



TOMBOLA GOLD

FINANCIAL REPORT

For the year ended 30 June 2022



CORPORATE DIRECTORY

DIRECTORS

Byron Miles
Managing Director and Chairperson

Rod Watt
Exploration Director

Sam Kennedy
Non-Executive Director

COMPANY SECRETARY

Karl Schlobohm
Company Secretary

REGISTERED OFFICE

68 McIlwraith Street
Cloncurry QLD 4824
Email: enquires@tombolagold.com
Website: www.tombolagold.com

PRINCIPAL PLACE OF BUSINESS

68 McIlwraith Street
Cloncurry QLD 4824

AUDITOR

HLB Mann Judd (WA Partnership)
Level 4
130 Stirling Street
Perth WA 6000

BANKER

Commonwealth Bank
48 Martin Place
Sydney NSW 2000

SOLICITORS

Colin Biggers & Paisley Pty Ltd
Level 35, Waterfront Place
1 Eagle Street
Brisbane QLD 4000

SHARE REGISTRY

Automic Registry Services Pty Ltd
50 Holt Street
Sydney NSW 2010
Telephone: 1300 288 664
Email: info@automic.com.au
Website: www.automic.com.au

SECURITIES EXCHANGE

ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Code: TBA

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DIRECTORS' REPORT

The Directors present their report together with the financial report of Tombola Gold Limited (the **Company** or **Parent Entity**) and its controlled entities (**Consolidated Entity**) for the year ended 30 June 2022 and the Auditor's Report thereon.

DIRECTORS AND KEY PERSONNEL

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Mr Byron Miles

Managing Director and Chair (Appointed 2 February 2022)

Mr Miles is a financial market professional who brings a wealth of experience to the Company, having worked as a Stockbroker and Fund Manager for over 15 years. He is a specialist in mergers and acquisitions, with transactions across various commodities and geological locations. Mr Miles has a track record of helping companies develop from inception to profitable businesses and he has run a private investment company Solidify Capital Pty Ltd for the last 5 years.

Mr Rod Watt BSc Hons Geology

Exploration Director (Appointed 3 March 2022)

Mr Watt is a highly experienced Geologist with over 30 years' experience in both major and junior exploration companies, specialising in project management and taking projects from discovery through to feasibility studies. His experience encompasses 17 years with WMC Resources ("WMC"), which included managing the geological team at the Olympic Dam Mine, a large poly-metallic underground mine located in South Australia, 550 km (341.75 mi) NNW of Adelaide, the fourth largest copper deposit and the largest known single deposit of uranium in the world.

He was part of the project team that successfully managed the drill-out program at WMC's Ernest Henry Mine following discovery, culminating in a successful pre-feasibility study. The Ernest Henry Mine represents one of the largest copper reserves in Australia and in the world having estimated reserves of 167 million tonnes of ore grading 1.1% copper and 2.67 million oz of gold. More recently he held the position of Country Exploration Manager for Anglo American in SE Asia and PNG exploring for porphyry copper gold deposits.

Mr Watt brings a wealth of experience to the Tombola team, both in the field of IOCG exploration and development and managing copper gold exploration programs in the junior exploration resource sector having most recently held the position of Exploration Director of a newly TSXV listed junior explorer.

Mr Sam Kennedy

Non-Executive Director (Appointed 13 October 2021)

Mr Kennedy has extensive experience in the capital market both within Australian and abroad. This experience includes both equity and debt structures in high growth opportunities. Mr Kennedy's roles have included Board level collaboration, strategic business development, financial analysis and modelling for international mergers and acquisitions. His most recent experience has been as an Executive Director with Primest Capital Limited in Hong Kong. Prior to this Mr Kennedy was a Director of Natural Resources with CBRE Limited also in Hong Kong.

Mr Ken Stapleton Associate Diploma Mining Engineering

Executive Director (Appointed 10 June 2022 and Resigned 13 July 2022)

Mr Stapleton is a Mining Engineer with excess of 40 years of mining industry experience in consulting, planning and management of open cut mining operations including iron ore, coal, porphyry copper/gold/silver, lateritic nickel and gold mines. He is experienced in feasibility studies, resource and reserve estimation, owner-operator and contractor mine cost estimation and budgeting, mine planning, drilling and blasting, in-pit crushing/conveying, mine rehabilitation, and the development and operation of coal and base metal mines in Australia, Papua New Guinea, New Caledonia and Indonesia.

Mr Stapleton has extensive experience in planning and management for mining companies and major mining contractors. He also has extensive experience as a consultant to the metalliferous and coal industry. He founded MineOp Consulting in 2007, and in recent years has worked as an expert witness and provided advisory services to a number of metal and coal companies on Partner/Alliance style contract formation and negotiations.

Mr Stapleton has an Associateship Diploma of Mining Engineering from the Royal Melbourne Institute of Technology, a Mine Managers Certificate (Unrestricted for Qld, NT and PNG), an Open Cut Coal Examiners Certificate (NSW), and is a member of AusIMM.



DIRECTORS' REPORT

Mr Geoff Kidd

Executive Director (Appointed 3 March 2022 and Resigned 10 June 2022)

Mr Kidd has over 35 years' experience working in senior positions in and around the mining industry. He has fulfilled successful roles as Managing Director, Director, Chief Operating Officer, Operations Manager, General Manager, Engineering Manager, Project Manager and Regional Manager of mining companies or leading consultants to the mining industry. He was previously Chief Operating Officer for Coalworks Limited prior to its takeover by Whitehaven and has worked successfully on numerous aspects of mining developments in all states of Australia and in Irian Jaya, India, New Zealand, South Africa, Zimbabwe, South America, China, and the USA.

Mr Kidd was a founding Director and Partner of Sedgman & Associates (later Sedgman Limited) and a founding Director of Mineral Control Instrumentation Pty Ltd (later Scantech Limited), a company which commercialised CSIRO inventions for the mining industry. He has a long background in successfully managing the risks associated with managing, studying, designing, purchasing, building, and commissioning new mines together with the expansion & optimisation of new and existing mine developments.

Mr Kidd was the inaugural Chairman of Austmine, a Federal Government initiative to export Australian mining expertise and services. He has also been a member of Australian trade delegations and he has chaired a number of mining industry professional bodies and associations.

Dr Andrew Firek Ph.D. (Technical Sciences)

Non-Executive Chairman (Resigned 29 April 2022)

Dr Firek holds a M.Sc. and a Ph.D. and is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Energy. He has been involved in the minerals exploration, mining and processing industry at operational and executive levels for over 25 years.

He worked in Europe and Africa as a United Nations expert in fossil fuels, mineral processing and energy generation. He was a Group Leader at the CSIRO, Division of Fossil Fuels in Sydney and was engaged in developing technologies to produce liquid fuels from coal. He was a Project Director at Memtec Ltd, following which he joined Pancontinental Mining Ltd where he was a Research and Development Manager involved in substantial mineral resources projects including base and precious metals, uranium and the technology development and commissioning of a \$220 million magnesite production facility near Rockhampton in Queensland. He worked on site during construction and commissioning for 12 months. He was a founding director of three ASX-listed companies and managed coal, iron ore, base and precious metals exploration, feasibility studies and financial negotiations for projects in Australia, South America and China (Inner Mongolia).

Dr Firek is the former chief executive officer and managing director of Coalworks Ltd, taken over by Whitehaven Ltd in 2012, and a former executive director of Allegiance Mining NL and Zelos Resources NL. Currently he is a non-executive director of unlisted public company Wollongong Coal Limited.

Mr Aaron Day B.Sc. (Earth Sciences)

Executive Director (Resigned 13 October 2021)

Mr Day is the Managing Director and a Senior Geologist who has managed the Company's exploration, drilling and logistical programs in the Cloncurry mineral field since early 2017. Mr Day is also the Site Senior Executive for the Mt Freda group of mining leases and associated tenements of the Company.

Mr Day has consulted for and been employed by several ASX listed and private companies in Australia. His duties have included designing and managing exploration and drilling programs, cadastral, environmental, health and safety, machinery and construction, site services and geophysical surveys and programs. Significantly for the Company Mr Day resides in the Cloncurry region on a full-time basis.

Mr Trevor Coombe B.Sc. (Eng)

Non-Executive Director (Resigned 13 October 2021)

Mr Coombe was previously Managing Director of Young Australia Mines Limited previously known as Moly Mines Pty Ltd. He was in charge of the operation of the business direction and cost management of the company. Mr Coombe has been the Chief Executive Officer of the Kurri Kurri aluminium smelter in the Hunter Valley, New South Wales (which under his stewardship was one of the largest industrial complexes in New South Wales, with a total direct and indirect workforce of up to 2,000 people) and Norske Hydro's Head of Global Alumina and Smelter Growth for the Oceania Region. Norske Hydro is one of the major global integrated aluminium producers. Mr. Coombe served in these roles for a period of over 13 years. Prior to entering the aluminium industry, Mr. Coombe was involved in the mining industry for over 30 years, including as Chief Executive Officer of Savage Resources' coal mining operation at Liddell Mine in the Hunter Valley, and General Manager of Pasminco's silver-lead-zinc-goldcopper mining operations at Rosebery, Tasmania. He has also spent substantial parts of his early career at Broken Hill and Cobar (with CRA) and as the Senior Mining Engineer for the Lady Loretta joint venture in the Cloncurry region.



