



# Our future

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Dear Shareholder,

On behalf of the Board of Nimrod Resources Limited, it is my pleasure to present to you the annual report for the year ending 30 June 2020. The Corporate Governance of the organisation has come a long way over the last two years. Your Company now has a clean Balance Sheet and a clear fact-based direction for further exploration.

Since my last report to you, your Company and the world has had to cope with a pandemic and the impact of this on our operations. Border closures have led to delays in our exploration programs, with contractors unable, and in some cases unwilling, to cross State Borders, while restrictions have been in place for their return.

It has been a year of strengthening the expertise and therefore the knowledge base of Nimrod.

In December 2019, a new Exploration License (EL) was applied for (EL 8957) north of all existing Nimrod EL's. It was granted to Nimrod in March 2020. As I write this report to you, I can confirm that we have an application pending for a further EL (ELA 6047), covering an area even further to the north from the original EL areas of Nimrod's exploration.

Another key decision was to use an external consultant geologist, Dr Jon Hronsky from Perth to oversee our exploration program. On 12 February 2020 we decided to proceed with an aeromagnetic survey covering an area of approximately 1,700km<sup>2</sup> over the northern area. This work identified a promising area of approximately 30km long the "Springvale Belt", which includes a smaller area, we now call the "Springvale Dome Target". Subsequently in June 2020, a ground gravity survey was also carried out covering this target area.

Previously, Nimrod was working in an area with over 400 metres of cover to basement. Now in this new northern area, the recently acquired aeromagnetic and ground gravity surveys and subsequent interpretation by our consultant geophysicist, Mr John Donahue, suggests that basement comes much closer to the surface, less than 100 metres. This was also confirmed by a Geoscience Australia drill hole in 2016, drilled on the edge of the "Springvale Dome Target" which found basement at 46 meters. Also identified in the "Springvale Belt" and adjacent area, are multiply bullseye magnetic features showing potential.

We will continue to refine our targets with field work between now and the end of the heat of summer to be ready to start a targeted drilling program in the “Springvale Belt”.

James Macaulay ceased his role as Managing Director in April 2020 but has remained on the Board as a Non-Executive Director. Thank you James for all you have done. On behalf of all Shareholders, I wish to thank the Board for their guidance, our Company Secretary and our Financial Controller for all their diligent work and support for Nimrod during the 2019-2020 year.

I wish to give a warm welcome to our Company Exploration Manager, Mr Damien Mizow, who commenced with us in October 2020. Damien comes to Nimrod with sound experience in managing greenfields and advanced exploration projects in Australia and Internationally. He, together with our external consultants, Jon Hronsky and John Donahue, you can be confident that Nimrod has in place a highly credentialed team.

There is no doubt that further capital raising will continue to be a key issue for us. Capital will not come without exploration success. To this end, the Board recognised that with the lack of commercial mineralisation discoveries by the Company in the past, we had to take a different approach, and we have.

On behalf of the current Board, I thank all those who have contributed to the Nimrod of today, our Shareholders, Directors, Consultants and Contractors.



Bruce D McIver AM

Chairman

26 November 2020



## Directors & Officers

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**Bruce McIver, AM, FAICD**

**Chairman**

Bruce is Non-Executive Director of Australia Post, The City of Brisbane Investment Corporation (CBIC) and Rail Technology Group Pty Ltd. Bruce is also the Chairman of the McIver Group of Companies. Previously he has served on a number of Boards specialising in Bulk Shipping, Mining Logistics, Oil & Gas Logistics and Property, both in Queensland, interstate & in Asia. Bruce has also been active in state and local politics throughout his career.



**Peter Jans, LLB (Hons), Grad. Dip (Ancient History), MA**

**Non-Executive Director**

Peter is a senior commercial, corporate and resources lawyer with direct ASX listed experience, including group general counsel and company secretary for ERM Power Limited (ASX: EPW), Queensland Gas Company Limited (ASX:QGC) and CS Energy Limited (QLD: GOC). Peter has extensive experience in capital markets, including IPOs, mergers, acquisitions, equity and funding raisings, corporate governance and structuring, as well as regulatory dealings (ASX, ASIC and ACCC).



**Terry O'Reilly B.Com, MBA, M.AppFin, FAICD, CPA**

**Non-Executive Director**

Terry has extensive commercial experience in both Australia and Asia. With Rio Tinto he had Managing Director roles at Pacific Coal and Coal and Allied. He has been a director of a number of listed and unlisted companies including MacArthur Coal and is currently Chair of Batchfire Resources Pty Ltd.



**James Macaulay, B.Sc.(Metal), B.Com, FAICD**

**Non-Executive Director**

James Macaulay has extensive experience in the mining industry. He has broad experience covering metallurgy, mineral processing operations, mineral exploration, equipment application, engineering design, marketing, financial analysis, and corporate governance. He has been a Director of Metallurgical Refining & Development Pty Ltd for the past 34 years, overseeing the provision of mineral process and contract exploration services to the mining industry. He is a fellow of the Australian Institute of Company Directors (AICD).

## Directors & Officers (contd.)

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**Mark Day** BA (Hons), LLB, FGIA

**Company Secretary**

Mark has experience in commercial, legal and diplomatic roles throughout Asia Pacific. He has over thirty years experience as a commercial lawyer in multinational law firms in Australia, Hong Kong and Shanghai as well as in-house as general counsel and company secretary for large public and private corporations including in the minerals sector. Mark is a Fellow of the Governance Institute of Australia and a Member of the AICD.



**Stephen Gaffney** B.Bus (Acctcy), B.Laws, ACA

**Financial Controller**

Stephen has 20 years of professional and commercial accounting experience with a demonstrated history of working in the pharmaceutical, aviation, manufacturing, cement, mining & metals industries. He has worked both domestically and internationally, spanning both privately listed and public companies. Stephen has extensive experience in cash flow, business planning, financial analysis, corporate governance, equity and capital raisings, management, mergers and acquisitions (M&A), and consolidation. He is a member of the Australian Institute of Chartered Accountants.

