



ST GEORGE
MINING LIMITED
ANNUAL REPORT 2019

CORPORATE DIRECTORY

Board of Directors

John Prineas - Executive Chairman
John Dawson – Non-Executive Director
Sarah Shipway - Non-Executive Director

Company Secretary

Sarah Shipway

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West Perth WA 6005

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Australian Business Number

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Share Register

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Stock Exchange Code

SGQ – Ordinary Shares

Auditors

Stantons International

Bankers

Commonwealth Bank



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Dear Fellow Shareholders

Welcome to the 2019 Annual Report of St George Mining Limited (ASX: SGQ), which looks back on a successful year of exploration by the Company as we continue to grow the potential nickel-copper sulphide mineral resource at our flagship Mt Alexander Project in Western Australia's north-eastern Goldfields.

Our methodical and systematic exploration, using modern techniques, is proving to be rewarding with further high-grade nickel-copper sulphide mineralisation being identified along the 16km strike of the Cathedrals Belt that runs through the Mt Alexander project area.

Excellent results were delivered by ongoing drill programmes – including the Project's best intercepts to date of thick massive nickel-copper sulphides at the Investigators Prospect.

Regional exploration has also provided tremendous results with several new targets identified over the large 200 sq km tenement package at Mt Alexander. We believe these targets are highly prospective for the discovery of additional nickel-copper sulphides and indicative of the potential to establish a high-grade nickel camp at Mt Alexander with multiple deposits.

This exploration success is building substantial value at Mt Alexander and broadening the development options for the Project.

With limited drilling below 200m from surface, we are confident that we are only scratching the surface of a large high-grade mineral system with potential for the discovery of further significant mineralisation at depths not yet explored.

The nickel price has rallied this year and we believe there is a compelling scenario for further sustainable price increases. Market deficits for nickel are increasing with a lack of new projects to meet the growing demand from the battery sector.

The capital markets are beginning to realise the dearth of quality new nickel sulphide supplies on the horizon, resulting in strong investor interest in St George as it continues on the path to establishing a high-grade nickel-copper sulphide resource.

The next year promises to be another exciting one for our Company as we continue to unlock the full value of Australia's latest high-grade nickel-copper sulphide discovery. On behalf of the Board of Directors, we look forward to sharing the success with you.

*John Prineas
Executive Chairman*

MT ALEXANDER PROJECT

The Company’s operational activities during the year ending 30 June 2019 remained focused on building a high-grade nickel-copper sulphide mineral resource at its flagship Mt Alexander Project in Western Australia’s north-eastern Goldfields.

Thick Zones of High-Grade Nickel-Copper Sulphides:

Sustained drilling throughout the year continued to extend and define the footprint of mineralisation, with the best intercepts to date of massive nickel-copper sulphides recorded in drill holes MAD126 and MAD127 at the Investigators Prospect.



Above: Drill core tray for MAD127 showing the thick massive sulphide interval from 183.9m downhole.

Right: Drill core from MAD126 with massive sulphides at 185m downhole.

Below: Table of the laboratory assays for the significant intersections in MAD126 and MAD127.

Prospect	Hole	From m	Width m	Ni %	Cu %	Co %	PGE g/t
Investigators	MAD126 <i>including</i>	184.0	7.86	5.7	2.1	0.18	2.65
		185.0	5.25	7.0	2.7	0.23	3.10
Investigators	MAD127 <i>including</i>	183.9	8.49	5.8	2.6	0.18	3.61
		184.4	6.39	6.5	2.8	0.21	3.68

Extensional Drilling at Existing Discoveries:

Drilling and downhole electromagnetic (DHEM) surveys were used concurrently to scope out the scale of the discoveries at the Investigators, Stricklands and Cathedrals Prospects, where high-grade mineralisation has been intersected in multiple drill holes along a 4.5km strike of the Cathedrals Belt.

DHEM surveys carried out in drill holes completed in late 2018 and early 2019 generated a large number of priority EM targets for further nickel-copper sulphide mineralisation.

More than 73 off-hole EM anomalies in total were identified by the DHEM surveys, indicating very strong potential for the presence of much more mineralisation than has been recognised by the drilling to date. Test drilling of these EM anomalies has commenced and will continue through the second half of 2019.

There has been very limited drilling beyond 200m from surface at the Cathedrals Belt. The down-plunge continuity of the mineralisation is being tested by deeper drilling with early success at Investigators where the down-plunge extent on the MAD60 Line has been increased to 380m. Further deep drilling and powerful EM surveys will be escalated to test for additional high-grade mineralisation at depth.

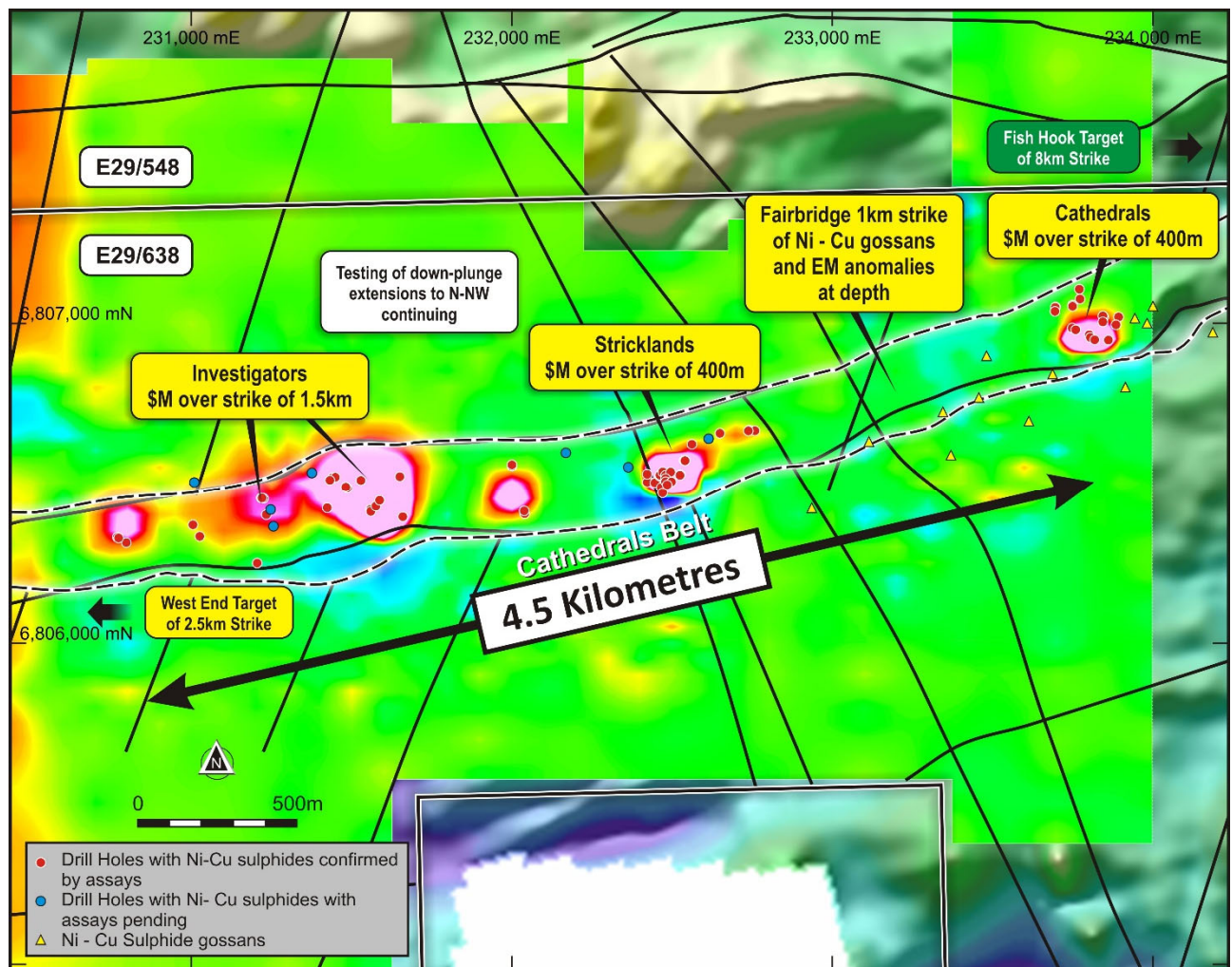


Figure 1 – plan view map of the Cathedrals Belt (over SAMSON FLEM Channel 18 [mid-time] image) showing the multiple intersections of massive nickel-copper-cobalt-PGE sulphides (“\$M”) within the large SAMSON EM anomalies at the Investigators, Stricklands and Cathedrals prospects over a 4.5km strike of the Cathedrals Belt. Extensional drilling continues to increase the footprint of mineralisation at these Prospects.

Underexplored Targets:

To date, drilling has focused on an outcropping 4.5km section of the east-west oriented Cathedrals Belt, which hosts the significant discoveries of high-grade nickel-copper sulphides at the Investigators, Stricklands and Cathedrals Prospects.

The remainder of the Cathedrals Belt lies under cover, is largely undrilled and offers excellent opportunities to discover additional nickel-copper sulphide mineralisation.

Fish Hook Prospect: The Fish Hook Prospect occurs within an interpreted 8,000m eastern extension of the Cathedrals Belt and is located within Exploration Licence 29/954, which is 100% owned by St George.

A soil survey recently carried out at Fish Hook returned a very strong nickel-copper anomaly that is coincident with a magnetic feature – known to represent mineralised ultramafics in other parts of the Cathedrals Belt. Further soil surveys and EM surveys will be carried out at Fish Hook to identify drill targets for potential nickel-copper sulphides.