DIRECTORS' REPORT

COMPANY SECRETARY

Mr Karl Schlobohm was appointed as Company Secretary of the Company on 20 May 2022. Karl is a Chartered Accountant and a Fellow of the Governance Institute of Australia with academic qualifications in commerce, economics and taxation. He has extensive Australian and international stock exchange experience, having served as Company Secretary for numerous companies over the past 15 years - predominantly in the resources sector - including DGR Global Ltd (ASX), SolGold Plc (LSE/TSX), Atlantic Lithium Ltd (AIM) and Discovery Metals Ltd (ASX).

DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships of other listed entities held by Directors of the Company during the last 3 years immediately before the end of the year are as follows:

Director	Company	Period of Directorship	
		From	To
Mr Byron Miles	None	-	-
Mr Rod Watt	None	-	-
Mr Sam Kennedy	None	-	-
Mr Ken Stapleton	None	-	-
Mr Geoff Kidd	None	-	-
Dr Andrew Firek	Wollongong Coal Limited	14 December 2010	Current
Mr Aaron Day	None	-	-
Mr Trevor Coombe	None	-	-

DIRECTORS' INTERESTS

The relevant interests of each Director in the shares, options and performance rights of the Company at the date of this report are as follows:

Director	Shares	Options	Performance rights over ordinary shares
Mr Byron Miles	14,634,431	30,000,000	-
Mr Rod Watt	925,925	10,000,000	-
Mr Sam Kennedy	-	-	-

Share options granted to Directors

During the year share options granted to the Directors of the Company and the entities it controlled, as part of their remuneration are:

Director	Number of Options Granted	Number of ordinary shares under option
Mr Byron Miles	30,000,000	-
Mr Rod Watt	10,000,000	-
Mr Ken Stapleton	-	-
Mr Geoff Kidd	-	-
Dr Andrew Firek	-	-
Mr Aaron Day	-	-
Mr Sam Kennedy	-	-
Mr Trevor Coombe	-	-

**DIRECTORS' REPORT**

Unissued shares under option

At the date of this report unissued ordinary shares or interests of the Company under option are:

Date Options Granted	Number of ordinary shares under option	Exercise price of option	Expiry date of option
16 November 2018	11,250,000	6.6695c	16 November 2022
8 November 2019	7,000,000	15.0c	8 November 2022
03 November 2021	30,000,000	5.5c	03 November 2024
03 May 2022	10,000,000	4.4c	03 May 2025
03 May 2022	10,000,000	4.4c	03 May 2026
03 May 2022	10,000,000	4.4c	30 June 2026
03 May 2022	10,000,000	5.0c	03 May 2026

No further shares have been issued since 30 June 2022 as a result of an exercise of options.

REMUNERATION REPORT

The Remuneration Report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of the Company for the financial year ended 30 June 2022 and is included at pages 9 - 12.

OPERATING AND FINANCIAL REVIEW

The Company is an Australian based exploration company with the principal objective of acquiring assets to explore for and develop a large IOCG or porphyry deposit funded by low risk copper and gold production resources. To that end it has:

- A beneficial interest in 18 Exploration Licences prospective for copper, cobalt and gold near Burra in South Australia; and
- Interests in a number of Exploration and Mining Licences in the Cloncurry region of Queensland including an 80% joint venture interest in Mining and Exploration licenses with potential as production assets including the Mt Freda copper and gold projects plus the 100% owned Trump, Belgium and Answer Mining Leases.

PRINCIPAL ACTIVITIES**Cloncurry QLD**

The Company acquired via the Cloncurry tenement package known copper, gold and cobalt prospects within exploration licences and granted mining leases. The mining leases encompass previously operated productive mines and already granted mining leases in Queensland that will allow the Company to accelerate the transition from exploration to production by approximately 6 years, bypassing the lengthy process involved in the granting of a mining license.

The Company has identified an extensive gold, copper, and cobalt mineralised systems within the Mt Freda and Golden Mile exploration sub blocks. During the year the prepared extensive project works for the future VAT Leaching project and commenced mining at the Golden Mile subblocks which included stockpiling ore. The ROM stockpiles are strategically located within trucking distance of the two CIL plants of which Tombola acquired the Lorena CIL processing plant subsequent to year end and access to the Great Australian Mines plant on a hire basis. The Company expects to generate cash flow from short term gold and copper production from within current mining leases.

South Australia

The Company holds a beneficial interest in 18 Exploration Licences in South Australian in the Burra region. Several potential conductive structures have been identified by Magneto Telluric (MT) and Audio Magneto Telluric (AMT) surveys, the MT survey will be extended post year end with a view to confirming additional drilling locations.

The Company was awarded a \$300,000 Grant by the SA Government in 2020 and the Company has received approval to extend this grant due to the current difficulties undertaking exploration. This extension will provide the Company with exploration funding towards geophysical programs and exploration drilling in the Burra tenure.



DIRECTORS' REPORT

Corporate

During the financial year the following changes occurred within the Company:

- Restructured the Board and transitioned to a Queensland based operation.
- Successfully raised \$16 million dollars primarily to progress its Cloncurry operations including the commencement of mining operations in Cloncurry.

Financial review

A summary of the salient operating results for the year ended 30 June 2022 is as follows:

- Net loss after tax was \$12,283,552 (2021: loss of \$3,168,322).
- Net cash outflow from operating activities was \$9,543,500 (2021 outflow \$2,078,008).

Significant Changes in the State of Affairs

There were no significant changes in the State of Affairs during the current year.

EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to year end, the Company:

- Completed the acquisition of the Lorena CIP processing plant and tenements package where the company intends to process its ore once the refurbishment of the plant and tailings dam have been completed. The acquisition has been completed with a mixture of deferred settlement, cash and shares issued. The acquisition totals \$7.3 million;
- Entered into an agreement to acquire a number of project ready Mining Leases from True North Copper Pty Ltd which have the potential to help the company consolidate a significant and strategic footprint in the Cloncurry region and should allow the Company to fast-track gold production from the Mining Leases acquired;
- Entered into a binding Term Sheet to hire the Great Australian Gold Production Plant owned by True North Copper Pty Ltd which once recommissioned will allow the Company to commence gold production from the Golden Mile Mining Lease; and
- Raised \$4,600,000 before costs.

There has not arisen in the interval between the end of the year and the date of this report any further item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

LIKELY DEVELOPMENTS

The Consolidated Entity will continue to pursue its principal activity of mineral exploration and mining and transition into a processing operation generating income from Gold Sales derived from the mining lease assets in the Consolidated Entity's portfolio.

ENVIRONMENTAL REGULATION

The Consolidated Entity's exploration and mining activities are governed by a range of environmental legislation and regulations including the National Greenhouse and Energy Report Act 2007 and Mining Act 1978 in Australia. To the best of the Directors' knowledge, the Consolidated Entity has adequate systems in place to ensure compliance with the requirements of the applicable environmental legislation and is not aware of any breach of those requirements during the year and up to the date of the Directors' Report.

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**DIRECTORS' REPORT****INDEMNIFICATION AND INSURANCE OF OFFICERS****Indemnification**

The Company has agreed to indemnify the current Directors and Company Secretary of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as officers of the Company, except where the liability arises out of conduct involving a lack of good faith.

Insurance

The Company paid a premium during the year in respect of Director and officer liability insurance policies, insuring the Directors and Secretaries of the Company against liabilities incurred as such a Director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

DIRECTORS' MEETINGS

In addition to regular board discussions, the number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the year are:

Director	Board Meetings	
	Held	Attended
Mr Byron Miles (appointed 2 February 2022)	3	3
Mr Rod Watt (appointed 3 March 2022)	3	3
Mr Sam Kennedy (appointed 13 October 2021)	9	9
Mr Ken Stapleton (appointed 10 June 2022 - resigned 13 July 2022)	1	1
Mr Geoff Kidd (appointed 3 March 2022 - resigned 13 July 2022)	1	1
Dr Andrew Firek (resigned 29 April 2022)	13	13
Mr Aaron Day (resigned 13 October 2021)	11	10
Mr Trevor Coombe (resigned 13 October 2021)	5	5

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 51 and forms part of the Directors' Report.

NON-AUDIT SERVICES

HLB Mann Judd act as Auditor of the Company and continue in office in accordance with section 327B of the *Corporations Act 2001*.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Consolidated Entity are important subject to independence rules.

During the year \$10,500 (2021: \$Nil) fees were paid or payable for non-audit services provided by the auditor of the parent entity. The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board.

**REMUNERATION REPORT****REMUNERATION REPORT**

The Directors are pleased to present your Company's 2022 remuneration report which sets out remuneration information for the Company's Non-Executive Directors, Executive Directors and other Key Management Personnel. The information in this Remuneration Report has been audited as required under section 308(3C) of the *Corporations Act 2001*.

For the purposes of this report, Key Management Personnel of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Consolidated Entity, directly or indirectly, including any Director (whether executive or otherwise) of the Parent Entity.