## Management

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**Damien Mizow** B.Sc. (Hons)

**Exploration Manager**

Mr Mizow has a 14 year career in the mineral industry having worked in Australia, Scandinavia and Ecuador. This has included experience in underground mine geology and extensive experience in greenfields basemetal and gold exploration and management of advanced exploration programs. Previous engagements have ranged from working with junior exploration companies through to majors and mid-tier mining companies such as Xstrata Zinc and Oz Minerals. Mr Mizow holds a Bachelor of Science with Honours, majoring in Geology, from the University of Adelaide.

# Review of Operations

## Company Overview

Nimrod Resources Limited ("Nimrod") is an unlisted public company engaged in mineral exploration for gold and base-metals.

## Project Location

Nimrod's flagship project is the Bourke Gold Project, located north of Bourke in New South Wales (Figure 1).

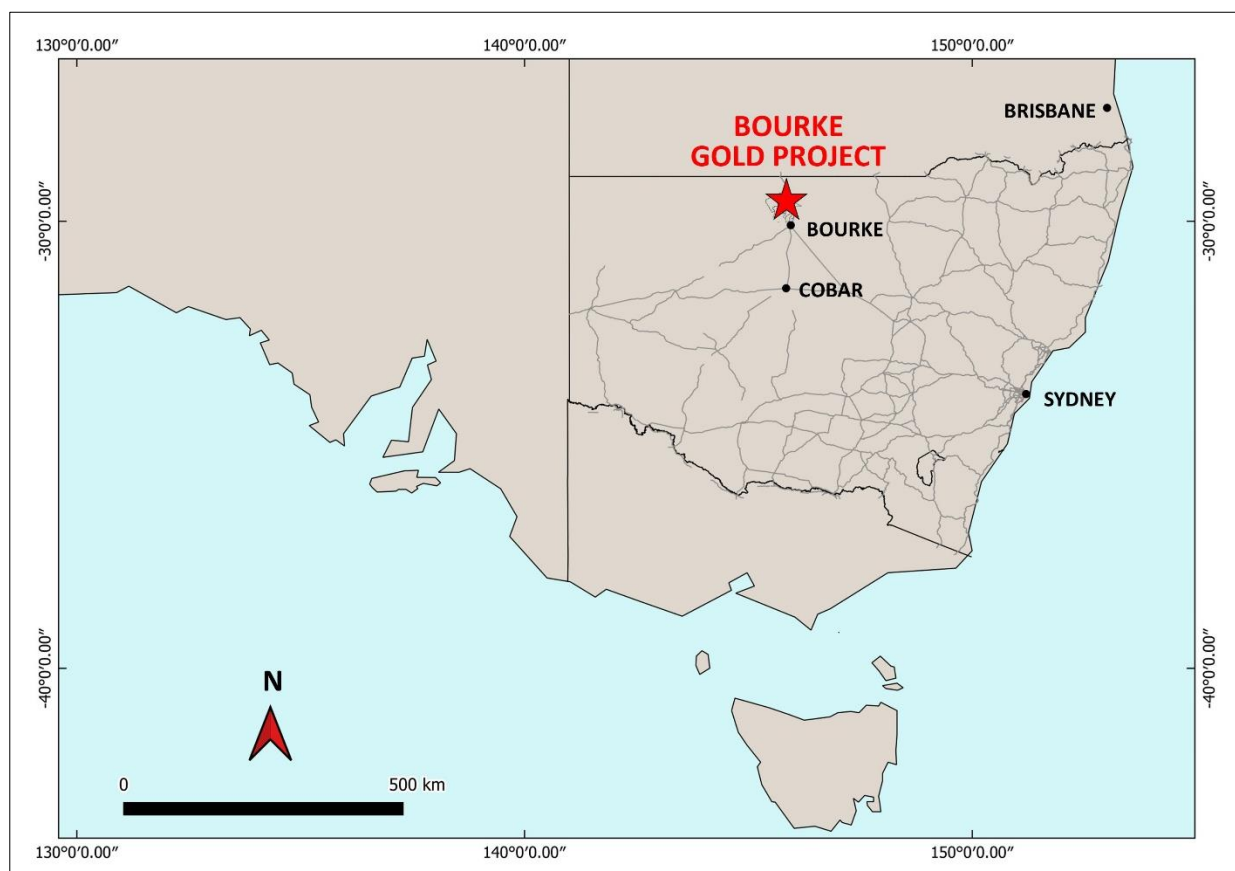


Figure 1: The Bourke Gold Project is located 80km north of Bourke in NSW.

## Tenure

Nimrod holds ~2800km<sup>2</sup> of contiguous exploration ground as shown in Figure 2 and tabulated in Table 1.

During the reporting period, EL8957 was granted in March 2020, and an exploration license application ELA 6047 was lodged, with an anticipated grant date before the end of 2020. EL8187 was also relinquished.