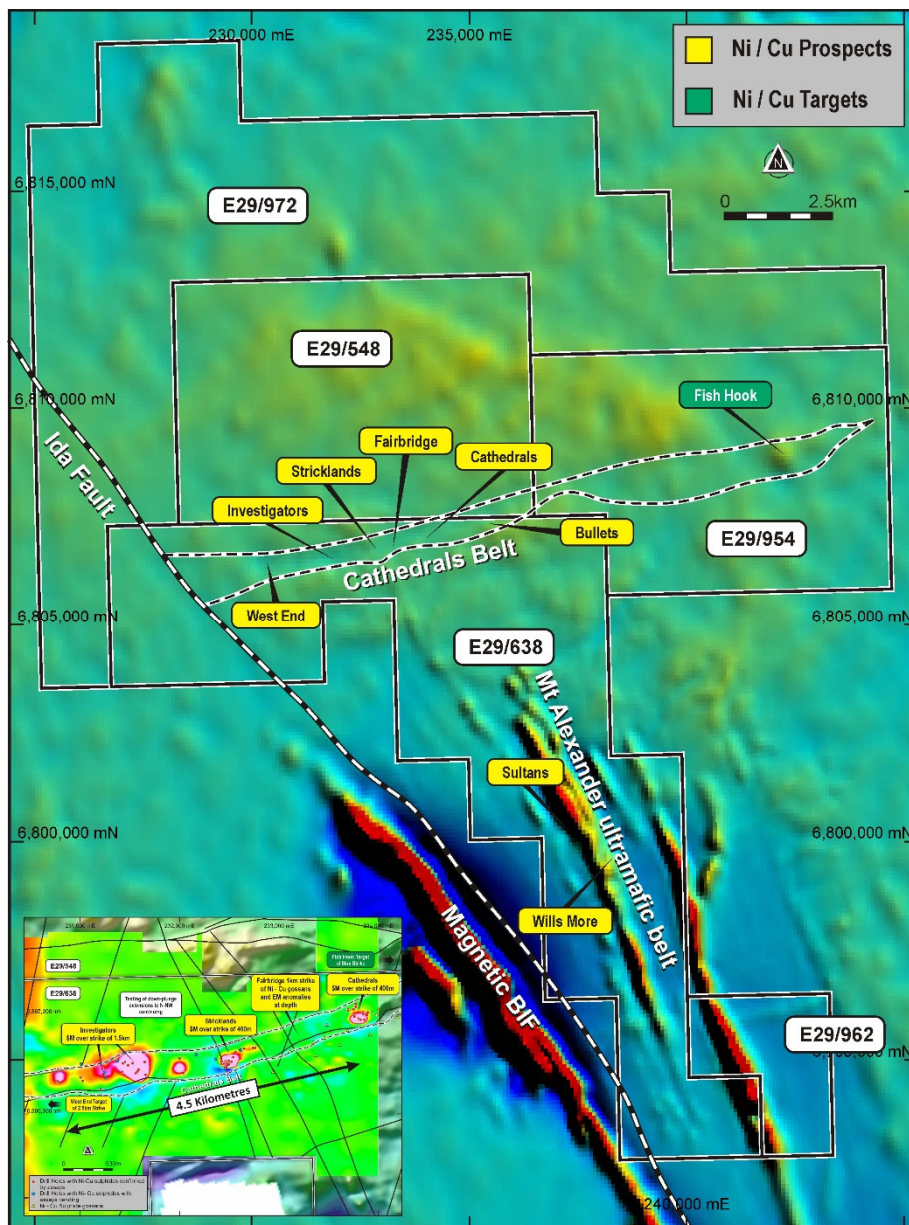


Figure 2 – map of the Mt Alexander tenements (against RTB magnetics) with key prospects highlighted.

The inset shows the 4.5km strike of the Cathedrals Belt where drilling has intersected large areas of high-grade nickel-copper sulphides.

West End Prospect: The West End Prospect covers a 2.5km western extension of the Cathedrals Belt – from the Investigators Prospect to the deep, crustal Ida Fault in the west.

A SAM (Sub Audio Magnetics) survey completed on the Cathedrals Belt during the year was successful in defining the structural corridor that hosts the Cathedrals Belt ultramafic complex. These structures are interpreted to be the likely source through which mafic/ultramafic intrusions hosting nickel-copper sulphides in the Belt have passed upwards from the Earth’s mantle.

The SAM survey confirmed that the main Cathedrals Belt structural trend continues into the unexplored West End while also identifying areas of paleo-channel and other conductive cover.

A new EM programme was designed to better test for nickel-copper sulphide targets below the areas with conductive cover. A high-powered moving loop EM (MLEM) will utilise both traditional and Slingram configurations – the latter uses a sensor inside and outside of the survey loop, which results in the effects of palaeo-drainage and conductive cover being minimised.

Fairbridge Prospect: The Fairbridge Prospect covers a 1,000m east-west strike of the Cathedrals Belt between the Stricklands Prospect in the west and the Cathedrals Prospect in the east; see Figures 2 and 3. A large number of nickel-copper gossans have been identified across the surface at Fairbridge, which suggests potential for nickel-copper sulphide mineralisation below and/or proximal to the gossans.

Drilling and EM surveys have been initiated at Fairbridge to search for high-grade mineralisation at depth.

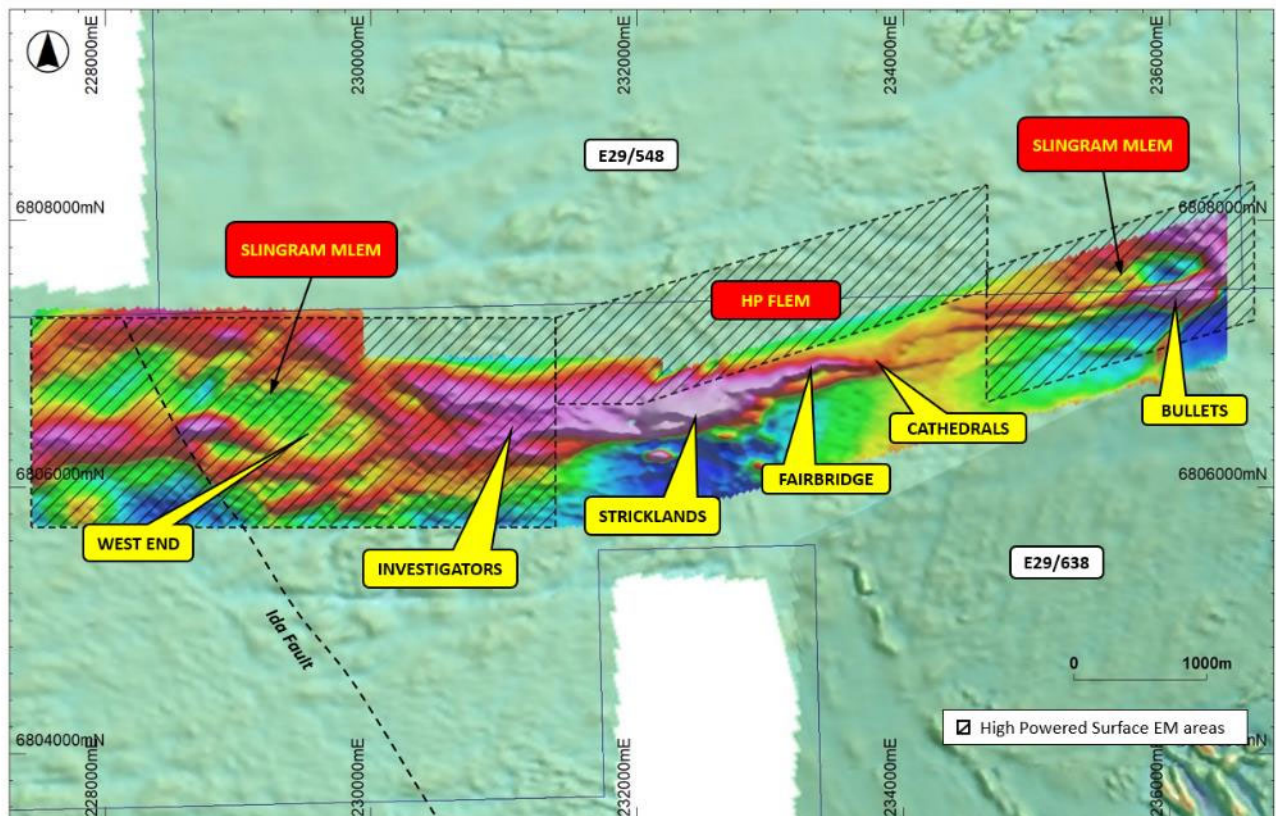


Figure 3 – Map showing survey areas of the new EM programme underway at the Cathedrals Belt (set against the latest SAM (MMC) survey data). The purple areas represent the strongest conductive responses and are interpreted to represent major faults within the Cathedrals corridor, a structural setting that is known to host nickel-copper sulphides in this Belt.

About the Mt Alexander Project:

The Mt Alexander Project is located 120km south-southwest of the Agnew-Wiluna Belt, which hosts numerous world-class nickel deposits. The Project comprises five granted exploration licences – E29/638, E29/548, E29/962, E29/954 and E29/972.

The Cathedrals, Stricklands and Investigators nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by St George Mining Limited (75%) and Western Areas Limited (25%). St George is the Manager of the Project, with Western Areas retaining a 25% non-contributing interest in the Project (in regard to E29/638 only) until there is a decision to mine.

EAST LAVERTON PROJECT

Large Gold-Bearing System:

A major diamond drilling programme was completed during the year to test a number of new gold targets at the East Laverton Project. The drilling targeted structural breaks within the prospective lithologies (strongly magnetic dolerite units), as indicated by low magnetic responses.

The widely spaced drill programme intersected favourable host rocks – dolerite with quartz veining and sulphide occurrences – over a broad area.

Laboratory assays confirmed the presence of anomalous gold values in multiple drill holes. These results are a positive indicator of a large mineral system that is prospective for gold mineralisation.

HAWAII PROJECT

The Hawaii Project is an early stage project where initial exploration has identified undercover greenstones that may be prospective for nickel sulphides and/or gold mineralisation.

St George completed field reconnaissance and detailed geological review on the project tenements.

A drilling programme will be designed to follow up the 2019 results.

CORPORATE UPDATE

Capital Raisings:

The Company completed one capital raising during the year through the private placement of ordinary shares to raise new funds.