Key management personnel

The following were Key Management Personnel of the Parent Entity and the Consolidated Entity at any time during the year and unless otherwise indicated were Key Management Personnel for the entire year:

Name	Position held
Mr Byron Miles	Managing Director (appointed 2 February 2022)
Mr Rod Watt	Exploration Director (appointed 3 March 2022)
Mr Sam Kennedy	Non-Executive Director (appointed 13 October 2021)
Mr Ken Stapleton	Executive Director (appointed 10 June 2022 - resigned 13 July 2022)
Mr Geoff Kidd	Executive Director (appointed 3 March 2022 – resigned 13 July 2022)
Dr Andrew Firek	Non-Executive Director (resigned 29 April 2022)
Mr Aaron Day	Managing Director (resigned 13 October 2021)
Mr Trevor Coombe	Non-Executive Director (resigned 13 October 2021)

Principles of remuneration

The remuneration structures explained below are competitively set to attract, motivate and retain suitably qualified and experienced candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structures consider the following:

- the capability and experience of the Key Management Personnel;
- the Key Management Personnel's ability to control the achievement of strategic objectives;
- the Company's performance including:
 - the growth in share price; and
 - the amount of incentives within each key management person's compensation.

Given the evaluation and developmental nature of the Consolidated Entity's principal activity, the overall level of compensation does not have regard to the earnings of the Consolidated Entity.

Remuneration structure

Due to the size of the Board the role of the Remuneration Committee is undertaken by the full Board. In accordance with best practice corporate governance, it is intended to reinstate the Remuneration Committee at such time as the Company's activities grow in size, nature and scope.

Non-Executive Director remuneration

The Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a General Meeting. Total remuneration for all Non-Executive Directors as determined by the Board is not to exceed \$300,000 per annum. Directors' fees cover all main Board activities.

Non-Executive Directors do not receive any retirement benefits, nor do they receive any performance related compensation in their capacity as non-executive Directors.

Level of annual Non-Executive Directors' fees in addition to consulting fees as at the reporting date are as follow:

Name	Non-Executive Directors' fees
Mr Sam Kennedy	\$48,000 per annum



REMUNERATION REPORT

Executive Director and Other Key Management remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Short-term incentive

The Company currently has not set any short-term incentives (STI) for Key Management Personnel.

Use of remuneration consultants

The Board did not engage the services of a remuneration consultant during the year.

Consequences of performance on shareholder wealth

The table below sets out summary information about the Consolidated Entity's results and movement in shareholder wealth for all years to 30 June 2022.

		30 June 2022	30 June 2021	30 June 2019	30 June 2018
EBITDA	\$	(12,340,614)	(2,992,826)	(5,029,353)	(7,706,717)
Net profit/(loss) before tax	\$	(12,512,439)	(3,270,642)	(2,744,652)	(7,993,719)
Net profit/(loss) after tax	\$	(12,283,552)	(3,168,322)	(2,744,652)	(7,347,741)
Total comprehensive loss for the year	\$	(12,283,552)	(3,168,322)	(2,747,939)	(7,351,143)
Share price at start of year	cps	0.039	0.027	0.115	0.03
Share price at end of year	cps	0.036	0.039	0.027	0.115
Basic earnings per share (cents per share)	cps	(1.46)	(0.50)	(0.49)	(1.52)
Diluted earnings per share (cents per share)	cps	(1.46)	(0.50)	(0.49)	(1.52)

There were no performance related remuneration transactions granted during the year.

Share-based remuneration

During the 2022 year the Company granted 40,000,000 options to Directors (2021: Nil options were granted to Directors).

Consultancy Contracts

Remuneration and other terms of employment of Directors and Other Key Management Personnel are formalised in employment and consultancy contracts. The major provision of the agreements related to the remuneration are set out below:

- Confirmation of the executive and non-executive fees payable.
 - o Non-executive Director fees \$48,000 per annum.
 - o Managing Director salary \$298,000 per annum.
 - o Exploration Director salary \$250,000 per annum.
- Engagement conditions with the Company for the individual and or their consulting entities.
- Cash bonuses are subject to Board approval.
- Equity bonuses are subject to Board and shareholder approval.
- Termination is dependent on with or without cause where termination payments are limited by the Corporations Act or the ASX Listing rules. For the Company the maximum termination payment is 3-6 months remuneration with an inclusive 3- or 6-months' notice period or zero with cause.

Service Agreements

The Directors are paid on a monthly basis. The agreements do not have a fixed term. The Consolidated Entity may terminate the agreements by paying an amount equivalent to 3-6 months fees (based on an individual agreements) or without notice in the case of serious misconduct.



REMUNERATION REPORT

Remuneration of Key Management Personnel

		SHORT-TERM EMPLOYEE BENEFITS		POST-EMPLOYMENT	POST-EMPLOYMENT	SHARE-BASED PAYMENTS		
		Salary & fees \$	Non-monetary benefits	Termination \$	Super-annuation \$	Options / Shares \$	Total \$	Proportion of remuneration performance related %
Directors								
<i>Non-Executive</i>								
Mr S Kennedy	2022	37,000	-	-	-	-	37,000	-
	2021	-	-	-	-	-	-	-
Dr A Firek	2022	40,000	-	-	-	-	40,000	-
	2021	10,545	-	-	-	-	10,545	-
Mr J Goldberg	2022	-	-	-	-	-	-	-
	2021	38,000	-	-	-	-	38,000	-
Mr T Coombe	2022	14,000	-	-	-	-	14,000	-
	2021	36,814	-	-	-	-	36,814	-
<i>Sub-total Non-Executive Directors</i>								
	2022	91,000	-	-	-	-	91,000	-
	2021	85,359	-	-	-	-	85,359	-
<i>Executive</i>								
Mr B Miles	2022	112,167	-	-	11,217	147,976	271,360	54.53
	2021	-	-	-	-	-	-	-
Mr R Watt	2022	43,229	-	-	4,323	15,405	62,957	24.47
	2021	-	-	-	-	-	-	-
Mr Stapleton	2022	8,654	-	-	-	-	8,654	-
	2021	-	-	-	-	-	-	-
Mr A Day	2022	101,500	-	-	-	-	101,500	-
	2021	174,000	-	-	-	-	174,000	-
Mr G Kidd	2022	30,000	-	-	-	-	30,000	-
	2021	-	-	-	-	-	-	-
<i>Sub-total Executive Directors</i>								
	2022	295,550	-	-	15,540	163,381	474,471	-
	2021	174,000	-	-	-	-	174,000	-
Total key management personnel compensation (Consolidated Entity)								
	2022	386,550	-	-	15,540	163,381	565,471	-
	2021	259,359	-	-	-	-	259,359	-



REMUNERATION REPORT

Equity holdings of Key Management Personnel

Shareholdings

The numbers of shares in the Company held during the financial year by each Director of the Company, including their personally related parties, are set out below. During the year shareholders approved the granting of 2,000,000 shares to Mr Byron Miles, there were no further shares granted during the reporting period as compensation.

2022	Held at 1 July 2021	Held at date of appointment	Purchases / Capital Raising	Granted as remuneration	Purchased on market	Held at date of resignation	Held at 30 June 2022
Directors							
Mr B Miles	-	-	12,634,431	2,000,000	-	-	14,634,431
Mr R Watt	-	-	925,925	-	-	-	925,925
Mr S Kennedy	-	-	-	-	-	-	-
Mr K Stapleton	-	-	-	-	-	-	-
Mr G Kidd	-	19,603,791	-	-	-	19,603,791	-
Dr A Firek	19,728,791	-	-	-	-	19,728,791	-
Mr A Day	75,000	-	-	-	-	75,000	-
Mr T Coombe	-	-	-	-	-	-	-

Options

The numbers of options in the Company held during the financial year by each Director of Tombola Gold Limited, including their personally related parties, are set out below.

2022	Held at 1 July 2021	Held at date of appointment	Purchases / Capital Raising	Granted as Remuneration (i)	Expired	Held at date of resignation	Held at 30 June 2022
Directors							
Dr A Firek	-	-	-	-	-	-	-
Mr B Miles	-	-	-	30,000,000	-	-	30,000,000
Mr R Watt	-	-	-	10,000,000	-	-	10,000,000
Mr S Kennedy	-	-	-	-	-	-	-
Mr K Stapleton	-	-	-	-	-	-	-
Mr G Kidd	-	-	-	-	-	-	-
Dr A Firek	-	-	-	-	-	-	-
Mr A Day	4,000,000	-	-	-	-	4,000,000	-
Mr T Coombe	-	-	-	-	-	-	-

(i) Refer to note 25 (b) for details of the valuation of these options, including the inputs into the model used to value the options.

Other transactions with Key Management Personnel

The Director's remuneration was paid as wages and through various corporate entities and the remuneration is disclosed as per the respective Directors in the Remuneration Report. As at 30 June 2022 there was \$8,654 unpaid (2021: \$Nil).

END OF REMUNERATION REPORT

Dated this 30th day of September 2022.