# Review of Operations

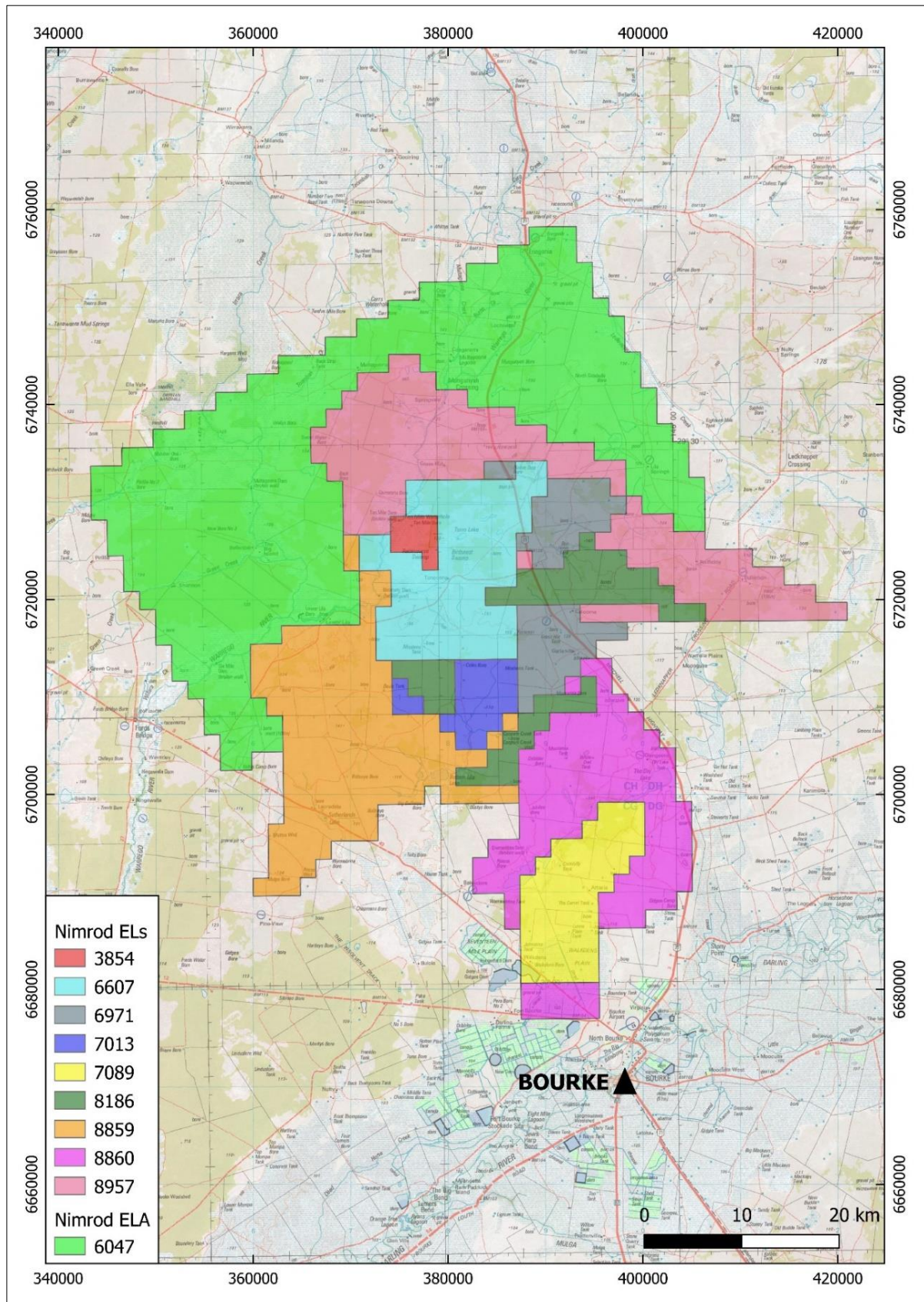


Figure 2: Map of Nimrod Exploration Licenses (ELs) and Exploration License Application (ELA) covering ~2800km².

## Review of Operations

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Title No.	Grant Date	Expiry Date	No. Units	Area km2	Comments
EL 8859	17-Jun-19	17-Jun-22	131 UNITS	363.9	
EL 3854	21-May-91	21-May-20	7 UNITS	19.4	Renewal Sought
EL 6607	02-Aug-06	02-Aug-21	82 UNITS	227.8	
EL 6971	11-Dec-07	11-Dec-20	47 UNITS	130.6	Renewal Sought
EL 8860	17-Jun-19	17-Jun-22	108 UNITS	300.0	
EL 8957	31-Mar-20	31-Mar-23	139 UNITS	386.1	
EL 7013	20-Jan-08	20-Jan-21	21 UNITS	58.3	
EL 7089	21-Feb-08	21-Feb-21	50 UNITS	138.9	
EL 8186	29-Oct-13	29-Oct-20	53 UNITS	147.2	Renewal Sought
ELA 6047			377 UNITS	1047.2	To be granted end of 2020
<b>Total</b>				<b>2819.4</b>	

Table 1: Nimrod Exploration License status.

## Exploration Summary

### Highlights

- External review of the exploration portfolio conducted by Jon Hronsky from *Western Mining Services*.
- 30km long exploration corridor identified in the north western sector of the tenement portfolio. Area coincides with cover thicknesses <100m.
- Ground gravity and aeromagnetic surveys completed.
- Orogenic gold prospect identified termed the Springvale Dome Target.
- Multiply bullseye magnetic features may be prospective for Cobar style Zn-Pb-Ag-Cu mineralisation.
- 2021 work program planned and will include geochemical drilling (aircore drilling), ground electromagnetic surveys and *Ultrafine+* soil sampling.



## Review of Operations

The planned exploration program as highlighted in the previous year's annual report was placed on hold to allow for a detailed external review of the exploration portfolio. This review was undertaken by Jon Hronsky from *Western Mining Services* in the first quarter of 2020 and subsequently revised in June 2020. The key outcome of this review was the identification of a conceptual gold target associated with the Culgoa Fault, on the basis that the host Gumberco Domain formed in an extensional/ back arc setting and was subsequently deformed by an orogenic event; and the historic Nimrod drillhole TDH 16, drilled within the Gumberco Domain, intersected 2m @ 131ppb Au from 460m in a narrow band of carbonate veined and sheared basalt, akin to an orogenic gold system (Figures 1 and 2).