In June 2019, St George issued a total of 37,191,454 fully paid ordinary shares at \$0.11 per share to raise \$4 million.

Tax credits under JMEI (Junior Minerals Exploration Incentive) scheme were utilised for this placement.

Technical Team is Boosted:

In November 2018, Dave O'Neill joined the Company's technical team as the Company's Exploration Manager. Mr O'Neill has more than 20 years' experience as a geologist in the mining industry with particular expertise in nickel sulphide exploration gained in senior roles with WMC Resources, BHP and Western Areas.

At Western Areas, Mr O'Neill worked with Charles Wilkinson, Technical Consultant to St George and previously the General Manager of Exploration for Western Areas.

During his time at BHP and Western Areas, Mr O'Neill managed and supervised exploration programmes at the Mt Alexander Project for each of those companies.

In December 2018, Dave Mahon also joined the Company's technical team. Mr Mahon is a geologist with more than seven years' experience in the mining industry. He has specialist expertise in nickel sulphides gained from six years employment at Western Areas, where his roles included exploration geologist and mine geologist at Forrestania.

Board Changes:

On 2 January 2019, John Dawson was appointed as non-executive director of St George Mining following Tim Hronsky's retirement as a director of the Company.

Mr Dawson has more than 30 years' experience in the finance and mining sectors, where he occupied senior roles with global investment banks including Goldman Sachs and Dresdner Kleinwort Wasserstein.

At Goldman Sachs, Mr Dawson was a Managing Director of FICC (Fixed Income, Currency and Commodities) for Australia. At Dresdner Kleinwort Wasserstein, Mr Dawson was Global Head of Commodities as well as the Country Head for Australia.

Competent Person Statement:

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Benjamin Pollard, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Pollard is employed by Cadre Geology and Mining Pty Ltd which has been retained by St George Mining Limited to provide technical advice on mineral projects.

Mr Pollard has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pollard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This ASX announcement contains information extracted from the following reports which are available on the Company's website at www.stgm.com.au:

- 24 August 2018 *Mt Alexander Continues to Deliver Outstanding Results*
- 5 September 2018 *Mt Alexander – Drilling Update*
- 18 September 2018 *More Strong Results at Mt Alexander*
- 3 October 2018 *Downhole EM Surveys Light Up Strong Conductors*
- 19 October 2018 *Extension to High-Grade Mineralisation at Mt Alexander*
- 25 October 2018 *Best Ever Intercept at Investigators*
- 1 November 2018 *More Massive Nickel-Copper Sulphides at Investigators*
- 20 November 2018 *Further Extensions to Nickel-Copper Sulphides At Mt Alexander*
- 30 November 2018 *Assays Confirm Best Ever Intercepts*
- 20 December 2018 *Strong Results Continue at Mt Alexander*
- 31 January 2019 *More Outstanding Nickel-Copper Sulphide Targets*
- 12 February 2019 *St George Ready to Drill*
- 7 March 2019 *Nickel-Copper Sulphide Drilling at Mt Alexander*
- 18 March 2019 *Drilling at Mt Alexander – Strong Results Continue*
- 9 April 2019 *Nickel-Copper Sulphide Drilling at Mt Alexander – Update*
- 4 June 2019 *Nickel Sulphide Extension Targets at Mt Alexander*
- 13 June 2019 *Assays Confirm Thick Nickel-Copper Sulphides*
- 9 July 2019 *42 EM Conductors Ready to Drill at Mt Alexander*
- 11 July 2019 *Further Priority Nickel-Copper Sulphide Targets.*

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The Directors of St George Mining Limited submit the annual financial report of St George Mining Limited from 1 July 2018 to 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and particulars of the directors of the Company during the financial year ended 30 June 2019, and at the date of this report, are as follows. Directors were in office for the entire period unless otherwise stated.

John Prineas B.EC LL.B F FIN Special Responsibilities Appointed Experience	Executive Chairman Member of Nomination and Remuneration Committee 19 October 2009 John is a founding shareholder and director of St George Mining Limited. His involvement in the mining sector spans over 25 years with experience in commercial, legal and finance roles. Prior to establishing St George Mining, John was Chief Operating Officer and Country Head of Dresdner Bank in Sydney with a focus on project and acquisition finance for resources and infrastructure projects. John has Economics and Law degrees from the University of Sydney and commenced his career as a lawyer in Sydney with Allen, Allen & Hemsley.
Other current listed company directorships Former listed directorships in the last three years	Not applicable. Not applicable.
John Dawson Special Responsibilities Appointed Experience	Non-Executive Director Member of Audit and Risk Committee 2 January 2019 Mr Dawson has over 30 years' experience in the finance and mining sectors where he occupied very senior roles with global investment banks including Goldman Sachs and Dresdner Kleinwort Wasserstein. At Goldman Sachs, Mr Dawson was a Managing Director of FICC (Fixed Income, Currency and Commodities) for Australia. At Dresdner Kleinwort Wasserstein, Mr Dawson was Global Head of Commodities as well as the Country Head for Australia.
Other current listed company directorships Former listed directorships in the last three years	Not applicable. Not applicable.
Sarah Shipway CA, B.Com Special Responsibilities Appointed Experience	Non-Executive Director Chairman of Nomination and Remuneration Committee and Chairman of Audit and Risk Committee 11 June 2015 Sarah Shipway was appointed Non-Executive Director on 11 June 2015 and was appointed Company Secretary of St George Mining on 22 March 2012. Ms Shipway has a Bachelor of Commerce from the Murdoch University and is a member of the Chartered Accountants Australia and New Zealand.
Other current listed company directorships Former listed directorships in the last three years	Beacon Minerals Limited from June 2015. Not applicable.

Tim Hronsky B.ENG (Geology)	Executive Director
MAUSIMM, MSEG	
Appointed	25 November 2009
Retired	2 January 2019
Experience	Tim is a geologist with over 27 years international experience in the mineral exploration and mining industry, including 15 years with Placer Dome Inc. After graduating from the West Australian School of Mines, Tim began his career in a number of operational roles before being appointed as the Exploration Manager (Asia) for Placer Dome.
	Tim also undertook a number of corporate roles at Placer Dome related to business improvement, risk management and assurance. Prior to joining St George Mining, Tim provided consulting services to a range of clients in the global exploration and mining industry.
Other current listed company directorships	Argent Minerals Limited
Former listed directorships in the last three years	Not applicable.

COMPANY SECRETARY

Sarah Shipway was appointed Company Secretary on 22 March 2012. For details relating to Sarah Shipway, please refer to the details on directors above.

DIRECTORS' INTERESTS

At the date of this report the Directors held the following interests in St George Mining.

Name	Ordinary Shares	Listed Options	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights
John Prineas	12,214,221	1,021,422	10	10	40
John Dawson	14,595,940	1,459,594	-	-	-
Sarah Shipway	500,000	-	5	5	10

The Directors have no interest, whether directly or indirectly, in a contract or proposed contract with St George Mining Limited during the financial year end.

PRINCIPAL ACTIVITIES

The principal activity of the Group is mineral exploration in Australia.

RESULTS AND REVIEW OF OPERATIONS

The results of the consolidated entity for the financial year from 1 July 2018 to 30 June 2019 after income tax was a loss of \$9,594,528 (2018: \$4,384,677).

A review of operations of the consolidated entity during the year ended 30 June 2019 is provided in the "Review of the Operations" immediately preceding this Directors' Report.

LIKELY DEVELOPMENTS

The Group will continue its exploration activities over the next financial year with a focus on its key projects at the East Laverton Project and Mt Alexander Project. Further commentary on planned activities over the forthcoming year is provided in the "Review of Operations".

The Board will continue to focus on creating value from the Group's existing resource assets, as well as considering new opportunities in the resources sector to complement the Group's current projects.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There has not been any significant change in the state of affairs of the Group during the financial year, other than as noted in this financial report.

ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all applicable regulations when carrying out exploration work.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

DIRECTORS' MEETINGS

The following table sets out the number of meetings held during the year ended 30 June 2019 and the number of meetings attended by each director.

	Directors Meetings		Audit & Risk Committee		Remuneration & Nomination Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
J Prineas	6	6	-	1	-	-
J Dawson*	2	2	-	-	-	-
S Shipway	6	6	1	1	-	-
T Hronsky**	4	3	1	1	-	-

*Appointed on 2 January 2019

**Retired on 2 January 2019

REMUNERATION REPORT – AUDITED

Remuneration policy

The remuneration policy of St George Mining Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component, which is assessed on an annual basis in line with market rates. The Board of St George Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the Executive directors and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the entity moves from an exploration to a producing entity and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Directors, in consultation with independent advisors, determine payments to the non-executives and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently \$250,000 per annum. Fees for independent non-executive directors are not linked to the performance of the Group. To align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.
- The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The method applied to achieve this aim has been the issue of performance rights to directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy was effective in increasing shareholder wealth in the past.

Analysis of the actual figures shows the Company has increased expenditure over the past 5 years, with the shares price remaining consistent over the past 5 years.

- During the year the Company issued performance-based remuneration to directors and executives of the Company. The measures are specifically tailored to align personal and shareholder interest. The KPI's are reviewed regularly to assess them in relation to the Company's goals and shareholder wealth.

Company Performance

A summary of St George Mining's business performance as measured by a range of financial and other indicators, including disclosure required by the Corporations Act 2001, is outline below.

	2019	2018	2017	2016	2015
Total Comprehensive Loss Attributable to Member of the Company	9,594,528	4,384,667	4,289,216	6,142,617	3,127,847
Cash and cash equivalents at year end	3,357,486	5,948,692	4,773,546	1,437,025	1,569,200
Basic Loss Per Share (cents)	3.21	1.70	1.75	3.77	2.90
ASX share price at the end of the year (\$)	0.110	0.135	0.100	0.135	0.105
Increase/(decrease) in share price (%)	(18)	35	(26)	29	23

Remuneration Consultants

No remuneration consultant was engaged in the current financial year.