Signed in accordance with a Resolution of the Directors:

Byron Miles
Managing Director



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	Consolidated 2022 \$	Consolidated 2021 \$
Revenue from continuing operations			
Interest income	27	229	2,746
Net fair value/gain on derivative liability	27	-	157,442
Total income		229	160,188
Administrative and other expenses		(279,971)	(120,127)
Audit fees		(57,650)	(47,611)
Consulting fees		(308,327)	(139,485)
Directors and officers		(536,089)	(397,359)
Exploration expenses		(9,659,871)	(2,620,949)
Finance costs		(7,379)	(105,918)
Provision for credit loss	6	(1,500,000)	-
Impairment of exploration expenditure		-	619
Share based payments expenses	25	(163,381)	-
Loss before income tax from continuing operations		(12,512,439)	(3,270,642)
Income tax benefit	4	228,887	102,320
Net loss for the year		(12,283,552)	(3,168,322)
Net loss after income tax for the year attributable to:			
Members of the parent entity		(10,631,093)	(2,759,371)
Non-controlling interest		(1,652,459)	(408,951)
Net loss for the year		(12,283,552)	(3,168,322)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Exchange loss on translation of foreign subsidiaries		-	35,937
Total comprehensive loss for the year		(12,283,552)	(3,132,385)
Total comprehensive loss after income tax for the year attributable to:			
Members of the parent entity		(10,631,093)	(2,723,434)
Non-controlling interest		(1,652,459)	(408,951)
Total comprehensive loss for the year		(12,283,552)	(3,132,385)
Loss per share attributable to members			
Basic loss per share (cents)	19	(1.46)	(0.50)
Diluted loss per share (cents)	19	(1.46)	(0.50)

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Note	Consolidated 2022 \$	Consolidated 2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	5,082,236	948,142
Receivables	6	762,478	1,926,044
Right of use assets	7	-	91,728
Other	8	1,800	1,800
Total Current Assets		5,846,514	2,967,714
Non-current Assets			
Other	8	256,877	33,500
Exploration and evaluation assets	9	1,706,090	1,705,198
Intangible assets	10	586	980
Property, plant and equipment	11	1,247,900	298,459
Deferred tax assets	4(c)	-	511,559
Total Non-Current Assets		3,211,453	2,549,696
TOTAL ASSETS		9,057,967	5,517,410
LIABILITIES			
Current Liabilities			
Trade and other payables	12	1,956,228	651,630
Lease liabilities	13	-	111,691
Total Current Liabilities		1,956,228	763,321
Non-Current Liabilities			
Deferred tax liabilities	4(c)	-	511,559
Total Non-Current Liabilities		-	511,559
TOTAL LIABILITIES		1,956,228	1,274,880
NET ASSETS		7,101,739	4,242,530
EQUITY			
Issued capital	15	42,614,302	27,919,155
Reserves	16	888,983	883,502
Accumulated losses		(33,537,652)	(23,348,692)
Equity attributable to equity holders of the parent		9,965,633	5,453,965
Non-controlling interest	17	(2,863,894)	(1,211,435)
TOTAL EQUITY		7,101,739	4,242,530

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2022

Consolidated	Issued Capital \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Non- Controlling Interest \$	Total \$
Balance at 1 July 2021	27,919,155	883,502	-	(23,348,692)	(1,211,435)	4,242,530
Loss for the year	-	-	-	(10,631,093)	(1,652,459)	(12,283,552)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(10,631,093)	(1,652,459)	(12,283,552)
Shares issued	16,177,184	-	-	-	-	16,177,184
Share issue costs	(1,482,037)	-	-	-	-	(1,482,037)
Options issued to Directors	-	447,614	-	-	-	447,614
Options expired	-	(442,133)	-	442,133	-	-
Balance at 30 June 2022	42,614,302	888,983	-	(33,537,652)	(2,863,894)	7,101,739
Balance at 1 July 2020	27,563,988	1,214,576	(35,937)	(20,920,395)	(802,484)	7,019,748
Loss for the year	-	-	-	(2,759,371)	(408,951)	(3,168,322)
Other comprehensive loss	-	-	35,937	-	-	35,937
Total comprehensive loss for the year	-	-	35,937	(2,759,371)	(408,951)	(3,132,385)
Shares and options issued on converting notes	360,000	-	-	-	-	360,000
Share issue costs	(4,833)	-	-	-	-	(4,833)
Options expired	-	(331,074)	-	331,074	-	-
Balance at 30 June 2021	27,919,155	883,502	-	(23,348,692)	(1,211,435)	4,242,530

The Consolidated Statement of Changes in Equity is to be read in conjunction with accompanying notes.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	Consolidated 2022 \$	Consolidated 2021 \$
Cash flows from operating activities			
Payments to suppliers and employees – administration		(1,007,414)	(712,111)
Payments to suppliers and employees – exploration		(8,765,252)	(2,263,674)
Interest paid		-	(24,289)
Fees receivable		-	817,000
Interest received		279	2,746
Refundable R&D offset		228,887	102,320
Net cash used in operating activities	22	(9,543,500)	(2,078,008)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(124,269)	(8,677)
Payment for plant & equipment		(1,125,964)	(77,781)
Proceeds from asset sales – net of costs		2,000	-
Net cash used in investing activities		(1,248,233)	(86,458)
Cash flows from financing activities			
Proceeds from issue of shares		16,059,184	-
Issue costs		(1,079,805)	(4,833)
Principal lease repayments		(53,552)	(92,166)
Net cash provided (used in)/by financing activities		14,925,827	(96,999)
Net increase/(decrease) in cash and cash equivalents		4,134,094	(2,261,465)
Cash and cash equivalents at the beginning of the financial year		948,142	3,209,607
Cash and cash equivalents at end of year	5	5,082,236	948,142

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Consolidated Entity. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Consolidated Entity consisting of Tombola Gold Limited and its subsidiaries.

The financial statements have been prepared on a historical cost basis, except for derivative liabilities which have been measured at fair value. Historical cost is based on the fair values of the consideration given in exchange for goods and services. The financial statements are presented in Australian dollars.

The Company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activity is exploration.

Compliance with IFRS

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

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

In the Directors' opinion, none of the new or amended Accounting Standards and Interpretations have had, or will have a material effect on the Consolidated Entity's financial performance or position.

Discontinued operations

A discontinued operation is a component of the Consolidated Entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of comprehensive income.

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. Notwithstanding the fact that during the year the Consolidated Entity incurred a net loss for the period of \$12,283,552 (2021: \$3,168,322) and a net cash outflow from operating activities of \$9,543,500 (2021: \$2,078,008), the Directors are of the opinion that the Company is a going concern for the following reasons:

- Net current assets as at 30 June 2022 were \$3,890,286 (2021: \$2,204,393);
- The Directors note that the Consolidated Entity has in excess of 100,000,000 shares available in its placement capacity which could be utilised if a significant investor approached the Consolidated Entity and or a capital raising was considered appropriate;
- The Company successfully raised \$4.6 million subsequent to year, and evidence of its ability to raise capital as required;
- The Company is transitioning from an exploration company to mining and processing company and as such anticipates generating cashflow during the year ended 30 June 2023; and
- The Directors also believe that the major shareholders would support the Company if requested.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

There are a number of inherent uncertainties relating to the Consolidated Entity's future plans including, but not limited to:

- whether the Consolidated Entity will be able to raise additional equity and
- whether the Consolidated Entity will be able to source alternative sources of funding.

Accordingly, there is a material uncertainty that may cast significant doubt whether the Consolidated Entity's will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this financial report, the significant judgements made by management in applying the Consolidated Entity's accounting policies and the key sources of estimation uncertainty are noted below:

Impairment

The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Refer Note 6 for details in respect to the valuation of the Gilded Rose receivable where impairment triggers exist.

Exploration and evaluation expenditure

The write-off and carrying forward of exploration costs is based on an assessment of an area of interest's viability and/or the existence of economically recoverable reserves. The Directors consider the existence of any indicators of impairment at balance date. If any indicators are present, the Directors conduct an impairment review.

The Directors have also considered the classification of exploration expenditure at balance date. The criteria for reclassification to development expenditure are not yet considered to be met as final environmental approvals and the mine finance has not been finalised at the date of this report.

Share-based Payments

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model, using the assumptions detailed in note 25.

Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
For the year ended 30 June 2022**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tombola Gold Limited as at 30 June 2022 and the results of all subsidiaries for the year then ended. Tombola Gold Limited and its subsidiaries together are referred to in this financial report as the Consolidated Entity.

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

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

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

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

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

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

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers – being the Board of Directors.

Foreign currency translation*Functional and presentation currency*

Items included in the financial statements of each of the Consolidated Entity's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of consolidation (continued)

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Sale of goods

Revenue is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Consolidated Entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Consolidated Entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Consolidated Entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is recognised using the effective interest method.

Impairment of Assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
For the year ended 30 June 2022**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Exploration and evaluation expenditure**

Exploration and evaluation costs related to an area of interest are written off as incurred except for the acquisition costs of exploration areas which are capitalised and carried forward. Exploration is carried forward as an item in the statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the end of each reporting period 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.

Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are not allocated to an exploration or evaluation asset.

Capitalised exploration and evaluation expenditure is written off where the above conditions are no longer satisfied.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition.

Exploration and evaluation expenditure incurred subsequent to the acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above.

All capitalised exploration and evaluation expenditure is assessed for impairment if facts and circumstances indicate that an impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Consolidated Entity. Trade accounts payable are normally settled within 30 days. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Issued capital

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

Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

- (a) except where the deferred income tax liability 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; and
- (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

- (a) except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (b) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised 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 income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

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

The Consolidated Entity has unused tax losses. However, no deferred tax balances have been recognised, as it is considered that asset recognition criteria have not been met at this time.

Assets and liabilities held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal groups) and the sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

When the Consolidated Entity is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Consolidated Entity will retain a non-controlling interest in its former subsidiary, after the sale.

When the Consolidated Entity is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Consolidated Entity discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Consolidated Entity discontinues the use of the equity method at the time of disposal when the disposal results in the Consolidated Entity losing significant influence over the associate or joint venture.