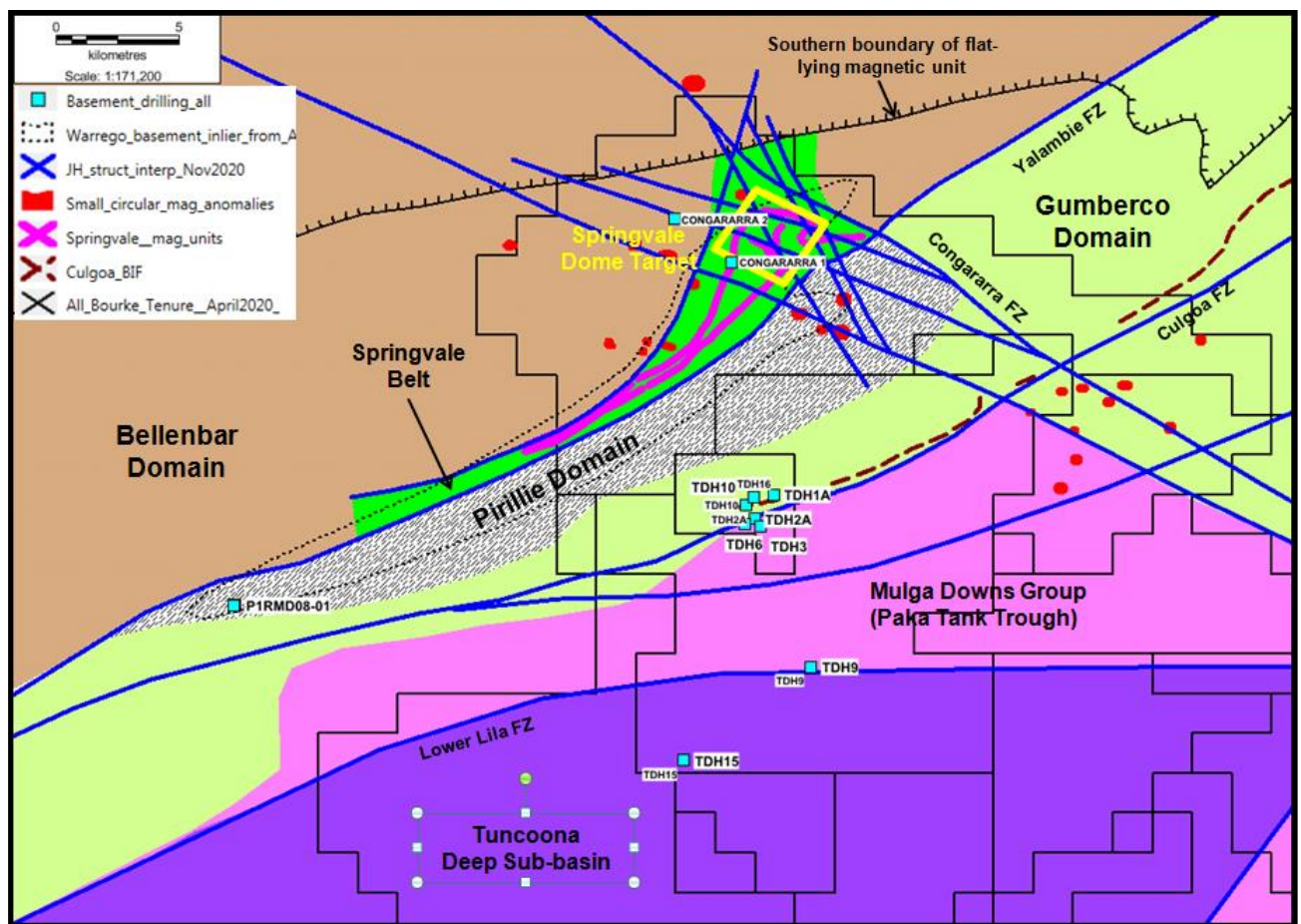


Figure 1: Nimrod drillhole TDH16 is located within the Gumberco Domain and proximal to the major Culgoa Fault Zone. The Springvale Dome Target lies north of TDH16 and the Gumberco Domain, corresponding with a cover sequence of <100m thick.

## Review of Operations

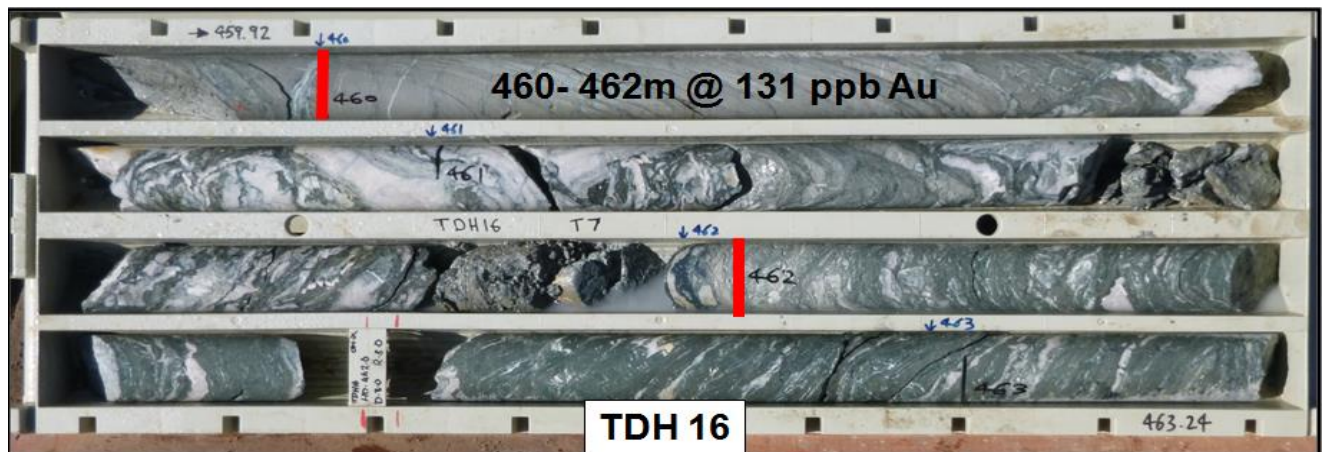


Figure 2: Nimrod drillcore from TDH 16 intersected 2m @ 131ppb Au from 460m in a narrow band of carbonate veined and sheared basalt, akin to an orogenic gold system.

