: CASH FLOW INFORMATION

	2020 **$**
Reconciliation of Cash Flow from Operations with Loss after Income Tax:	
Loss after income tax	(313,189)
Non-cash flows in loss from ordinary activities:	
Equity settled compensation	205,528
Changes in operating assets and liabilities:	
(Increase)/Decrease in receivables	(31,680)
(Decrease)/Increase in payables	20,047
Cash flows from operations	**(119,294)**

NOTE 11: EARNINGS PER SHARE

Net loss used in the calculation of basic and diluted EPS attributable to owners of the parent company	(313,189)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	9,379,071

Options are considered potential ordinary shares. Options issued are not presently dilutive and were not included in the determination of diluted earnings per share for the period.

NOTE 12: COMMITMENTS

(A) Exploration Commitments

The Company has certain obligations to expend minimum amounts on exploration in tenement areas (plus associated tenement rentals). These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Company.

The following commitments exist at balance date but have not been brought to account. If the relevant option to acquire a mineral tenement is relinquished the expenditure commitment also ceases. The Company has the option to negotiate new terms or relinquish the tenements and also to meet expenditure requirements by joint venture or farm-in arrangements.

	2020 **$**
Not later than 1 year	426,936
Later than 1 year but not later than 5 years	2,495,518
Later than 5 years	305,554
Total commitment	**3,228,008**

(B) Capital Commitments

On 19 June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM26912 forming part of the Dittmer Project. The consideration price of $25,000 was paid in February 2021 following the successful transfer of the title and ownership of the licence to Ballymore.

On 20 June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM14255, ML10340 and ML10341. The total cash consideration was $490,000 payable upon achievement of certain conditions, with $290,000 payable upon the successful transfer of the title and ownership of the licences to Ballymore, and the balance of $200,000 payable six months after the successful transfer of the title and ownership of the licences to Ballymore. The $290,000 was paid in December 2020, with the balance of $200,000 payable in June 2021.

NOTE 13: CONTINGENT LIABILITIES

As set out in Note 12(B), the Company entered into a Mining Asset Sale Agreement to acquire EPM14255, ML10340 and ML10341. The agreement includes a royalty of 5.0% of all revenue from future mining activities. The Company has the option to acquire the royalty for $3.75million.

There were no other contingent liabilities at the end of the reporting period.

NOTE 14: RELATED PARTY TRANSACTIONS

(A) Key Management Personnel

	2020 **$**
Short-term employee benefits	-
Share-based payments	205,528
	205,528

As at 30 June 2020, invoices totalling $78,265 ($71,150 plus GST) were outstanding to Izmin Pty Ltd for geological services performed over the period from November 2019 to June 2020. Izmin Pty Ltd is a company owned by David A-Izzeddin, a director of Ballymore Resources Limited.

NOTE 15: SHARE-BASED PAYMENTS

Director and Employee Share-based Payments

Share based payment expense recognised during the period:

	2020 $
Share based payment expense recognised during the period:	
Options issued to directors	175,699
Options issued to a consultant	30,829
	205,528

No shares were issued for services provided during the period.

During the period, 8,500,000 options were granted to the Board and 1,500,000 to a consultant. The options vested on grant date and expire on 30-Jun-24. At the time of grant, the exercise price of the options was the higher of 6.0 cents or the price of the next capital raise, which resulted in the exercise price being confirmed as 30.0 cents.

The fair value of options granted during the year was 2.055 cents per option. The fair value at grant date was determined by an independent valuator using a Black-Scholes option pricing model that takes into account the share price at grant date, probable exercise prices (and attaching probabilities), expected volatility, option life, expected dividends, the risk free rate, the impact of dilution, and the fact that the options are not tradeable. The inputs used for the Black-Scholes option pricing model for the option granted during the year ended 30 June 2020 were as follows:

- grant date: 7 May 2020
- deemed share price at grant date: 4.0 cents
- exercise price: range between 6.0 cents and 30.0 cents
- expected volatility: 100%
- expected dividend yield: nil%
- risk free rates: 0.3326%

NOTE 16: AUDITOR'S REMUNERATION

Remuneration for the auditor of the parent entity:

	2020 $
BDO Audit Pty Ltd and its related entities:	
Auditing or reviewing the financial reports	11,000
	11,000

NOTE 17: FINANCIAL RISK MANAGEMENT

(A) Financial Risk Management Policies

The Company's financial instruments comprises cash balances, receivables and payables. The main purpose of these financial instruments is to provide finance for the Company's operations.