After the disposal takes place, the Consolidated Entity accounts for any retained interest in the associate or joint venture in accordance with AASB 9 unless the retained interest continues to be an associate or a joint venture, in which case the Consolidated Entity uses the equity method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

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

Plant and equipment	3-10 years
Motor vehicles	8 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition and disposal

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

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

Impairment

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

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Other taxes

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

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

Earnings/loss per share

Basic earnings/loss per share is calculated by dividing the profit/loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Share-based payment transactions

Equity settled transactions

The Consolidated Entity's Share Option Plan provides benefits to directors of the Company in the form of share-based payments, whereby directors render services in exchange for rights over shares (equity-settled transactions).

The Consolidated Entity has also settled consultancy services in the form of share-based payments, whereby consultants render services in exchange for rights over shares (equity-settled transactions).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
For the year ended 30 June 2022**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Share-based payment transactions (continued)**

The cost of these equity-settled transactions with directors is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by weighted average shares, further details of which are given in Note 25.

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

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

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

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

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

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

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share, refer Note 19.

Converting Notes

Compound financial instruments issued by the Consolidated Entity comprise convertible notes denominated in AUD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued are not fixed.

Convertible notes are recorded as a financial liability and are initially recognised at fair value. Any difference between the proceeds (net of allocated transaction costs) after deducting the derivative liability component and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

The component parts of convertible loans issued are classified separately as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Embedded derivative liability components of convertible notes are initially measured at fair value and are subsequently measured at fair value through profit or loss at the end of each reporting period.

The fair value of the conversion feature is determined using a Black Scholes option pricing model which assumes an option holder will exercise at expiry. One of the inputs is the exercise price or conversion price where a Monte Carlo Simulation model is used to simulate the 5 day VWAP. Transaction costs allocated to the derivative liability are expensed as incurred.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Comparative information

Comparative information is for the financial year ended 30 June 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

2. FINANCIAL RISK MANAGEMENT

Overview

Risk management is carried out under policies set by the Board. The Board provides principles for overall risk management, as well as policies covering specific areas.

Financial risk management objectives

The Board monitors and manages the financial risk relating to the operations of the Consolidated Entity. The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The overall risk management strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance. Risk management is carried out under the direction of the Board.

The Consolidated Entity holds the following financial instruments:

	Consolidated 2022 \$	Consolidated 2021 \$
Financial assets		
Cash and cash equivalents	5,082,236	948,142
Trade and other receivables	762,478	1,926,044
	5,844,714	2,874,186
Financial liabilities		
Trade and other payables	1,956,228	651,630
Lease liabilities	-	111,691
	1,956,228	763,321

Market risk

Foreign exchange risk

Exposure to foreign currency risk

The Board does not consider the Consolidated Entity to be materially exposed to changes in foreign exchange rates as all financial instruments and transactions are denominated in the functional currency in which they are measured.

Price risk

The Consolidated Entity is involved in the exploration and development of mining tenements for minerals. Should the Consolidated Entity successfully progress to a producer, revenues associated with mineral sales, and the ability to raise funds through equity and debt, will have some dependence upon commodity prices.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

2. FINANCIAL RISK MANAGEMENT (continued)

Cash flow and interest rate risk

The Consolidated Entity's income and operating cash flows are not materially exposed to changes in market interest rates.

At the reporting date the interest rate profile of the Consolidated Entity's interest-bearing financial instruments was:

	30 June 2022		30 June 2021	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Variable rate instruments				
Cash at bank	0.20%	5,082,236	0.20%	948,142
		<u>5,082,236</u>		<u>948,142</u>

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates would increase or decrease the Consolidated Entity's loss by \$25,411 (2021: \$9,481), based on the cash at bank at reporting date and calculated on an annual basis. The Board assessed a 50 basis point movement as being reasonably possible based on short term historical movements. This analysis assumes that all other variables remain constant.

Credit risk

There is a limited amount of credit risk relating to the cash and cash equivalents that the Consolidated Entity holds in deposits. The Consolidated Entity's cash reserves are only placed with a major Australian bank.

The Consolidated Entity does not presently have customers and consequently does not have credit exposure to outstanding receivables. The Consolidated Entity may in the future be exposed to interest rate risk should it borrow funds for acquisition and development.

Exposure to credit risk

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum exposure to credit risk at the reporting date was:

	2022 \$	2021 \$
Cash and cash equivalents	5,082,236	948,142
Trade and other receivables	762,478	1,926,044
	<u>5,844,714</u>	<u>2,874,186</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit rating (Standard & Poor's) if available or to historical information about counterparty default rates:

Cash at bank and short-term bank deposits

A-1+ ¹	5,082,236	948,142
B ¹	-	-
	<u>5,082,236</u>	<u>948,142</u>

Trade and other receivables

No default	762,478	1,926,044
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¹The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
For the year ended 30 June 2022

2. FINANCIAL RISK MANAGEMENT (continued)*Impairment of financial assets*

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

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

Trade and other receivables and contract assets

The Consolidated Entity makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Consolidated Entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Consolidated Entity assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Consolidated Entity's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Consolidated Entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

2. FINANCIAL RISK MANAGEMENT (continued)

Impairment of financial assets (continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the management of the Consolidated Entity's short, medium and long-term funding and liquidity management requirements. The Consolidated Entity manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The following are the contractual maturities of financial liabilities on an undiscounted basis, including estimated interest payments. Cash flows for liabilities without fixed amount or timing are based on conditions existing at year end.

30 June 2022	Carrying amount \$	Contractual cash flows \$	Less than 12 months \$	Between 1 and 2 years \$
Trade and other payables	(1,956,228)	(1,956,228)	(1,956,228)	-
Lease liabilities	-	-	-	-
	(1,956,228)	(1,956,228)	(1,956,228)	-
30 June 2021	Carrying amount \$	Contractual cash flows \$	Less than 12 months \$	Between 1 and 2 years \$
Trade and other payables	(651,630)	(651,630)	(651,630)	-
Lease liabilities	(111,691)	(111,691)	(111,691)	-
	(763,321)	(763,321)	(763,321)	-

The Company is not subject to any externally imposed capital requirements.

Fair value of financial instruments

The fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flows. The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

None of the Consolidated Entity's assets and liabilities are measured and recognised at fair value on a recurring basis at 30 June 2022 and 30 June 2021, with the exception of derivative financial liabilities. The valuation technique adopted is disclosed in Note 14.

Measured at fair value on recurring basis

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

2. FINANCIAL RISK MANAGEMENT (continued)

Capital management

When managing capital, the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board are constantly adjusting the capital structure to take advantage of favourable costs of capital or high return on assets. As the market is constantly changing, management may issue new shares, sell assets to reduce debt or consider payment of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels.

The Company has no formal financing and gearing policy or criteria during the year having regard to the early status of its development and low level of activity.

3. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditors of the Consolidated Entity and its related practices:

Audit Services

HLB Mann Judd

- audit and review of financial reports
- tax compliance services

Consolidated 2022 \$	Consolidated 2021 \$
57,650	47,611
10,500	-
68,150	47,611



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

4. INCOME TAX

(a) Income tax (benefit)/expense

Consolidated 2022 \$	Consolidated 2021 \$
(228,887)	(102,320)

(b) The prima facie income tax expense on pre-tax accounting result from operations reconciles to the income tax expense in the financial statements as follows:

Accounting loss before income tax expense	(12,512,439)	(3,270,642)
Income tax expense calculated at rates noted in (f) below	(3,753,732)	(981,193)
Non-deductible expenses	509,275	35,270
Non-assessable income	-	(49,419)
Other deferred tax assets and tax liabilities not recognised	(410,064)	(94,896)
R&D refundable offset	(228,887)	(102,320)
Tax losses and tax offset not recognised as deferred tax assets	3,654,521	1,090,238
Income tax benefit	(228,887)	(102,320)
Income tax expense is attributable to:		
Loss from continuing operations	(228,887)	(102,320)
Profit/(loss) from discontinued operations	-	-
Income tax benefit	(228,887)	(102,320)

(c) Recognised deferred tax balances

The following deferred tax assets and liabilities have not been brought to account:

Deferred tax assets comprise:

Losses available for offset against future taxable income - revenue	-	511,559
	-	511,559

Deferred tax liabilities comprise

Capitalised exploration expenditure	-	511,559
	-	511,559

(d) Unrecognised deferred tax balances

The following deferred tax assets and liabilities have not been brought to account:

Deferred tax assets comprise:

Losses available for offset against future taxable income - revenue	9,019,444	4,972,968
Capital raising costs	333,543	119,583
Lease liabilities	-	33,507
Provisions and accruals	9,000	8,250
	9,361,987	5,134,308

The deductible temporary differences and 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 Consolidated Entity can utilise the benefits thereof.