Upon further review of the project, an area of anomalously shallow basement was recognised north of the Culgoa Fault. Using the regional geophysical data, a 30km long corridor was identified, where depth to basement is suggested to be within 100m of surface. Therefore, in order to understand the structural architecture of this area and indeed the broader project, a detailed aeromagnetic survey was flown during the reporting period, covering an area of 30km x 50km at 75m line spacing (Figure 3).

The major NE-SW trending Culgoa Fault was identified in the aeromagnetics survey in addition to the sub-parallel Yalambie Fault and the NW-SE trending Congararra Fault (Figures 3 and 4). These faults are considered to be major trans-lithospheric scale faults and potentially represent the necessary conduits for migration of gold bearing volatiles derived from the metasomatised upper mantle.

The intersection of the Congararra and Yalambie Faults coincides with the above area of uplift and is located within a folded magnetic sequence of rocks, overprinted by a series of 2<sup>nd</sup> order WNW trending structures. This area is considered prospective for orogenic gold mineralisation and is termed the Springvale Dome Target (Figures 3, 4 and 5).

A complimentary ground gravity survey was implemented across the Springvale Dome Target to verify the structures mapped in the aeromagnetic survey and also to refine depth to basement (Figure 5). The ground gravity data illustrates a 40-100m deep cover sequence over the Springvale Dome Target and is supported by the nearby Geoscience Australia drillhole Congararra 1 which intersected basement at 46m. Importantly, this demonstrates the area is under relatively thin cover and is amenable to conventional exploration techniques such as aircore drilling.

## Review of Operations

Furthermore, a number of discrete, bullseye magnetic targets have been detected from the aeromagnetics survey and overlap with the 30km long exploration corridor (Figure 4). These magnetic targets are comparable to magnetic bullseye features associated with Cobar Style orebodies, such as the Endeavor Mine (formally the Elura Deposit), located 120km south of the project area. The Endeavor Mine is a massive sulphide orebody with a global resource estimate of 27Mt @ 6.5% Zn, 3.7% Pb, 68g/t Ag and 0.2% Cu.

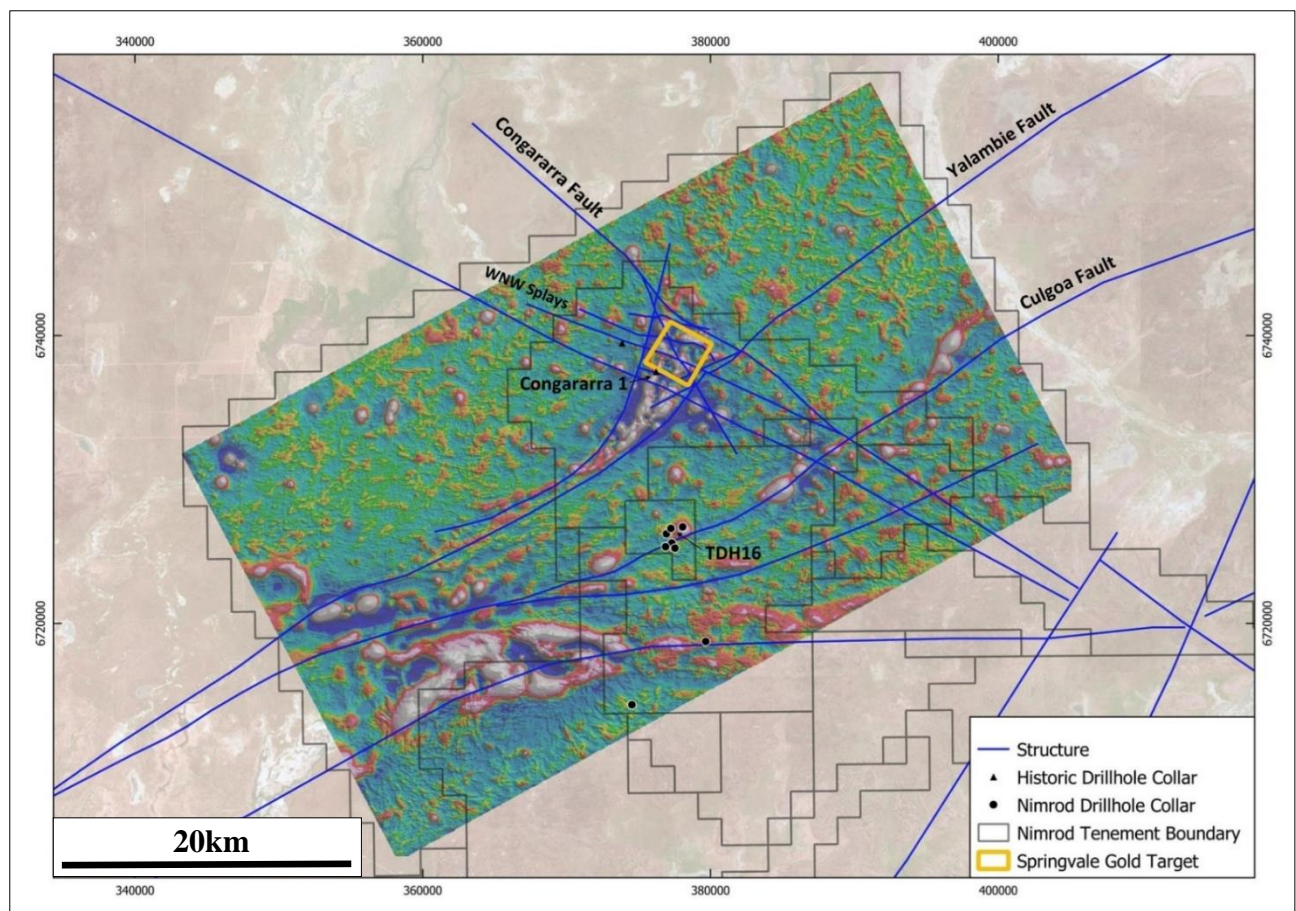


Figure 3: 30km x 50km magnetics survey shown as pseudocolour Tilt Derivative image. The Springvale Dome Target lies at the intersection of the major Congararra and Yalambie Faults. Note the location of TDH 16 which returned 2m @ 131ppb Au from 460m in a narrow band of carbonate veined and sheared basalt, akin to an orogenic gold system.