Details of directors and executives

Directors	Title	Date of Appointment	Date of Retirement
J Prineas	Executive Chairman	19 October 2009	Not Applicable
J Dawson	Non-Executive Director	2 January 2019	Not Applicable
S Shipway	Non-Executive Director	11 June 2015	Not Applicable
T Hronsky	Executive Director	25 November 2009	2 January 2019

The Company does not have any executives that are not Directors.

Executive Directors' remuneration and other terms of employment are reviewed annually by the non-executive director(s) having regard to performance against goals set at the start of the year, relative comparable information and independent expert advice.

Except as detailed in the Director's Report, no director has received or become entitled to receive, during or since the financial year end, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations Regulations, or the fixed salary of a full time employee of the Group.

Executive Remuneration Tables

The actual remuneration earned by Executives in FY2019 is set out below. The information is considered relevant as it provides shareholders with a view of the remuneration actually paid to Executives for performance in FY2019. The value of remuneration includes equity grants where the Executive received control of the shares in FY2019 and different from the remuneration disclosures in the below table, which disclosures the value of LTI grants which may or may not vest in future years.

Executive Actual Remuneration Earned in FY2019

Name	Salary and Fees ¹	Termination Payment	Short-Term Incentive	LTI Plan Rights	Total Actual Remuneration
	\$	\$	\$	\$	\$
J Prineas	383,250	-	-	-	383,250
J Dawson ²	34,197	-	-	-	34,197
S Shipway	155,993	-	-	-	155,993
Former Executive					
T Hronsky ³	112,083	134,496	-	-	246,579

- Salary and fees comprise base salary, superannuation and leave entitlements. It reflects the total of "salary and fees" and "superannuation" in the statutory remuneration table.
- Appointed on 2 January 2019.
- Retired on 2 January 2019.

Remuneration of directors and executives

Remuneration for the financial year ended 30 June 2019.

	Short-Term Benefits				Post Employment Benefits	Long Term Benefits	Equity Settled Share-Based Payments	Total
	Salary and Fees	Termination Payment	Non Monetary (i)	Other (iv)	Superannuation	Long Service Leave	Shares/Options	
Directors	\$	\$	\$	\$	\$	\$	\$	\$
J Prineas								
2019	350,000	-	3,465	26,924	33,250	44,710	109,374	567,723
2018	263,355	-	4,123	-	25,019	-	-	292,497
J Dawson (ii)								
2019	31,230	-	205	-	2,967	-	-	34,402
2018	-	-	-	-	-	-	-	-
S Shipway								
2019	142,459	-	1,154	-	13,534	-	36,458	193,605
2018	90,000	-	1,409	-	8,550	-	-	99,959
T Hronsky (iii)								
2019	112,083	134,496	1,479	-	-	-	-	248,058
2018	269,000	-	3,846	-	-	-	-	272,846
Total								
2019	635,772	134,496	6,303	26,924	49,751	44,710	145,832	1,043,788
2018	622,355	-	9,378	-	33,569	-	-	665,302

- Non monetary benefits are for directors' and officers' liability and legal expense insurance premiums.
- Appointed on 2 January 2019.
- Retired on 2 January 2019.
- Annual leave entitlement.

Employment contracts of directors and executives

The terms and conditions under which key management personnel and executives are engaged by the Company are formalised in contracts between the Company and those individuals.

The Company has entered into an executive services agreement with Mr John Prineas whereby Mr Prineas receives remuneration of \$350,000 per annum plus statutory superannuation. Mr Prineas or the Company may terminate the agreement by giving 12 months' notice. The executive services agreement has no fixed period and continues until terminated.

The Company has entered into a services agreement with Mr John Dawson, whereby Mr Dawson receives remuneration of \$62,460 per annum plus statutory superannuation. Mr Dawson or the Company may terminate the agreement by giving notice. The services agreement has no fixed period and continues until terminated.

The Company has entered into services agreement with Ms Sarah Shipway whereby Ms Shipway receives remuneration of \$62,460 per annum plus statutory superannuation and \$80,000 plus statutory superannuation for the roles of Non-Executive Director and Company Secretary respectively. Ms Shipway may terminate the agreements by giving 3 months' notice. The services agreements have no fixed period and continue until terminated.

The Company had entered into a consultancy contract with Essential Risk Solutions ("ERS") and Mr Hronsky whereby a base service fee of \$269,000 per annum was payable. The consultancy contract was terminated and Mr Hronsky resigned on 2 January 2019.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him/her in his/her capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the year the Company agreed to pay an annual insurance premium of \$6,303 (2018: \$9,378) in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal, and whatever the outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty.

Shareholdings of key management personnel

Directors	Balance at 1 July 2018	Granted as remuneration	Net other change	Balance at 30 June 2019
J Prineas	12,214,221	-	-	12,214,221
J Dawson (i)	14,595,940	-	-	14,595,940
S Shipway	500,000	-	-	500,000
T Hronsky (ii)	2,562,500	-	-	2,562,500
Total	29,872,661	-	-	29,872,661

(i) On date of appointment.

(ii) On date of retirement.

Listed Options, exercisable at \$0.20 on or before 30 September 2020, holdings of key management personnel

Directors	Balance at 1 July 2018	Granted as remuneration	Net other change	Balance at 30 June 2019
J Prineas	1,021,422	-	-	1,021,422
J Dawson (i)	1,459,594	-	-	1,459,594
S Shipway	-	-	-	-
Tim Hronsky (ii)	1,062,250	-	-	1,062,250
Total	3,543,266	-	-	3,543,266

(i) On date of appointment.

(ii) On date of retirement

Performance Rights holdings of key management personnel

Directors	Balance at 1 July 2018	Granted as remuneration	Net other change (iii)	Balance at 30 June 2019	Unvested	Value of unvested Rights (\$)
J Prineas	-	60	-	60	60	109,374
J Dawson (i)	-	-	-	-	-	-
S Shipway	-	20	-	20	20	36,458
Tim Hronsky (ii)	-	20	(20)	-	-	-
Total	-	100	(20)	80	80	145,832

(i) On date of appointment.

(ii) On date of retirement.

(iii) Cancelled on retirement.

Performance Rights Plan

The Group operates a Performance Rights Plan, approved at the Company's Annual General Meeting held 22 November 2017.

During the year ended 30 June 2019 the Company issued 172 performance rights (2018: nil), during the year 20 performance rights were cancelled.

Performance rights have been issued to Directors and personnel of the Company and are subject to a number of conditions which can restrict both the vesting and exercise of the rights.

At the date of this report a total of 152 performance rights were on issue.

There were no ordinary shares issued during the financial year from the exercise of the performance rights.

END OF REMUNERATION REPORT

SHARE OPTIONS
Unissued shares

At the date of this report the Company had 24,579,714 listed options on issue. During the financial year ended 30 June 2019, no options had been converted into fully paid ordinary shares.

At the date of this report the Company had on issue the below unlisted options:

Unlisted Options Class	Grant Date	Number of Options	Exercise Price \$	Expiry Date
Unlisted Options	02.12.2016	3,500,000	\$0.25	On or before 2 December 2019
Unlisted Options	01.08.2019	2,500,000	\$0.15	On or before 31 July 2022

During the financial year ended 30 June 2019, and at the date of this report, none of these unlisted options were converted into fully paid ordinary shares.

Option holders do not have any rights to participate in any issues of shares of other interests in the Company or any other entity.

As at the date of this report the Company had 152 performance rights on issue. On meeting of certain hurdles each performance right would convert to 50,000 fully paid ordinary shares.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE STATEMENT

St George Mining is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines.

Throughout the 2019 financial year the Company's governance was consistent with the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The Group's Corporate Governance Statement can be viewed at www.stgm.com.au.

EVENTS SUBSEQUENT TO BALANCE DATE

On 29 July 2019 the Company completed a placement of 33,000,000 fully paid ordinary shares at an issue price of \$0.10 per share to raise \$3,300,000 before costs.

On 1 August 2019 the Company issued 2,500,000 unlisted options exercisable at \$0.15 on or before 31 July 2022.

Except for the above no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 49 of the financial report.

Non Audit Services

The Company's auditor, Stantons International, did not provide any non-audit services to the Company during the financial year ended 30 June 2019.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the directors



JOHN PRINEAS
Executive Chairman
St George Mining Limited
Dated 3 September 2019

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

Australian Dollar (\$)	Note	30 JUNE 2019 \$	30 JUNE 2018 \$
REVENUE			
Interest	3	37,919	53,412
Other income – Research and Development Tax Incentive	3	524,182	1,887,393
		<u>562,101</u>	<u>1,940,805</u>
EXPENDITURE			
Administration expenses	4	(3,009,021)	(1,463,653)
Exploration expenditure written off	5	(6,864,453)	(4,861,829)
Finance expenses	6	(283,155)	-
LOSS BEFORE INCOME TAX		<u>(9,594,528)</u>	<u>(4,384,677)</u>
Income Tax	7(a)	-	-
NET LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY		<u>(9,594,528)</u>	<u>(4,384,677)</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		<u>(9,594,528)</u>	<u>(4,384,677)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY		<u>(9,594,528)</u>	<u>(4,384,677)</u>
LOSS PER SHARE			
Basic and diluted – cents per share	16	<u>(3.21)</u>	<u>(1.70)</u>

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

Australian Dollar (\$)	Note	30 JUNE 2019 \$	30 JUNE 2018 \$
CURRENT ASSETS			
Cash and cash equivalents	17(a)	3,357,486	5,948,692
Trade and other receivables	10(a)	22,313	38,623
Other assets	10(b)	379,417	189,939
TOTAL CURRENT ASSETS		<u>3,759,216</u>	<u>6,177,254</u>
NON CURRENT ASSETS			
Security bond		1,000	1,000
Plant and equipment	11	50,384	14,145
TOTAL NON CURRENT ASSETS		<u>51,384</u>	<u>15,145</u>
TOTAL ASSETS		<u>3,810,600</u>	<u>6,192,399</u>
CURRENT LIABILITIES			
Trade and other payables	12	3,553,417	1,401,598
Provisions		117,304	27,903
Borrowings	13	854,424	-
TOTAL CURRENT LIABILITIES		<u>4,525,145</u>	<u>1,429,501</u>
TOTAL LIABILITIES		<u>4,525,145</u>	<u>1,429,501</u>
NET (LIABILITIES)/ NET ASSETS		<u>(714,545)</u>	<u>4,762,898</u>
EQUITY			
Issued capital	14(a)	34,366,720	30,514,215
Reserves	14(b)	476,722	212,142
Accumulated losses	15	(35,557,987)	(25,963,459)
TOTAL EQUITY		<u>(714,545)</u>	<u>4,762,898</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