Deferred tax liabilities comprise

Capitalised exploration expenditure	511,827	-
Intangible assets	176	294
Property, plant & equipment	311,434	68,216
Right of use assets	-	27,518
	823,437	96,028



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

		Consolidated 2022 \$	Consolidated 2021 \$
4. INCOME TAX (Continued)			
(e) Income tax benefit not recognised direct in equity			
Capital raising costs		133,909	69,909
(f) Tax Rates			
The potential tax benefit in respect of tax losses not brought into account has been calculated at 30.0% (2021: 30.0%.)			
5. CASH AND CASH EQUIVALENTS			
Cash at bank and in hand		5,082,236	948,142
The Consolidated Entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 2.			
6. RECEIVABLES			
Current			
GST receivable		454,207	90,007
Grants receivable	12	300,000	300,000
Sale of exploration assets	6(a)	1,500,000	1,500,000
Provision for credit loss	6(a)	(1,500,000)	-
Other receivables		8,271	36,037
		762,478	1,926,044
<i>Expected Credit Loss</i>			
The Consolidated Entity applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade and other receivables as these items do not have a significant financing component. All receivables are carried at cost which approximates their fair value, non-interest bearing and current, no allowance has been made for impairment as all receivables are expected to be received after year end.			
6(a) On 25 May 2020 the Consolidated Entity announced the divestment of the divestment of the Gilded Rose project for a total consideration of \$4,000,000. This sale allows for a cash payment of \$2,500,000, \$500,000 payable by 22 May 2021 and a further \$1,000,000 to be paid immediately after the first 10,000 Oz of Gold production or within 2 years of completion whichever should occur first. The carrying value at date of sale was \$1,070,696. As at 30 June 2022 the second tranche had not been received. Despite assertions and ongoing dialogue, the outstanding payment remains outstanding, and the Consolidated Entity does not have assurance as to when the balance of \$1,500,000 will be received. As such the Board has taken the view that the receivable should be provided for in full at year end. The Board continues to explore all avenues to recover the balance due.			
7. RIGHT OF USE ASSETS			
Current			
Right of use asset		-	91,728
<i>Reconciliation Of Right of Use Assets</i>			
As at 1 July		91,728	203,857
Additions		-	-
Depreciation expense		(91,728)	(112,129)
As at 30 June		-	91,728



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

	Consolidated 2022 \$	Consolidated 2021 \$
8. OTHER ASSETS		
<i>Current</i>		
Prepaid exploration expenses	1,800	1,800
<i>Non Current</i>		
Exploration bonds	256,877	33,500
9. EXPLORATION AND EVALUATION ASSETS		
Exploration and evaluation costs carried forward in respect of areas of interest in the exploration and evaluation phase	1,706,090	1,705,198
Reconciliation		
As at 1 July	1,705,198	1,702,021
Exploration assets acquired	892	3,177
As at 30 June	1,706,090	1,705,198

The value of the exploration and evaluation costs carried forward is dependent upon the continuance of the Consolidated Entity's rights to tenure of the areas of interest, the results of future exploration, and the recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

At balance date, the Board assessed the carrying value of the projects and deemed that an impairment was not necessary.

	Consolidated 2022 \$	Consolidated 2021 \$
10. INTANGIBLE ASSETS		
Preliminary expenses	586	980
Reconciliation		
As at 1 July	980	1,546
Preliminary expenses incurred	-	-
Amortisation of preliminary expenses	(394)	(566)
As at 30 June	586	980



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

11. PROPERTY PLANT AND EQUIPMENT

	Consolidated 2022 \$	Consolidated 2021 \$
At cost	1,598,939	472,974
Accumulated depreciation	(351,039)	(174,515)
Carrying value at 30 June	1,247,900	298,459

	Mining Equipment \$	Mining Equipment \$
As at 1 July	298,459	279,881
Additions	1,122,558	77,401
Proceeds on disposal of assets	(2,000)	-
Loss on disposal of assets	(10,473)	-
Depreciation	(163,763)	(58,823)
As at 30 June	1,244,781	298,459

Reconciliation

	Office Equipment \$	Office Equipment \$
As at 1 July	-	-
Additions	3,408	380
Disposal	-	-
Depreciation	(289)	(380)
As at 30 June	3,119	-

12. TRADE AND OTHER PAYABLES

Trade creditors	1,621,228	324,130
Unearned income	300,000	300,000
Other creditors and accruals	35,000	27,500
	1,956,228	651,630

The Consolidated Entity's exposure to credit and liquidity risks related to trade and other payables are disclosed in Note 2. The carrying amount of trade and other payables approximates its fair value.

Unearned income relates to unpaid expenditure to be offset by the award of a \$300,000 South Australian Government Grant under the accelerated discovery initiative.

13. LEASE LIABILITIES

Current Lease liability	-	111,691
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Reconciliation Of Lease Liabilities

As at 1 July	111,691	224,202
Additions	-	-
Repayments	(119,070)	(136,800)
Interest expense	7,379	24,289
As at 30 June	-	111,691



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

14. CONVERTING NOTE AND DERIVATIVE LIABILITY

During 2019 15 convertible notes with a subscription value of \$100,000 per note were issued raising \$1,500,000 before costs. The convertible note terms are as follows:

- i. Term: 24 months
- ii. The Subscription amount is \$1,500,000 with a Face Value of AU\$1,800,000.
- iii. 11,250,000 options were issued over ordinary shares in the capital of the Consolidated Entity to the Subscribers. The options are unlisted and exercisable within 48 months of issue at an exercise price of \$0.06695 per option.
- iv. The Conversion Price will be the lesser of (i) 90% of the average of 5 daily VWAPs chosen by the Investor from the daily VWAPs for the 20 Trading Days immediately prior to the Conversion Notice Date and (ii) \$0.06695 (the Floor Price).
- v. There are limitations on conversion of the Convertible Notes where no conversions may occur in the first 3 months, in the period between 3 months and 12 months from the issue date the conversion is limited to the lesser of 10% of the Note value per month and the amount outstanding, unless the Company's market cap exceeds \$30,000,000 or reduces below \$10,000,000. There is no limit in the period between 12 months and 24 months from issue date.
- vi. Where a Noteholder gives a Conversion Notice and the Conversion Price is less than the Floor Price, the Company may (at its option), in lieu of issuing the relevant Conversion Shares to the Noteholders, pay the Noteholders in immediately available funds 104.1667% of the Conversion Amount (being 125% of that part of the issue price referable to the relevant Conversion Notice. If the Company allows conversion below the Floor Price instead of exercising its option to buy back the relevant convertible notes, notwithstanding the reference to the maximum number of shares in item 2 above, this number may increase.
- vii. At any time, the Company may, in its sole discretion, buy-back any part of the outstanding balance of the Convertible Notes on 10 Business Days' notice to the respective Noteholders.

The number of ordinary shares that could potentially be issued on conversion of the convertible notes is 26,885,735 shares. In accounting for the Convertible Notes the Consolidated Entity has applied AASB 132 which requires that the Notes are separated by nature, represented by the converting loan and embedded derivative liability which is brought to account at fair value. The 11,250,000 share options are accounted for utilising a Black Scholes model and treated as a cost of finance.

The financial liability is measured at amortised cost with interest calculated at an effective interest rate which accounts for the full cost of finance (including transaction costs and option costs) and will be released to the profit and loss over the term of the loan. The effective interest rate is 25.97%.

Converting Notes:

During the year the Consolidated Entity recognised convertible notes of \$Nil (2021: \$Nil). The movement in convertibles notes is as follows:

	Consolidated 2022 \$	Consolidated 2021 \$
Movements in convertible notes on issue		
Balance at the beginning of the year	-	331,778
Finance costs	-	28,222
Notes converted #	-	(360,000)
	-	-

Converting Notes:

During the year Nil notes were converted to ordinary shares (2021: 3 notes were converted to 6,727,469 ordinary shares).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

14. CONVERTING NOTE AND DERIVATIVE LIABILITY (Continued)*Derivative Liability*

As at balance date, the Consolidated Entity had a recognised derivative liability of \$ Nil (2021: \$Nil) in respect to convertible notes. The movement in derivative liabilities is as follows:

	Consolidated 2022 \$	Consolidated 2021 \$
Movements in derivative liabilities		
Balance at the beginning of the year	-	104,035
Restatement at 31 December	-	53,407
Fair value through the profit and loss	-	(157,442)
	-	-

The Consolidated Entity classifies its derivative liabilities at fair value through profit or loss (FVPL) on initial recognition. The derivatives are re-measured to fair value at each balance sheet and movement in that fair value is taken directly to the Statement of Comprehensive Income. The derivative liability is measured at FVPL using a Monte Carlo Valuation model. The model inputs includes the underlying share price, volatility, risk free rate, conversion exercise price and time to expiry.

15. ISSUED CAPITAL

955,249,674 (2021: 554,295,779) fully paid ordinary shares	42,614,302	27,919,155
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(a) Ordinary shares

The following movements in ordinary share capital occurred during the year:

	2022 Number of Shares	2022 \$	2021 Number of Shares	2021 \$
Balance at beginning of year	554,295,779	27,919,155	547,568,310	27,563,988
Capital raised	398,953,895	16,059,184	-	-
Shares issued to Director	2,000,000	118,000	-	-
Converting notes	-	-	6,727,469	360,000
Share issue costs	-	(1,482,037)	-	(4,833)
Balance at the end of the year	955,249,674	42,614,302	554,295,779	27,919,155

Ordinary shares entitle the holder to participate in dividends and the proceeds from winding up of the Company in proportion to the number and amounts paid on the shares held.

On a show of hands every holder of ordinary securities present at a shareholder meeting in person or by proxy is, entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Options

The following movements in options occurred during the year:

	2022 Number of Options	2022 \$	2021 Number of Options	2021 \$
Balance at beginning of year	30,500,000	883,502	40,455,882	1,214,576
Movement during the year:				
- Corporate advisers	30,000,000	402,233	-	-
- Directors	40,000,000	45,381	-	-
- Options expired	(9,250,000)	(442,133)	(9,955,882)	(331,074)
Balance at the end of the year	91,250,000	888,982	30,500,000	883,502



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

15. ISSUED CAPITAL (Continued)**(c) Capital management**

The Consolidated Entity's objectives when managing capital are disclosed in Note 2.