## Review of Operations

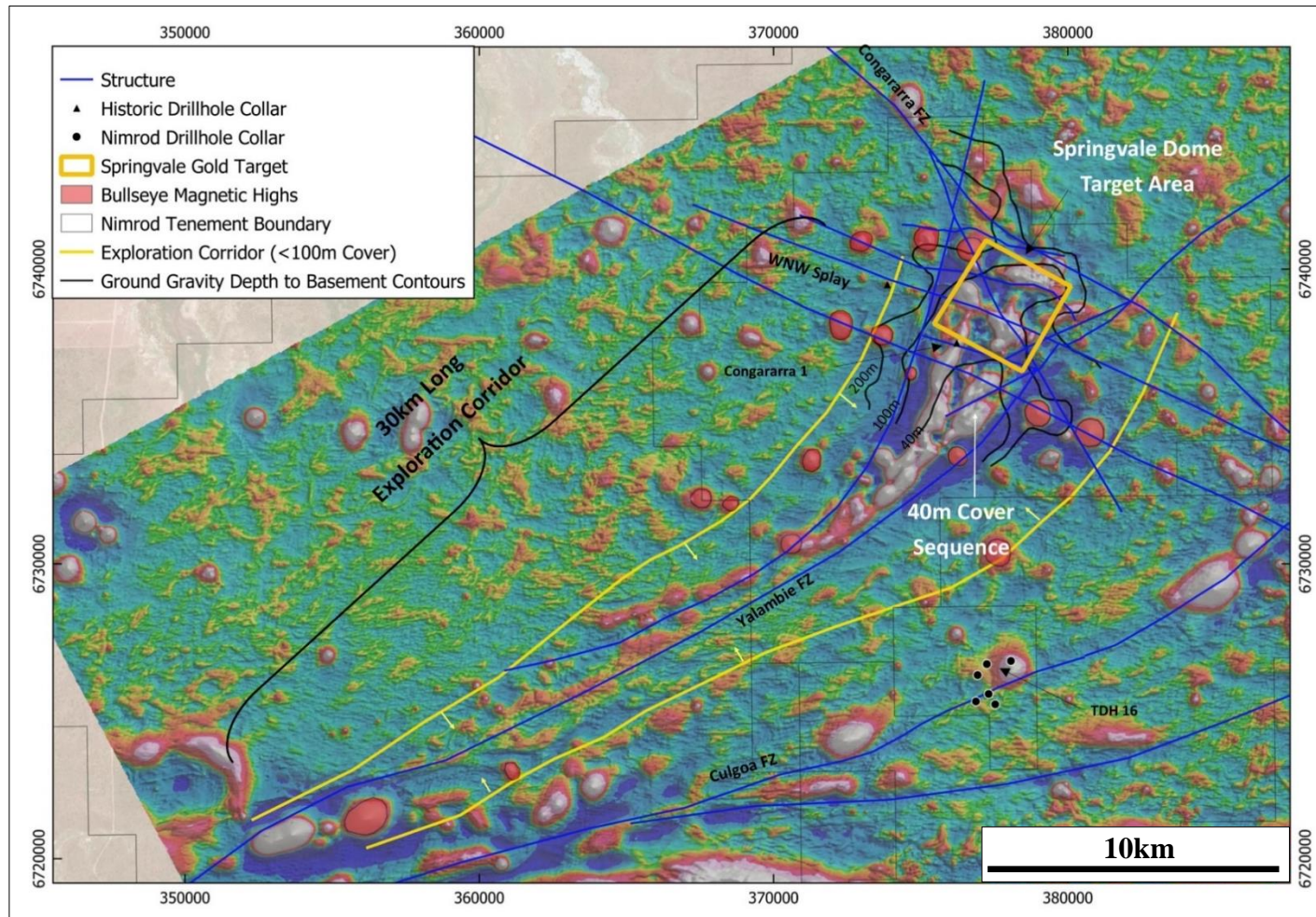


Figure 4: 30km exploration corridor corresponding with depth to basement <100m. The Springvale Gold Target lies at the intersection of the major Congararra and Yalambie Faults and is overprinted by 2<sup>nd</sup> order WNW splays. The ground gravity shows the depth to basement decreasing south through the prospect area.