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

Australian (\$)	SHARE CAPITAL \$	ACCUMULATED LOSSES \$	SHARE OPTION RESERVE \$	TOTAL EQUITY \$
BALANCE AT 1 JULY 2018	30,514,215	(25,963,459)	212,142	4,762,898
Loss for the year	-	(9,594,528)	-	(9,594,528)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(9,594,528)	-	(9,594,528)
Shares issued during the year	4,091,060	-	-	4,091,060
Share based payments	-	-	264,580	264,580
Options exercised during the year	-	-	-	-
Expiry of options	-	-	-	-
Share and option issue expenses	(238,555)	-	-	(238,555)
BALANCE AT 30 JUNE 2019	34,366,720	(35,557,987)	476,722	(714,545)
BALANCE AT 1 JULY 2017	24,142,945	(21,771,632)	430,876	2,802,189
Loss for the year	-	(4,384,677)	-	(4,384,677)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(4,384,677)	-	(4,384,677)
Shares issued during the year	6,731,800	-	9,500	6,741,300
Option/Share based payments	145,000	-	-	145,000
Options exercised during the year	61,415	-	-	61,415
Expiry of options	-	192,850	(192,850)	-
Share and option issue expenses	(566,945)	-	(35,384)	(602,329)
BALANCE AT 30 JUNE 2018	30,514,215	(25,963,459)	212,142	4,762,898

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

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

Australian Dollar (\$)	Note	30 JUNE 2019 \$	30 JUNE 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Expenditure on mining interests		(4,796,750)	(5,669,941)
Payments to suppliers and employees		(2,423,385)	(1,354,844)
Interest received		40,653	57,336
Other – GST		13,576	42,996
Research and Development Incentive Grant		524,182	1,887,393
Net cash outflow from operating activities	17(b)	<u>(6,641,724)</u>	<u>(5,037,060)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tenements		-	-
Purchase of plant and equipment		(52,074)	(4,041)
Net cash outflow from investing activities		<u>(52,074)</u>	<u>(4,041)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of shares and options net of capital raising costs		3,160,592	6,216,247
Proceeds from borrowings		942,000	-
Net cash flows from financing activities		<u>4,102,592</u>	<u>6,216,247</u>
Net (decrease)/increase in cash and cash equivalents		<u>(2,591,206)</u>	<u>1,175,146</u>
Cash and cash equivalents at the beginning of the financial year		<u>5,948,692</u>	<u>4,773,546</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	17(a)	<u>3,357,486</u>	<u>5,948,692</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1 CORPORATE INFORMATION

The financial report of St George Mining Limited (“St George Mining” or “the Company”) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 3 September 2019.

St George Mining Limited is a company limited by shares, incorporated in Australia on 19 October 2009. The consolidated financial statements of the Company for year ended 30 June 2019 comprise of the Company and its subsidiaries together referred to as the Group or consolidated entity.

The nature of the operations and principal activity of the Group is mineral exploration.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Statement of compliance*

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (“IFRS”).

(b) *Basis of Preparation of the Financial Report*

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The following accounting policies have been approved by the consolidated entity, except as noted below.

Going Concern

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

The Consolidated Entity has recorded a net accounting loss of \$9,594,528 and net operating cash outflows of \$6,641,724 for the year ended 30 June 2019.

The net assets of the consolidated group have decreased from \$4,762,898 at 30 June 2018 to net liabilities of \$714,545 as at 30 June 2019. Total assets and Shareholder’s equity decreased in 2019 due to borrowings of \$854,424 at 30 June 2019 compared to no borrowings at 30 June 2018 and an increase in trade and other payables from \$1,401,598 as at 30 June 2018 compared to \$3,553,417 as at 30 June 2019.

At 30 June 2019 the Company held a cash balance of \$3,357,486. Subsequent to the end of the financial year the Company raised \$3,300,000 (before costs) via a placement to sophisticated investors.

Equity raisings or debt financing arrangements will be required in the future to fund the Company’s activities. The Directors are assessing a number of options in respect of equity and debt financing arrangements, and have reasonable expectations that further funding will be arranged to meet the Company’s objectives. There is no certainty that new funding will be successfully completed to provide adequate working capital for the Company.

The Board is confident that the Group will have sufficient funds to finance its operations in the 2019/2020 year following successful completion of equity raisings or debt financing arrangements.

(c) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent St George Mining Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 22.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(d) Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 7).

Capitalised exploration costs

The Group expenses all exploration and evaluation expenditure incurred.

Subsidiary Loans

Provision has been made for all unsecured loans with subsidiaries as it is uncertain if and when the loans will be recovered. All inter-company loans have been eliminated on consolidation.

(e) Revenue

Under AASB 15 Revenue from contracts with customers, revenue is recognised when a performance obligation is satisfied, being when control of the goods or services underlying the performance obligations is transferred to the customer.

Interest

Interest revenue is recognised using the effective interest method.

(f) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(g) Share based payment transactions

The Company accounts for all equity-settled stock-based payments based on the fair value of the award on grant date. Under the fair value-based method, compensation cost attributable to options granted is measured at fair value at the grant date and amortised over the vesting period. The amount recognised as an expense is adjusted to reflect any changes in the Company's estimate of the shares that will eventually vest and the effect of any non-market vesting conditions.

Share-based payment arrangements in which the Company receives goods or services as consideration are measured at the fair value of the good or service received, unless that fair value cannot be reliably estimated.

(h) Research & Development Tax Incentives

Refundable tax incentives are accounted for as a government grant under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance.

(i) Exploration and evaluation expenditure

Exploration and evaluation expenditure on areas of interest are expensed as incurred. Costs of acquisition will normally be expensed but will be assessed on a case by case basis and may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

(j) Income Tax

Current income tax refunded/(expensed) charged to profit or loss is tax refundable/(payable). Those amounts recognised are expected to be recovered from/(paid to) the relevant taxation authority.

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

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

- except 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 that accounting profit nor taxable profit or loss; and,
- 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 will not reverse in the foreseeable future.

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

- 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,
- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets 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 is reviewed at each balance sheet date and reduced to the extent that 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.

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 balance sheet date.

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

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash Flows are included in the Consolidated Statement of Cash Flows net of GST. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Plant and equipment

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

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Class of Fixed Asset	Depreciation Rate
<i>Plant and Equipment</i>	
- Year 1	18.75%
- Subsequent Years	37.50%

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

(m) Earnings per share

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

(n) Cash and cash equivalents

Cash and short-term deposits in the consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(o) Impairment of assets

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

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

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

(p) Contributed equity

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

(q) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the consolidated profit or loss.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit or loss.

(r) Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group 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 FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Transaction costs

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Impairment of financial assets

From 1 July 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Comparative information

The Group has applied AASB 9 Financial Instruments retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Classification

Until 30 June 2018, the group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

(s) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial

statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(t) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 2(r).

(u) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measures at amortised costs using the effective interest method.

(v) Adoption of new and revised standards

The Group has adopted AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments which became effective for financial reporting periods commencing on or after 1 January 2018.

AASB 15 Revenue from contracts with customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has applied the new Standard effective from 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any revenue from customers.

AASB 9 Financial Instruments

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

As a result of adopting AASB 9 Financial Instruments, the Group has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

There were no financial instruments which the Group designated at fair value through profit or loss under AASB 139 that were subject to reclassification. The Board assessed the Group's financial assets and determined the application of AASB 9 does not result in a change in the classification of the Group's financial instruments.

The adoption of AASB 9 does not have a significant impact on the financial report.

(w) Comparative information

Comparative information is amended where appropriate to ensure consistency in presentation with the current year.

3 REVENUE

	CONSOLIDATED 30 JUNE 2019 \$	CONSOLIDATED 30 JUNE 2018 \$
Interest income	37,919	53,412
Research and Development Tax Incentive (i)	524,182	1,887,393
	<u>562,101</u>	<u>1,940,805</u>

(i) The Research and Development rebate \$524,182 is in relation to the year ended 30 June 2018 (2018: \$1,887,393 in relation to the year ended 30 June 2017).

4 ADMINISTRATION EXPENSES

Administration expenses include the following expenses:

	CONSOLIDATED 30 JUNE 2019 \$	CONSOLIDATED 30 JUNE 2018 \$
Employee benefit expense		
Wages and salaries	694,047	499,925
Accrued leave	89,402	32,884
Accrued leave paid out	-	(31,070)
Employee share based payments	264,580	-
Defined contribution superannuation expense	83,258	45,111
	<u>1,131,287</u>	<u>546,850</u>

Other administration costs

Accounting and administration fees	45,247	46,208
Consulting fees	653,366	106,862
Legal fees	247,574	82,747
Publications and subscriptions	87,072	38,884
Presentations and seminars	148,594	122,265
Office rent	41,808	-
Share registry costs	47,066	84,066
Travel expenses	335,256	206,450
Other	271,751	229,321
	<u>1,877,734</u>	<u>916,803</u>
Total administration expenses	<u>3,009,021</u>	<u>1,463,653</u>

5 EXPLORATION EXPENDITURE WRITTEN OFF

	CONSOLIDATED 30 JUNE 2019	CONSOLIDATED 30 JUNE 2018
	\$	\$
Exploration expenditure written off	6,864,453	4,861,829
Tenement acquisition costs	-	-
	<u>6,864,453</u>	<u>4,861,829</u>

6 FINANCE EXPENSES

	CONSOLIDATED 30 JUNE 2019	CONSOLIDATED 30 JUNE 2018
	\$	\$
Facility fee	170,731	-
Establishment fee	50,000	-
Interest expense	62,424	-
	<u>283,155</u>	<u>-</u>

Refer to Note 13 for details in relation to the facility.