16. RESERVES**Foreign currency translation reserve**

Balance 1 July	-	(35,937)
Currency translation differences arising during the year	-	35,937
Balance 30 June	-	-

Share based payments reserve

Balance 1 July	883,502	1,214,576
Options expired were transferred within equity	(442,133)	(331,074)
Share based payments	447,614	-
Balance 30 June	888,983	883,502

Consolidated 2022 \$	Consolidated 2021 \$
-	(35,937)
-	35,937
-	-
883,502	1,214,576
(442,133)	(331,074)
447,614	-
888,983	883,502

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Share based payments reserve

This reserve is used to record the value of equity benefits provided to consultants, employees and Directors as part of their remuneration.

During the year ended 30 June 2022 the directors granted 30,000,000 options to consultants (2021: Nil) and received shareholder approval for the grant of 40,000,000 options to Directors (2021: Nil). The share-based payment expense for the options issued have been calculated in accordance with AASB 2: Share based payments using the Black Scholes method to determine the fair value of the options. The total fair value for the options was \$447,614 (2021: \$Nil). Refer Note 25.

17. NON-CONTROLLING INTEREST**Interest in:**

Share Capital	25	25
Reserves	-	-
Accumulated losses	(2,863,919)	(1,211,460)
Balance 30 June	(2,863,894)	(1,211,435)

Consolidated 2022 \$	Consolidated 2021 \$
25	25
-	-
(2,863,919)	(1,211,460)
(2,863,894)	(1,211,435)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Consolidated Entity. The amounts disclosed for each subsidiary are before inter-company eliminations.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

17. NON-CONTROLLING INTEREST (continued)

	Spinifex Mining Pty Ltd		QMC Exploration Pty Ltd	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current assets	19,500	519,500	8,500	8,500
Current liabilities	(14,235,273)	(7,594,881)	(1,655,791)	(1,533,888)
Current net assets	(14,215,773)	(7,075,381)	(1,647,291)	(1,525,388)
Non-current assets	1,266,523	2,266,523	266,119	266,119
Non-current liabilities	-	-	-	-
Non-current net assets	1,266,523	2,266,523	266,119	266,119
Net assets	(12,949,250)	(4,808,858)	(1,381,172)	(1,259,268)
Accumulated non-controlling interests				
Revenue	-	-	-	-
Loss for the year/total comprehensive loss	(8,140,292)	(1,942,280)	(121,905)	(102,974)
Loss allocated to non-controlling interests	(1,628,078)	(388,356)	(24,381)	(20,595)

18. COMMITMENTS AND CONTINGENCIES

Remuneration commitments

The Company has entered into a consultancy agreement with Mr Sam Kennedy (**Kennedy Consultancy Agreement**). Under the Kennedy Consultancy Agreement, Mr Sam Kennedy is engaged by the Company to provide services to the Company in the capacity of Non-Executive Director. Mr Kennedy will be paid a consulting fee of \$4,000 per month (exclusive of GST) as Director's fees as determined by the Board.

Commitments arising from the above service agreements as at 30 June 2022 (2021: includes formers Directors) are as follows:

	Consolidated 2022 \$	Consolidated 2021 \$
Within one year	48,000	270,000
Later than one year but not later than five years	-	-
	48,000	270,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

18. COMMITMENTS AND CONTINGENCIES (continued)**Exploration and project commitments**

The Consolidated Entity has certain obligations to perform minimum exploration work on mining tenements held. These obligations may vary over time, depending on the Consolidated Entity's exploration program and priorities. These obligations are also subject to variations by negotiation, joint venturing or relinquishing some of the relevant tenements. As at reporting date, total exploration expenditure commitments of the Consolidated Entity which have not been provided for in the financial statements are as follows:

	Consolidated 2022	Consolidated 2021
	\$	\$
Within one year	515,000	3,258,000
Later than one year but not later than five years	-	280,000
	<u>515,000</u>	<u>3,538,000</u>

Contingencies

The Company disposed the Gilded Rose tenement package on commercial terms in 2019. A Hong Kong entity which purportedly provided financial support to the purchaser of the Gilded Rose assets commenced proceedings attempting to recover the \$2.3 million which it purportedly provided in May 2020 to the purchaser. The Company strongly refutes any repayment is payable by the Company and intends to protect its interests and further the proceedings have not yet proceeded.

Refer note 26 for further detail in relation to a post balance date contingent liability.

The Consolidated Entity does not have any other contingent liabilities at balance date.

19. EARNINGS/LOSS PER SHARE**Basic and diluted earnings/loss per share**

The calculation of basic and diluted loss per share at 30 June was based on the following:

	Consolidated 2022	Consolidated 2021
	\$	\$
Loss attributable to ordinary shareholders		
Net loss for the year	(10,631,093)	(2,759,371)
	Cents	Cents
Loss per share attributable to members	(1.46)	(0.50)
Weighted average number of ordinary shares		
	Number 2022	Number 2021
Weighted average number of ordinary shares outstanding during the year used in calculating basic/diluted EPS	729,955,999	549,916,004

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
For the year ended 30 June 2022**20. KEY MANAGEMENT PERSONNEL**

Key management personnel compensation	Consolidated 2022 \$	Consolidated 2021 \$
Short-term employee benefits	386,550	259,359
Post-employment benefits #	15,540	-
Other benefits	-	-
Share-based payments	163,381	-
Total compensation	565,471	259,359

Detailed remuneration disclosures are provided in the Remuneration Report on pages 9 - 12.

Other transactions with Key Management Personnel

The Director's remuneration was incurred through various corporate entities and the remuneration is disclosed as per the respective Directors in the Remuneration Report. There were no amounts outstanding at year end.

Mr S Kennedy, a Director, provided corporate consultancy services in connection with the operation of the Consolidated Entity during the year on normal commercial terms and conditions. The aggregate amount recognised during the year relating to those transactions was \$5,000 (2021: \$Nil), none of which was outstanding at 30 June 2022 (30 June 2021: \$Nil). This amount is included in the remuneration disclosed for Mr Kennedy in the Remuneration Report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

21. SEGMENT INFORMATION

The Board has determined that the Company has two reportable segments, being mineral exploration in Australia and Corporate.

	Mineral Exploration Consolidated 2022 \$	Mineral Exploration Consolidated 2021 \$	Corporate Consolidated 2022 \$	Corporate Consolidated 2021 \$	Total Consolidated 2022 \$	Total Consolidated 2021 \$
Segment income						
Interest received	-	525	229	2,221	229	2,746
Other income	-	-	-	157,442	-	157,442
Total income	-	525	229	159,663	229	160,188
Segment expenses						
Operating expenses	(11,080,531)	(2,439,150)	(1,260,312)	(713,863)	(12,340,843)	(3,153,013)
Finance cost	(7,379)	(24,289)	-	(81,629)	(7,379)	(105,918)
Loss before depreciation and amortisation	(11,087,910)	(2,463,439)	(1,260,312)	(795,492)	(12,348,222)	(3,258,931)
Depreciation and amortisation	(164,157)	(171,519)	(289)	(380)	(164,446)	(171,899)
Loss before income tax	(11,252,067)	(2,634,433)	(1,260,372)	(636,209)	(12,512,439)	(3,270,642)
Segment assets and liabilities						
Cash	11,655	26,641	5,070,581	921,501	5,082,236	948,142
Other receivables	725,754	1,905,359	36,724	20,685	762,478	1,926,044
Right of use assets	-	91,728	-	-	-	91,728
Prepayments	258,677	35,300	-	-	258,677	35,300
Exploration and evaluation assets	1,706,090	1,705,198	-	-	1,706,090	1,705,198
Property, plant and equipment	1,244,781	298,459	3,119	-	1,247,900	298,459
Intangible assets	586	980	-	-	586	980
Deferred tax assets	-	-	-	511,559	-	511,559
Trade and other payables	(1,817,869)	(730,288)	(138,359)	(33,033)	(1,956,228)	(763,321)
Deferred tax liabilities	-	-	-	(511,559)	-	(511,559)
Net assets	2,129,674	3,333,377	4,972,065	909,153	7,101,739	4,242,530
Segment Cashflows						
Net cashflows from operating activities	(8,536,086)	(2,185,118)	(1,007,414)	107,110	(9,543,500)	(2,078,008)
Net cashflows from investing activities	(1,244,825)	(86,458)	(3,408)	-	(1,248,233)	(86,458)
Net cashflows from financing activities	-	(96,998)	14,925,827	-	14,925,827	(96,998)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

22. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES TO LOSS FOR THE YEAR

	Consolidated 2022 \$	Consolidated 2021 \$
Loss for the year	(12,283,552)	(3,168,322)
Adjustments:		
Amortisation	394	566
Depreciation	164,052	59,203
Foreign exchange	-	35,938
Net loss on disposal of equipment	10,473	-
Fair value adjustments	(27,342)	(158,443)
Provision for credit loss	1,500,000	-
Share based payments expense	163,381	-
Finance costs	7,379	81,629
Principal lease repayments	53,552	92,167
Operating loss before changes in working capital and provisions	(10,411,663)	(3,057,262)
Change in trade and other receivables	(436,434)	713,520
Change in trade and other payables	1,304,597	265,736
Change in deferred taxes	-	-
Net cash used in operating activities	(9,543,500)	(2,078,008)

23. RELATED PARTY DISCLOSURES

(a) Parent entity

The parent entity within the Consolidated Entity is Tombola Gold Limited.