## Review of Operations

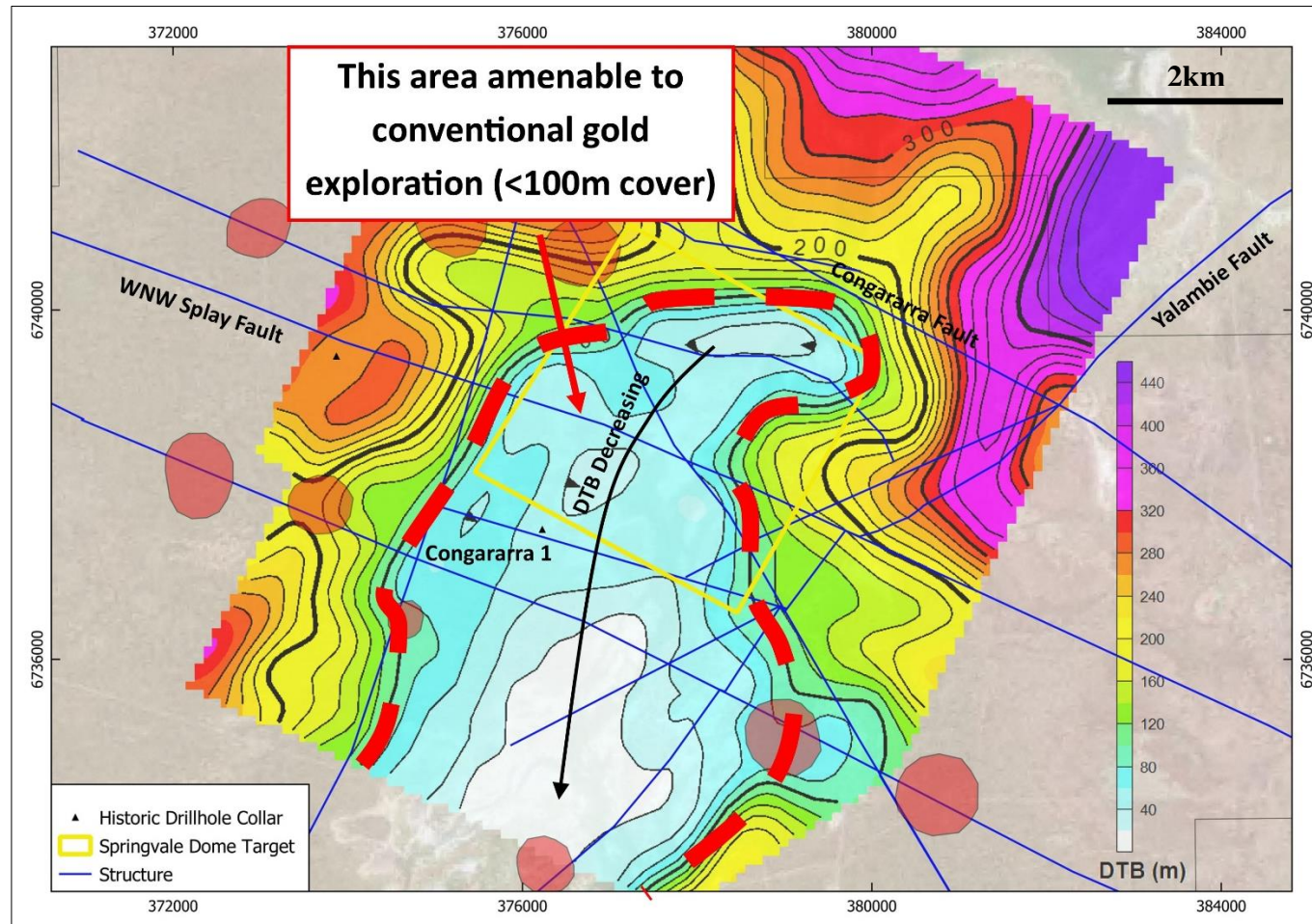


Figure 5: Constrained Depth to Basement (DTB) model using the ground gravity data shows the Springvale Dome Target is under <100m of cover and decreases to the south of the prospect, making it amenable to conventional exploration techniques such as aircore drilling.

# Review of Operations

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## Planned exploration in 2021

### Springvale Dome Target

This target covers 3km x 3km and overlaps with the Warrego River and associated sheetwash plains. A common technique to screen such an area for basement geochemical anomalism is aircore (AC) drilling. Aircore drilling is a cost effective and rapid drill technique and involves drilling through the Eromanga Basin sediments or the “cover” and penetrating 1-5m into hard rock basement only. If a mineralised body is concealed within the basement, any leakage from this mineralised body may migrate to the top of basement and be detected with aircore drilling. Given the Springvale Dome Target covers a large area, aircore drilling will target structural intersections and folded magnetic stratigraphy considered most likely to represent camp scale structural traps for gold or base metals. Gold, base-metal or pathfinder element anomalies may be refined with electrical geophysics and tested with deeper drilling such as reverse circulation (RC) or diamond drilling.

### Bullseye Magnetic Highs

The Elura style Zn-Pb-Ag-Cu mineralisation is after massive sulphide ore and is directly detectable using electromagnetics. A high powered ground electromagnetic survey is planned to test selected bullseye magnetic features overlapping with the target corridor. If a conductor is detected, it will be drill tested with either AC/ RC or diamond drilling.

### Broader Exploration Corridor

A 15km section of the exploration corridor, immediately south west of the Springvale Dome Target will be sampled with Ultrafine+ soils to detect for gold and basemetal anomalism. Ultrafine+ soils is an innovative technique designed by the CSIRO for areas of cover. It involves the collection of a traditional soil sample (nominally 200g) which is then sent to a laboratory and sieved to a <2 micron clay fraction. Any positively charged particles associated with metals or metalloids will absorb to the clay fraction, and subsequently assayed using ICP-MS multielement analysis. This is a quick and cost effective method to test a large area and will assist in defining aircore drill targets.



# **Nimrod Resources Limited**

## **Financial Statements**

**For the Year Ended 30 June 2020**

# **Nimrod Resources Limited**

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**For the Year Ended 30 June 2020**

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## Directors' Report

30 June 2020

The directors present their report on Nimrod Resources Limited for the financial year ended 30 June 2020.

### 1. General information

#### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

##### **Bruce McIver AM**

Qualifications

Experience

##### **Chairman**

FAICD (Dip.)

Bruce is Non-Executive Director of Australia Post, The City of Brisbane Investment Corporation (CBIC) and Rail Technology Group Pty Ltd. Bruce is also the Chairman of the McIver Group of Companies. Previously he has served on a number of Boards specialising in Bulk Shipping, Mining Logistics, Oil & Gas Logistics and Property, in Queensland, Interstate and in Asia and positions in politics. Bruce has been a Fellow of the Australian Institute of Company Directors (AICD) since 2004.

Interest in shares and options 1,000,000 shares held

##### **James Macaulay**

Qualifications

Experience

##### **Non-Executive Director**

B.Sc.(Metall.), B.Com., FAICD (Dip.)