7 INCOME TAX

(a) **Prima facie income tax benefit at 27.5% on loss from ordinary activities is reconciled to the income tax provided in the financial statements**

	CONSOLIDATED 30 JUNE 2019	CONSOLIDATED 30 JUNE 2018
	\$	\$
Loss before income tax	(9,594,528)	(4,384,677)
Income tax calculated at 27.5% (2018: 27.5%)	<u>(2,638,495)</u>	<u>(1,205,786)</u>
Tax effect of:-		
Sundry – temporary differences	58,351	(5,488)
Section 40-880 deduction	(127,640)	(125,480)
Future income tax benefit not brought to account	<u>2,707,784</u>	<u>1,336,754</u>
Income tax benefit	<u>-</u>	<u>-</u>

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

	CONSOLIDATED 30 JUNE 2019 \$	CONSOLIDATED 30 JUNE 2018 RESTATED \$
Australian accumulated tax losses (i)	5,046,932	2,339,149
Provisions - net of prepayments	52,902	(6,352)
Section 40-880 deduction	251,164	309,543
Unrecognised deferred tax assets relating to the above temporary differences	5,350,998	2,642,340

- (i) The Australian accumulated tax losses opening balance at 30 June 2018 has been restated due to the 30 June 2018 Research and Development rebate \$524,182 being received during the 2018/2019 financial year and the adjustment for JMEI credits for 2018 being \$2,500,000 in Australian Tax losses.

The benefits will only be obtained if:

- (i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) The Group continues to comply with the conditions in deductibility imposed by the Law; and
- (iii) No change in tax legislation adversely affect the Group in realising the benefits from the deductions or the losses.

8 AUDITOR'S REMUNERATION

	CONSOLIDATED 30 JUNE 2019 \$	CONSOLIDATED 30 JUNE 2018 \$
Auditing and review of the Group's financial statements	44,195	35,292
	44,195	35,292

9 KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors

John Prineas
 John Dawson – Appointed on 2 January 2019
 Sarah Shipway
 Timothy Hronsky – Retired on 2 January 2019

Executive

John Prineas – Executive Chairman
 Timothy Hronsky – Executive Director – Retired on 2 January 2019

(b) Compensation of key management personnel

	CONSOLIDATED 30 JUNE 2019 \$	CONSOLIDATED 30 JUNE 2018 \$
Salaries and fees	635,772	622,355
Non-monetary	6,303	9,378
Termination payments	134,496	-
Other	26,924	-
Post employment benefits – superannuation	49,751	33,569
Equity settled share based payments	145,832	-
Long term benefits – long service leave	44,710	-
	<u>1,043,788</u>	<u>665,302</u>

10 CURRENT ASSETS

(a) Trade and Other Receivables

	CONSOLIDATED 30 JUNE 2019 \$	CONSOLIDATED 30 JUNE 2018 \$
Current	<u>22,313</u>	<u>38,623</u>
	<u>22,313</u>	<u>38,623</u>

Other receivables include amounts outstanding for goods and services tax (GST) of \$21,726 (2018: \$35,302) and interest receivable of \$587 (2018: \$3,321).

GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities. No trade and other receivables are impaired or past due.

(b) Other Assets

	CONSOLIDATED 30 JUNE 2019 \$	CONSOLIDATED 30 JUNE 2018 \$
Prepayments	281,166	148,939
Other receivables	98,251	21,000
Deposit	-	20,000
	<u>379,417</u>	<u>189,939</u>

11 PLANT AND EQUIPMENT

	CONSOLIDATED 30 JUNE 2019 \$	CONSOLIDATED 30 JUNE 2018 \$
Plant and Equipment		
At Cost	120,815	71,542
Accumulated depreciation	(70,431)	(57,397)
Total plant and equipment	<u>50,384</u>	<u>14,145</u>

Plant and Equipment

Carrying amount at the beginning of the year	14,145	24,685
Additions	52,074	4,032
Disposals	(2,801)	(4,559)
Depreciation expense	(13,034)	(10,013)
Total carrying amount at end of year	50,384	14,145

12 CURRENT LIABILITIES

	CONSOLIDATED 30 JUNE 2019	CONSOLIDATED 30 JUNE 2018
	\$	\$
Trade and other payables	3,553,417	1,401,598
	3,553,417	1,401,598

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature. As at 30 June 2019 \$2,145,665 (2018: \$491,174) was past 30 days due.

13 BORROWINGS

	CONSOLIDATED 30 JUNE 2019	CONSOLIDATED 30 JUNE 2018
	\$	\$
Credit facility	942,000	-
Repayment	(150,000)	-
Capitalised interest	62,424	-
	854,424	-

Unsecured Credit Facility

The credit facility is unsecured and the key terms of the credit facility are as follows:

- Credit facility of \$1.0 million, the Company has repaid \$150,000;
- Establishment fee of 7.5%;
- 12-month repayment term, being 29 January 2020;
- Interest rate of 15%;
- 100% of the interest is capitalised and repayable on loan maturity;
- The credit facility is unsecured; and
- There are no loan covenants.

The Company entered into a facility of \$1.0m, during the year the Company drew down \$942,000 of the facility. In June 2019 the Company repaid \$150,000 on the facility.

As at 30 June 2019 \$792,000 had been drawn on the \$850,000 credit facility and total funds owed at 30 June 2019 is \$854,424, due the capitalising of interest.

14 ISSUED CAPITAL

Australian Dollar \$	CONSOLIDATED 30 JUNE 2019 \$	CONSOLIDATED 30 JUNE 2018 \$
(a) Issued and paid up capital		
At the beginning of the reporting period	30,514,215	24,142,945
June 2019: 37,191,454 shares issued at \$0.11 per share	4,091,060	-
March 2018: 22,360,002 shares issued at \$0.18 per share	-	4,024,800
March 2018: 250,000 shares issued at \$0.20	-	50,000
March 2018: 250,000 shares issued at \$0.18	-	45,000
March 2018: 277,778 shares issued at \$0.18	-	50,000
June 2018: 19,335,711 shares issued at \$0.14 per share	-	2,707,000
Exercise of Options	-	61,415
Transactions costs arising from issue of shares	(238,555)	(566,945)
At reporting date 335,307,665 (30 June 2018: 298,116,211) fully paid ordinary shares	34,366,720	30,514,215
Movements in Ordinary Shares		
	Number	Number
At the beginning of the reporting period	298,116,211	250,360,825
Shares issued during the year	37,191,454	42,473,491
Conversion of performance shares	-	5,000,000
Options exercised during the year	-	281,895
At reporting date	335,307,665	298,116,211
Movements in Performance Shares		
	Number	Number
At the beginning of the reporting period	-	100
Changes to performance shares issued during the year (i)	-	(100)
Issued during the year	-	-
At reporting date	-	-
 (i) 100 Performance shares converted on 20 March 2018.		
Movements in Performance Rights		
	Number	Number
At the beginning of the reporting period	-	-
Changes to Performance Rights issued during the year	172	-
Performance Rights cancelled during the year	(20)	-
Issued during the year	-	-
At reporting date	152	-
 (b) Option Reserve		
Movements in options reserve		
	CONSOLIDATED 30 JUNE 2019 \$	CONSOLIDATED 30 JUNE 2018 \$
At the beginning of the year	212,142	430,876
Listed options	-	-
Expiry of options transferred to accumulated losses (i)	-	(192,850)
Option based payments (ii)	-	9,500
Performance rights issued (iii)	264,580	-
Options issue expense	-	(35,384)
At reporting date	476,722	212,142

- (i) The Company had on issue 600,000 Class E Options under the Company's Employee Incentive Option Plan. On 28 November 2017 600,000 Class E Options expired, unexercised.
- (ii) The Company issued 95,000 Listed Options for services rendered.
- (iii) The Company issued 172 Performance Rights during the year (see note 18) and 20 Performance Rights were cancelled.

A summary of the outstanding options at 30 June 2019 in the Company is listed below:

Class	Number of Options	Exercise Price	Expiry Date
Listed Options	24,579,714	\$0.20	30 September 2020
Unlisted Options	3,500,000	\$0.25	02 December 2019

15 ACCUMULATED LOSSES

	CONSOLIDATED 30 JUNE 2019	CONSOLIDATED 30 JUNE 2018
	\$	\$
Accumulated losses at the beginning of the year	(25,963,459)	(21,771,632)
Loss for the year	(9,594,528)	(4,384,677)
Expiry of options	-	192,850
Accumulated losses at the end of the year	<u>(35,557,987)</u>	<u>(25,963,459)</u>

16 LOSS PER SHARE

	CONSOLIDATED 30 JUNE 2019	CONSOLIDATED 30 JUNE 2018
	\$	\$
Basic loss per share after income tax attributable to members of the Company (cents per share)	(3.21)	(1.70)
Diluted loss per share (cents per share)	<u>(3.21)</u>	<u>(1.70)</u>

	2019 Number	2018 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	298,523,789	258,509,084
Weighted average number of ordinary shares for diluted earnings per share	<u>298,523,789</u>	<u>258,509,084</u>

17 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	CONSOLIDATED 30 JUNE 2019	CONSOLIDATED 30 JUNE 2018
	\$	\$
Current – cash at bank	3,357,486	5,948,692
	<u>3,357,486</u>	<u>5,948,692</u>

(b) Reconciliation of loss after tax to net cash flows from operations

	CONSOLIDATED 30 JUNE 2019 \$	CONSOLIDATED 30 JUNE 2018 \$
Loss after income tax	(9,594,528)	(4,384,677)
Share based payments	264,580	209,500
Depreciation expense	13,034	10,013
Capitalised loan facility expenses	62,424	-
(Increase)/decrease in assets		
Trade and other receivables	16,310	50,653
Other assets	41,481	(3,248)
Increase/(decrease) in liabilities		
Trade and other payables	2,465,573	(921,115)
Provisions	89,402	1,814
	<u>(6,641,724)</u>	<u>(5,037,060)</u>

18 SHARE/OPTION BASED PAYMENTS

- (i) The Company agreed and Shareholders approved at the Company's General Meeting held on 16 July 2018 to allot and issue a total 140 performance rights to Directors of the Company. On 6 February 2019, 20 performance rights were cancelled.