(b) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Country of Incorporation	Class of shares	Equity holding*	
			2022 %	2021 %
Ausmex Mining Limited	Australia	Ordinary	100%	100%
Ausmex Resources Pty Ltd	Australia	Ordinary	80%	80%
Spinifex Mining Pty Ltd	Australia	Ordinary	80%	80%
QMC Exploration Pty Ltd	Australia	Ordinary	80%	80%
Ausmex SA Pty Ltd	Australia	Ordinary	100%	100%
NQ Copper Pty Ltd	Australia	Ordinary	100%	100%

* The proportion of ownership interest is equal to the proportion of voting power held.

(c) Key Management Personnel

Details relating to Key Management Personnel are included in Note 20.

(d) Loans to related parties

Loans are made between the Parent Entity and its subsidiaries for capital purchases and working capital purposes. These loans have been eliminated on consolidation and are not disclosed in this note.

(e) Dividends

No dividends were received from the subsidiaries in the 2022 or 2021 financial year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

24. PARENT ENTITY INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts. The information presented has been prepared using accounting policies as disclosed in Note 1.

Financial Position	2022 \$	2021 \$
Current assets	5,107,305	942,187
Total assets	5,110,424	1,453,746
Current liabilities	138,360	33,033
Total liabilities	138,360	544,592
<i>Shareholder's equity</i>		
Issued capital	42,246,777	27,551,630
Reserves	888,983	883,502
Accumulated losses	(38,163,696)	(27,525,978)
	<u>4,972,064</u>	<u>909,154</u>
Financial Performance		
Loss for the year	(10,637,718)	(1,902,256)
Total comprehensive loss	<u>(10,637,718)</u>	<u>(1,902,256)</u>

Contingencies of the Parent Entity

Contingencies of the Parent Entity are noted in Note 18.

Contractual commitments of the Parent Entity

Included in the commitments in Note 18 are commitments incurred by the Parent Entity as follows:

Remuneration commitments

	2022 \$	2021 \$
Within one year	175,385	270,000
Later than one year but not later than five years	-	-
	<u>175,385</u>	<u>270,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
For the year ended 30 June 2022**25. SHARE-BASED PAYMENTS**

From time to time, the Consolidated Entity provides Incentive Options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required.

a) Advisor Options

On 22 July 2019, the Company issued 3,000,000 unlisted options exercisable at \$0.15 on or before 24 July 2022 to the Company's advisors under their agreed mandate.

On 8 November 2019, the Company issued 7,000,000 unlisted options exercisable at \$0.15 on or before 8 November 2022 to the Company's broker in lieu of cash fees for services in relation to the Company's successful capital raise.

On 3 November 2021, the Company issued 30,000,000 unlisted options exercisable at \$0.055 on or before 3 November 2024 to the Company's broker in lieu of cash fees for services in relation to the Company's successful capital raise.

The options are not subject to any vesting conditions.

The underlying fair value of the Options granted was calculated based on the below, and were expensed during the period:

Valuation Date	Expiry Date	Exercise Price	Balance at start of the year	Granted during the period Number	Balance at end of the year	Fair value per option at Grant date \$	Recognised during the year \$
22 July 2019	24 July 2022	\$0.15	3,000,000		3,000,000	\$0.06	-
8 November 2019	8 November 2021	\$0.15	7,000,000		7,000,000	\$0.04	-
3 November 2021	3 November 2204	\$0.055	-	30,000,000	30,000,000	\$0.01	\$401,933

The fair value of the options granted was independently determined using an Option Pricing Model that takes into account the following inputs:

Number of options	30,000,000
Share Price at Grant Date	\$0.035
Exercise Price	\$0.055
Valuation Date	3 November 2021
Expiration date	3 November 2024
Life of the Options	3 years
Volatility ¹	75%
Risk Free Rate	1.72%

¹ The expected volatility is based on historic volatility (based on the remaining life of the options), adjusted for any expected instruments issued shall be measured at grant date.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

25. SHARE-BASED PAYMENTS (continued)

b) Director Options

On 3 May 2022 after shareholder approval at the general meeting, the Company issued 30,000,000 unlisted options exercisable at \$0.044.

On 3 May 2022 after shareholder approval at the general meeting, the Company issued 10,000,000 unlisted options exercisable at \$0.05.

The options are subject to various vesting conditions where the likelihood of vesting has been considered and an apportionment of value for the period to achievement date.

The underlying fair value of the Options granted was calculated based on the below, and were expensed during the period:

Valuation Date	Expiry Date	Exercise Price	Granted during the period Number	Fair value per option at Grant date \$	Expensed During the Year \$
03 May 2022	03 May 2025	\$0.044	10,000,000	\$0.036	\$-
03 May 2022	03 May 2026	\$0.044	10,000,000	\$0.036	\$-
03 May 2022	30 June 2026	\$0.044	10,000,000	\$0.036	\$29,976
03 May 2022	03 May 2026	\$0.05	5,000,000	\$0.04	\$-
03 May 2022	03 May 2026	\$0.05	5,000,000	\$0.04	\$15,405

The fair value of the options granted was independently determined using an Option Pricing Model that takes into account the following inputs:

Number of options	10,000,000	Number of options	10,000,000
Share Price at Grant Date	\$0.059	Share Price at Grant Date	\$0.059
Exercise Price	\$0.044	Exercise Price	\$0.044
Valuation Date	03 May 2022	Valuation Date	03 May 2022
Expiration date	03 May 2025	Expiration date	03 May 2026
Life of the Options	3 years	Life of the Options	4 years
Volatility ¹	82%	Volatility ¹	82%
Risk Free Rate	3.02%	Risk Free Rate	3.02%

Number of options	10,000,000	Number of options	5,000,000
Share Price at Grant Date	\$0.059	Share Price at Grant Date	\$0.059
Exercise Price	\$0.044	Exercise Price	\$0.050
Valuation Date	03 May 2022	Valuation Date	03 May 2022
Expiration date	30 June 2026	Expiration date	03 May 2026
Life of the Options	4 years	Life of the Options	4 years
Volatility ¹	82%	Volatility ¹	82%
Risk Free Rate	3.02%	Risk Free Rate	3.02%

Number of options	5,000,000
Share Price at Grant Date	\$0.059
Exercise Price	\$0.050
Valuation Date	03 May 2022
Expiration date	03 May 2026
Life of the Options	4 years
Volatility ¹	82%
Risk Free Rate	3.02%

¹ The expected volatility is based on historic volatility (based on the remaining life of the options), adjusted for any expected instruments issued shall be measured at grant date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

26. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to year end, the Company:

- Completed the acquisition of the Lorena CIP processing plant and tenements package where the company intends to process its ore once the refurbishment of the plant and tailings dam have been completed. The acquisition has been completed with a mixture of deferred settlement, cash and shares issued. The acquisition totals \$7.3million;
- Entered into an agreement to acquire a number of project ready Mining Leases from True North Copper Pty Ltd which have the potential to help the Company consolidate a significant and strategic footprint in the Cloncurry region and should allow the Company to fast-track gold production from the Mining Leases acquired;
- Entered into a binding Term Sheet to hire the Great Australian Gold Production Plant owned by True North Copper Pty Ltd which once recommissioned will allow the Company to commence gold production from the Golden Mile Mining Lease; and
- Raised \$4,600,000 before costs.

There has not arisen in the interval between the end of the year and the date of this report any further item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

27. REVENUE

	2022	2021
	\$	\$
Interest income	229	2,746
Movement in fair value of derivatives	-	157,442
	<u>229</u>	<u>160,188</u>

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. In the Directors' opinion, the financial statements and accompanying notes set out on pages 13 to 46 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the year ended on that date;
2. Note 1 confirms that the financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
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;
4. The remuneration disclosures included in pages 9 to 12 of the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2022, comply with section 300A of the *Corporations Act 2001*; and
5. The Directors have been given the declarations by the Chief Executive Officer (or equivalent) and Chief Financial Officer required by section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

This Declaration is made in accordance with a Resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Byron Miles
Managing Director

Dated this 30th day of September 2022.

INDEPENDENT AUDITOR'S REPORT

To the members of Tombola Gold Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tombola Gold Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; 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 Consolidated Entity 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation assets Refer to Note 9	
As at 30 June 2022, the Consolidated Entity has capitalised exploration and evaluation expenditure of \$1,706,090. We considered this to be a key audit matter as it involved the most communication with management, is subject to judgement and is considered to be important to the users' understanding of the financial statements as a whole.	Our procedures included but were not limited to the following: - We obtained an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying values; - We considered management's assessment of potential indicators of impairment; - We obtained evidence that the Consolidated Entity has current rights to tenure of its areas of interest; - We considered the possible existence of impairment indicators in relation to the Consolidated Entity's areas of interest; and - We examined the disclosures made in the financial report.

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 Consolidated Entity's annual report for the year ended 30 June 2022, 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, 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 ability of the Consolidated Entity 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 Consolidated Entity 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 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 judgement 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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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.

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.

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 with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period 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 Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Tombola Gold Limited for the year ended 30 June 2022 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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 September 2022

L Di Giallonardo

L Di Giallonardo
Partner

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Tombola Gold Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2022



L Di Giallonardo
Partner

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