Treasury Risk Management

Key executives of the Company meet on a regular basis to analyse exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the board.

Financial Risks

The main risks the Company is exposed to through its financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. These risks are managed through monitoring of forecast cash flows, interest rates, economic conditions and ensuring adequate funds are available.

Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's cash flows or fair value will fluctuate as a result of changes in market interest rates, arises in relation to the Company's bank balances. This risk is managed through the use of variable rate bank accounts.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able meet its financial obligations as they fall due. This risk is managed by ensuring, to the extent possible, that there is sufficient liquidity to meet liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's activities are funded from equity and where required.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is their carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk arises from exposures to deposits with financial institutions and sundry receivables.

Credit risk is managed and reviewed regularly by key executives. The key executives monitor credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised; and
- all other entities are rated for credit worthiness taking into account their size, market position and financial standing.

At 30 June 2020, there was no concentration of credit risk, other than bank balances.

Foreign Currency Risk

The Company is not materially exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the relevant entity's functional currency.

NOTE 17: FINANCIAL RISK MANAGEMENT (continued)

(B) Financial Instrument Composition and Contractual Maturity Analysis

	30 June 2020 $
Financial assets:	
Within 6 months:	
Cash & cash equivalents (i)	411,358
Receivables (i)	31,680
	443,038
Financial liabilities:	
Within 6 months:	
Payables (i)	181,202
	181,202

(i) Non-interest bearing. The contractual cash flows do not differ to the carrying amount.

(C) Net Fair Values

Fair values of financial assets and financial liabilities are materially in line with carrying values.

(D) Sensitivity Analysis

The Company has performed sensitivity analysis relating to its exposure to interest rate risk. At year end, the effect on profit and equity as a result of a 1% change in the interest rate, with all other variables remaining constant, is immaterial.

NOTE 18: SUBSEQUENT EVENTS

On 31 August 2020, 11,609,147 shares were issued at $0.30 per share following a private (seed capital) placement, raising $3,482,744.

On 1 November 2020, 620,000 options exercisable at $0.45 each on or before 30 June 2024 were issued to Company employees.

On 20 November 2020, the Company converted to a Public Company.

In June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM14255, ML10340 and ML10341. The total cash consideration was $490,000 payable upon achievement of certain conditions, with $290,000 payable upon the successful transfer of the title and ownership of the licences to Ballymore, and the balance of $200,000 payable six months after the successful transfer of the title and ownership of the licences to Ballymore. The $290,000 was paid in December 2020, with the balance of $200,000 payable in June 2021.

In June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM26912, forming part of the Dittmer Project. The consideration price of $25,000 was paid in February 2021 following the successful transfer of the title and ownership of the licence to Ballymore.

There are no other matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTE 19: COMPANY DETAILS

The registered office and principal place of business is:

Level 6, 10 Market Street
Brisbane, Queensland, 4000 Australia

NOTE 20: DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the financial period. There are no franking credits available to the shareholders of the Company.

Directors' Declaration

The directors of the Company declare that:

1) The attached financial statements and notes are in accordance with the Corporations Act 2001, including:

    a) complying with Accounting Standards which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b) giving a true and fair view of the Company's financial position as at 30 June 2020 and of their performance for the financial period ended on that date.

2) The executive officer and chief financial officer have each declared that:

    a) the financial records of the Company for the financial period have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    b) the financial statements and notes for the financial period comply with the Accounting Standards; and

    c) the financial statements and notes for the financial period give a true and fair view.

3) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.

Nick Jorss
Director

Dated: 31 March 2021
Brisbane, Queensland

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INDEPENDENT AUDITOR'S REPORT

To the members of Ballymore Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ballymore Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for period 12 April 2019 to 30 June 2020, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

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

(i) Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the period 12 April 2019 to 30 June 2020; and

(ii) 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 Company in accordance with 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 (including Independence Standards)* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's 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.

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 on the other information obtained prior to the date of this auditor's report, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

R M Swaby

R M Swaby
Director

Brisbane, 31 March 2021