On the 17 December 2018 the Company issued 32 performance rights to employees of the Company.

As at 30 June 2019 there was 152 performance rights on issue.

The performance rights had the below milestones attached to them.

- (i) **Class A Performance Rights:** in the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AUD\$100,000,000.00 for a minimum of 10 consecutive trading days, the vesting condition shall be deemed satisfied, subject to the milestone being achieved by that date which is 3 years from the date of issue;
- (ii) **Class B Performance Rights:** in the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AUD\$150,000,000.00 for a minimum of 10 consecutive trading days, the vesting condition shall be deemed satisfied, subject to the milestone being achieved by that date which is 3 years from the date of issue.
- (iii) **Class C Performance Rights:** the Company announces an inferred 2012 JORC compliant resource at any Project of not less than:
- (A) in regard to a gold resource, 1,000,000 ounces of Au; or
 - (B) in regard to a nickel resource, 50,000t contained Ni; or
 - (C) in regard to a cobalt resource, 10,000t contained Co.,

by the date which is 15 August 2021.

The terms and conditions of the options are detailed in the Notice of General Meeting dated 11 June 2018.

The performance rights issued on 15 August 2018 were ascribed the following value:

Class of Rights	Number of Performance Rights ⁽¹⁾	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Indicative Value per Option	Total Value (\$)	Expense for the year (\$)
Class A	25	15.08.18	\$0.125	-	15.08.21	\$0.125	156,250	45,572
Class B	25	15.08.18	\$0.125	-	15.08.21	\$0.125	156,250	45,572
Class C	70	15.08.18	\$0.125	-	15.08.21	\$0.125	437,500	127,603
Total	-	-	-	-	-	-	750,000	218,747

1. One performance right converts to 50,000 fully paid ordinary shares on achievement

A probability of 100% has been applied to the milestones occurring.

Of the above options granted, the following were issued to key management personnel:

Key Management Personnel	Grant Date	Number of Performance Rights
J Prineas		
Class A	15.08.18	10
Class B	15.08.18	10
Class C	15.08.18	40
S Shipway		
Class A	15.08.18	5
Class B	15.08.18	5
Class C	15.08.18	10

The performance rights issued on 17 December 2018 were ascribed the following value:

Class of Rights	Number of Performance Rights ⁽¹⁾	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Indicative Value per Option	Total Value (\$)	Expense for the year (\$)
Class 1	8	17.12.18	\$0.135	-	31.07.21	\$0.135	54,000	11,521
Class 2	8	17.12.18	\$0.135	-	31.07.21	\$0.135	54,000	11,521
Class 3	16	17.12.18	\$0.135	-	31.07.21	\$0.135	108,000	22,791
Total	-	-	-	-	-	-	216,000	45,833

1. One performance right converts to 50,000 fully paid ordinary shares on achievement

Of the above performance granted, none were issued to key management personnel.

A summary of the movements of all the Company options issued as share based payments is as follows:

	Number	Weighted Average Exercise Price \$
Options outstanding as at 1 July 2017	4,100,000	0.289
Granted	37,183,291	0.200
Exercised	(281,895)	-
Expired	(12,921,682)	-
Options outstanding as at 30 June 2018	28,079,714	0.206
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2019	28,079,714	0.206
Options exercisable as at 30 June 2019	28,079,714	-
Options exercisable as at 30 June 2018	28,079,714	-

The weighted average remaining contractual life of options outstanding at the year-end was 1.15 years (2018: 2.15 years). The weighted average exercise price of outstanding options at the end of the report period was \$0.206 (2018: \$0.206).

19 COMMITMENTS AND CONTINGENCIES

(a) Commitment

Mineral exploration commitments

The Group has the following minimum exploration expenditure requirements in connection with its exploration tenements.

	30 June 2019 \$	30 June 2018 \$
Not later than one year	954,447	759,345
Later than one year but not later than two years	34,581	216,796
	<u>989,028</u>	<u>976,141</u>

(b) Contingent liabilities and commitments

The Group fully owns three subsidiaries, Desert Fox Resources Pty Ltd, Blue Thunder Resources Pty Ltd and Destiny Nickel Pty Ltd, the main activities of which are exploration. The effect of these subsidiaries is to make the St George Mining owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed. The Group has not made guarantees to third parties at 30 June 2019.

20 EVENTS SUBSEQUENT TO BALANCE DATE

On 29 July 2019 the Company completed a placement of 33,000,000 fully paid ordinary shares at an issue price of \$0.10 per share to raise \$3,300,000 before costs.

On 1 August 2019 the Company issued 2,500,000 unlisted options exercisable at \$0.15 on or before 31 July 2022.

Except for the above no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

21 FINANCIAL INSTRUMENTS
(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2019	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	17(a)	3,305,936	20,000	31,550	3,357,486	1.14%
Trade and other receivables	10(a)	-	-	22,313	22,313	-
Other assets	10(b)	-	-	98,251	98,281	-
Security bond	-	-	-	1,000	1,000	-
Financial liabilities						
Trade and other payables	12	-	-	3,553,417	3,553,417	-
Borrowings	13	-	792,000	62,424	854,424	15%
2018						
	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	17(a)	3,916,436	2,010,586	21,669	5,948,691	0.90%
Trade and other receivables	10(a)	-	-	38,623	38,623	-
Other assets	10(b)	-	-	41,000	41,000	-
Security bond	-	-	-	1,000	1,000	-
Financial liabilities						
Trade and other payables	12	-	-	1,401,598	1,401,598	-

Based on the balances at 30 June 2019 a 1% movement in interest rates would increase/decrease the loss for the year before taxation by \$25,339 (2018: \$59,270).

(b) Credit Risk

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

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(c) Borrowings

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

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The contractual maturities of the Group's financial liabilities are as follows:

	30 June 2019	30 June 2018
Within one month:		
Trade and other payables	\$3,553,417	\$1,401,598
Later than one month and no later than one year:		
Trade and other payables	-	-
	\$3,553,417	\$1,401,598

Contractual maturities of financial liabilities As at March 31, 2019	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/liabilities
Non-derivatives							
Trade payables	-	-	-	-	-	-	-
Borrowing	-	854,424	-	-	-	854,424	854,424
Total non-derivatives	-	854,424	-	-	-	854,424	854,424

(d) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value and is determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

(e) Financial Risk Management

The Group's financial instruments consist mainly of deposits with recognised banks, investment in term deposits up to 90 days, accounts receivable, accounts payable and borrowings. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in term deposits. The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as being an exploration Company, it has no significant financial assets other than cash and term deposits.

(f) Foreign Currency Risk

The Group is not exposed to any foreign currency risk as at 30 June 2019.

(g) Market Price Risk

The Group is not exposed to market price risk as it does not have any investments other than an interest in the subsidiaries.

22 RELATED PARTIES

The Company had entered into a consultancy contract with Essential Risk Solutions (“ERS”) and Mr Hronsky whereby a base service fee of \$269,000 per annum was payable by the Company. ERS has the right to terminate the Agreement by giving 3 months’ notice. The consultancy contract with ERS had no fixed period and continued until terminated. The consultancy contract was terminated and Mr Hronsky resigned on 2 January 2019.

The Group has 100% owned subsidiaries Blue Thunder Resources Pty Ltd, Desert Fox Resources Pty Ltd and Destiny Nickel Pty Ltd.

At 30 June 2019 balances due from the subsidiaries were:

	30 JUNE 2019	30 JUNE 2018
	\$	\$
Blue Thunder Resources Pty Ltd	12,305,971	7,891,273
Desert Fox Resources Pty Ltd	22,028,224	20,515,935
Destiny Nickel Pty Ltd	-	-
	<u>34,334,195</u>	<u>28,407,208</u>

These amounts comprise of funds provided by the parent company for exploration activities. The amounts were fully provided for as at 30 June 2019.

23 SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Australia. All of the Group’s activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

24 JOINT VENTURES

The Group recognises that joint ventures are a key mechanism for sharing of risk on individual exploration projects. Where appropriate for a particular project, the Group will consider a joint venture with a suitable party in order to share the exploration risk. Those funds otherwise set aside for the project will be employed to advance another project.

25 PARENT COMPANY DISCLOSURE

(a) Financial Position as at 30 June 2019

Australian Dollar (\$)	30 JUNE 2019 \$	30 JUNE 2018 \$
Assets		
Current assets	3,620,605	6,078,493
Non-current assets	50,384	14,145
Total assets	3,670,989	6,092,638
Liabilities		
Current liabilities	4,525,141	1,429,499
Non-current liabilities	-	-
Total liabilities	4,525,141	1,429,499
Net assets	(854,152)	4,663,139
Equity		
Issued capital	34,366,720	30,514,215
Reserves	476,722	212,142
Accumulated losses	(35,697,594)	(26,063,218)
Total equity	(854,152)	4,663,139

(b) Financial Performance for the year ended 30 June 2019

Australian Dollar \$	30 JUNE 2019 \$	30 JUNE 2018 \$
Profit (loss) for the year	(9,634,376)	(4,380,779)
Other comprehensive income	-	-
Total comprehensive income (loss)	(9,634,376)	(4,380,779)

(c) Guarantees entered into by the Parent Entity

Other than as disclosed in Note 19(b) the parent entity has not provided guarantees to third parties as at 30 June 2019.

26 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

AASB 16: Leases applies to annual reporting periods beginning on or after 1 January 2019.

This Standard supersedes AASB 117 Leases and related interpretations,. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

The key features of AASB 16 are as follows:

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.

- Assets and Liabilities arising from the lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend to lease, or not to exercise an option to terminate the lease.
- AASB 16 contains disclosure requirements for leases.

Lessor accounting

- AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
- AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

Estimated impact of AASB 16 on the Group when the standard is applied

Due to the adoption of AASB 16, the Group's EBITDA will improve, while its interest expense and amortisation (depreciation) will increase. This is due to the change in the accounting for expenses of leases that were classified as operating leases under AASB 117. The current liabilities may will also increase which could reduce the net working capital of the Group.

The group has reviewed all of the group's leasing arrangements in light of the new lease accounting rules in AASB 16, with the standard primarily affecting accounting for the group's operating leases.

As at the reporting date, the group has operating lease commitments of \$954,447, see note 19. Of these commitments, approximately \$919,865 relate to short-term leases which will be recognised on a straight-line basis as expense in the profit or loss.

As at the reporting date, the group has operating lease commitments of \$954,447, see note 19. Of these commitments, approximately \$919,865 relate to short-term leases (being exploration tenements leases) which will be recognised on a straight-line basis as expense in the profit or loss.

For the remaining lease commitments (being Office lease), the Group expects to recognise right-of-use asset of approximately \$115,113 before depreciation on 1 July 2019, lease liabilities are estimated to be \$98,291. The right-of-use asset will be depreciated over three years being the lease period.

The Group expects that net profit after tax will be affected by increase in interest expenses of approximately \$10,608 and depreciation expenses of \$38,476 for the next financial year. The operating expenses will be recognised only for the portion of monthly outgoings.

Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

In the opinion of the Directors of St George Mining Limited ("the Company")

- (a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the Group are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended that date; and
 - (ii) Complying with Accounting Standards and Corporations Regulations 2001, and:
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The financial statements and notes comply with International Financial Reporting Standards as disclosed in note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

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

On behalf of the Board



John Prineas
Executive Chairman

Dated: 3 September 2019
Perth, Western Australia

3 September 2019

Board of Directors
St George Mining Limited
Level 1, 115 Cambridge Street
WEST LEEDERVILLE WA 6007

Dear Directors

RE: ST GEORGE MINING LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of St George Mining Limited.

As Audit Director for the audit of the financial statements of St George Mining Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ST GEORGE MINING LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of St George Mining Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, 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 Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the 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 Relating to Going Concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 2(b) to the financial statements, the consolidated financial statements have been prepared on a going concern basis. At 30 June 2019, the Group had cash and cash equivalents of \$3,357,486, and incurred a loss after income tax of \$9,594,528. The Group had Net Liabilities of \$714,545 as at 30 June 2019.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its mineral assets. In the event that the Group is not successful in raising further equity or successfully exploiting its mineral assets, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

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 year. 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. 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 Matters	How the matter was addressed in the audit
<p>Share based payments - Performance rights <i>(refer to Note 2(g) and note 18)</i></p> <p>As referred to in Note 18 to the consolidated financial statements, the Company awarded 172 performance rights to directors and employees, of which 20 were cancelled during the year. The awards vest subject to the achievement of certain vesting conditions.</p> <p>The Group valued the awards based on the share price at grant date and estimated likelihood of performance conditions being achieved over the vesting period for each tranche of awards. The fair value of the performance rights at the grant date was \$966,000 vesting over three years from the date of issue.</p> <p>The Group has performed calculations to record the related share based payment expense of \$264,580 in the consolidated statement of profit or loss and other comprehensive income.</p> <p>Due to the complex nature of the transaction and estimates used in determining the valuation of the share based payment arrangement and vesting expense, we consider the Group's calculation of the share based payment expense to be a key audit matter.</p> <p>In determining the fair value of the awards and related expense, the Group used assumptions in respect of future market and economic conditions as well as estimates of achievement of certain exploration targets.</p>	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> i. Verifying the inputs and examining the assumptions used in the Group's valuation of performance rights, being the share price of the underlying equity, time to maturity (expected life) and grant date; ii. Challenging management's assumptions in relation to the likelihood of achieving the performance conditions; iii. Assessing the fair value of the calculation through re-performance using appropriate inputs; and iv. Assessing the accuracy of the share based payments expense and the adequacy of disclosures made by the Group in the financial report.
<p>Trade and Other Payables – risk of unrecorded liabilities <i>(refer to Note 2(u) and note 12)</i></p> <p>As referred to in Note 12 of the consolidated financial statements, the Group's Trade and Other Payables amounted to \$3,553,417. This is an increase of 153% on the prior year balance of \$1,401,598, and comprises 74% of the Total Liabilities reported by the Group. More than 60% of Trade and Other payables were over 30 days past due as disclosed in Note 12 to the Financial Report.</p> <p>Due to the significance of the balance and significant risk associated with completeness of the liabilities, we considered Trade and Other Payables to be a key audit matter.</p>	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> i. Assessing the Accounts payable ageing report and considering potential unrecorded liabilities by comparing with those of the prior year; ii. Reviewing agreements, Board of Directors Minutes, Solicitors confirmations to identify any potential unrecorded liabilities at 30 June 19; iii. Performing a detailed search for unrecorded liabilities through the review of subsequent payments for the period until 28 August 2019; iv. Assessing the adequacy of disclosures made by the Group in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, 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 opinion 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 Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

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

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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 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 in pages 13 to 17 of the directors' report for the year ended 30 June 2019.

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

Responsibilities

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

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
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(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director
West Perth, Western Australia
3 September 2019

1 Distribution of holders

As at 3 September 2019 the distribution of shareholders was as follows:

Ordinary shares

Size of holding	Number of holders
1 – 1,000	239
1,001 – 5,000	514
5,001 – 10,000	590
10,001 – 100,000	1,606
100,001 and over	565
Total	3,514

2 Voting rights

There are no restrictions to voting rights attached to the ordinary shares. On a show of hands every member present in person will have one vote and upon a poll, every member present or by proxy will have one vote each share held.

3 Substantial shareholders

The company has no substantial shareholders who have notified the Company in accordance with Section 671B of the Corporation Act 2001.

4 Top 20 shareholders

The names of the 20 largest shareholders on the share register as at 3 September 2019, who hold 26.95% of the ordinary shares of the Company, were as follows;

Shareholder	Number
John Prineas	10,355,021
Impulzive Pty Ltd <Dawson Superannuation A/C>	8,354,990
HSBC Custody Nominees (Australia) Limited	7,886,726
Ms Betty Frilingos	6,318,182
Allcap Pty Ltd (S&L Capannolo Family A/C>	6,029,568
JP Morgan Nominees Australia Pty Limited	5,101,911
Moho Resources Limited	5,000,000
Citicorp Nominees Pty Ltd	4,966,086
Mr Paul Sumade Lee	4,770,833
Oceanic Capital Limited	4,400,000
Fox Resources Limited	4,040,000
Mr Robert Addison Ramsay	4,016,205
Mr David Davidson	4,000,000
Mrs Nerida Ruth Scott <Scott Family A/C>	4,000,000
CS Fourth Nominees Limited <HSBC Cust Nom AU Ltd 11 A/C>	3,836,622
Mr John David Brauman	3,600,000
Yarandi Investments Pty Ltd <Griffith Family No 2 A/C>	3,225,000
Mrs Karen Dawson	3,144,470
DDH1 Drilling Pty Ltd	3,106,060
Impulzive Pty Ltd <Dawson Super Fund A/C>	3,096,480

5 Top 20 listed option holders

The names of the 20 largest listed option holders on the share register as at 3 September 2019, who hold 33.15% of the ordinary shares of the Company, were as follows;

Shareholder	Number
HSBC Custody Nominees (Australia) Limited	877,749
Mr John Prineas	835,502
Impulzive Pty Ltd <Dawson Superannuation A/C>	835,499
Allcap Pty Ltd (S&L Capannolo Family A/C>	766,614
Mr Paul Lee	477,083
Oceanic Capital Pty Ltd	420,000
James Prineas Pty Ltd <JP Super Fund A/C>	350,000
Mrs Karen Dawson	314,447
Impulzive Pty Ltd <Dawson Super Fund A/C>	309,648
Mr Christopher Bell + Mrs Jennifer Bell (C&J Bell Superfund A/C>	305,883
Mr Barry Lipscombe + Mrs Frances Lipscombe <Lipic Exec Benefit Fund A/C>	300,570
Blujak Pty Ltd <Blujak Super Fund A/C>	300,000
Mr Christopher John Girling + Mrs Yvette Louise Clark <Moloscyg Superannuation Fund>	300,000
Mr Jeremy James Coleman	279,154
Allcap Pty Ltd <Allcap Pty Ltd Super A/C>	277,700
Heyward Ham Super Pty Ltd <Ham Super Fund A/C>	255,000
Ian Tyler Super Pty Ltd <Tyler Super Fund A/C>	245,000
Lipic Pty Ltd	241,488
Yarandi Investments Pty Ltd <Griffith Family No.2 Account>	232,500
Citicorp Nominees Pty Ltd	225,361

6 Consistency with business objectives

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way the consistent with its stated objectives.

St George Mining Limited mineral interests as at 3 September 2019

TENEMENT SCHEDULE – EAST LAVERTON:

Tenement ID	Registered Holder	Location
E39/0981	Desert Fox Resources Pty Ltd	East Laverton Property
E39/0982	Desert Fox Resources Pty Ltd	East Laverton Property
E39/0985	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1066	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1229	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1461	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1472	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1473	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1474	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1475	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1476	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1467	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1492	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1518	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1519	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1520	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1521	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1549	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1572	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1608	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1666	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1667	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1722	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1779	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1852	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2026	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2027	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2028	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2029	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2030	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2031	Desert Fox Resources Pty Ltd	East Laverton Property

TENEMENT SCHEDULE – MT ALEXANDER/HAWAII:

Tenement ID	Registered Holder	Location
E29/638	Blue Thunder Resources Pty Ltd	Mt Alexander
E29/548	Blue Thunder Resources Pty Ltd	Mt Alexander
E29/954	Blue Thunder Resources Pty Ltd	Mt Alexander
E29/962	Blue Thunder Resources Pty Ltd	Mt Alexander
E29/972	Blue Thunder Resources Pty Ltd	Mt Alexander
E36/741	Blue Thunder Resources Pty Ltd	Hawaii