James has over 40 years of experience in the mining industry. He has broad experience covering metallurgy, mineral processing operations, mineral exploration, equipment application, engineering design, marketing, financial analysis, and corporate governance.

Interest in shares and options 35,747,499 shares held

##### **Peter Jans**

Qualifications

Experience

##### **Non-Executive Director**

LLB (Hons), Grad. Dip (Ancient History), MA

Peter is a senior commercial, corporate and resources lawyer with direct ASX listed experience, including group general counsel and company secretary for ERM Power Limited (ASX: EPW) and Queensland Gas Company Limited (ASX:QGC) and CS Energy Limited (QLD: GOC).

Peter has extensive experience in capital markets, including IPOs, mergers, acquisitions, equity and funding raisings, corporate governance and structuring, as well as regulatory dealings (ASX, ASIC and ACCC).

He has been a Director of a number of listed and unlisted companies.

Interest in shares and options Nil

##### **Terry O'Reilly**

Qualifications

Experience

##### **Non-Executive Director**

B.Com, MBA, M.AppFin, FAICD, CPA

Terry has extensive commercial experience in both Australia and Asia. With Rio Tinto he had MD roles at Pacific Coal and Coal and Allied. He has been a director of a number of listed and unlisted companies including MacArthur Coal and is currently Chair of Batchfire Resources Pty Ltd

Interest in shares and options Nil

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.



## **Directors' Report**

**30 June 2020**

### **1. General information**

#### **Principal activities**

The principal activity of Nimrod Resources Limited during the financial year was the exploration of mineral opportunities in the Bourke area (New South Wales, Australia).

No significant changes in the nature of the Company's activity occurred during the financial year.

### **2. Operating results and review of operations for the year**

#### **Operating results**

The profit of the Company after providing for income tax amounted to \$ 373,336 (2019: Loss \$ (271,235)).

### **3. Other items**

#### **Significant changes in state of affairs**

There have been no significant changes in the state of affairs of the Company during the year.

#### **Matters or circumstances arising after the end of the year**

The outbreak of the coronavirus disease (COVID-19) has impacted many sectors. To date there has been no significant effect on the performance of the company.

The directors will continue to closely monitor the impact of COVID-19 on the company's business and financial performance however the situation is continuing to evolve and the long-term consequences are uncertain.

During the financial year, the company approved the creation of a Share Rights Plan for eligible employees and directors. No Awards, representing an entitlement to share options, were issued under the Plan during the financial year. Subsequent to year-end, Invitations to apply for Awards representing 1,166,667 Options were issued to the Directors and Company Secretary. A value of \$145,833 would be recorded if all options are issued. Any value will be recorded in the financial report for the year in which the Options are issued.

Other than as noted above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

#### **Future developments and results**

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

#### **Environmental matters**

The company is required to carry out its activities in accordance with regulations determined by statute and regional entities in the areas in which it undertakes exploration, development and production activities. The company is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

#### **Dividends paid or recommended**

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

## Directors' Report

30 June 2020

### Company secretary

The following person held the position of Company secretary at the end of the financial year:

Mark Day (BA/LLB) has been company secretary since 20th May 2019. Prior to joining the company Mark had over thirty years experience as a commercial lawyer in private practice and in-house roles, most recently as general counsel and company secretary for the ASX listed mineral processing equipment manufacturer, Ludowici Limited. Mark is a Fellow of the Governance Institute of Australia

### Meetings of directors

During the financial year, 16 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Bruce McIver	16	16
James Macaulay	16	16
Peter Jans	16	15
Terry O'Reilly	16	16

### Options

During the financial year, the company approved the creation of a Share Rights Plan for eligible employees and directors. No Awards, representing an entitlement to share options, were issued under the Plan during the financial year. Subsequent to year-end, Invitations to apply for Awards were issued to the Directors and Company Secretary. For more details refer to the "Matters or circumstances arising after the end of the year" paragraph above.

### Indemnification and insurance of officers and auditors

The Company has indemnified the Directors for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith. No such indemnity has been provided for the auditors.

During the financial year, Nimrod Resources Limited paid a premium of \$8,000 (2019: \$6,875) to insure the directors and secretary of the Company.


### Proceedings on behalf of company

Nimrod Resources is the plaintiff in legal proceedings involving past supplies/services received. No claim exposure against Nimrod Resources currently exists. At the date of this report, the matter is not yet finalised.

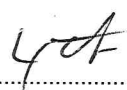

### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:   
Bruce McIver AM

Director:   
Terry O'Reilly

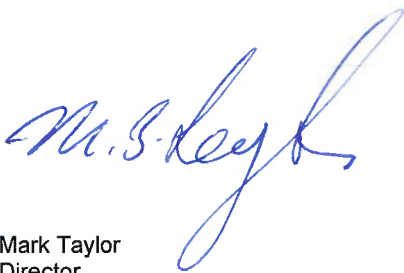
Dated this  day of  2020

**Nimrod Resources Limited**

**Auditor's Independence Declaration under Section 307C of the  
Corporations Act 2001 to the Directors of Nimrod Resources Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Mark Taylor  
Director  
HALL CHADWICK QLD

Dated this 4<sup>th</sup> day of September 2020

## Nimrod Resources Limited

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Income	4	982,485	47,484
Consulting and legal fees		(182,931)	(77,310)
Travel expenses		(8,710)	(26,459)
Rental expenses		(12,132)	(22,230)
Directors Fees		(131,665)	(94,352)
Depreciation expense		(121,040)	(11,476)
Administrative expenses		(151,466)	(86,992)
Finance costs		(1,205)	100
<b>Profit/(Loss) before income tax</b>		<b>373,336</b>	<b>(271,235)</b>
Income tax expense		-	-
<b>Profit/(Loss) for the year</b>		<b>373,336</b>	<b>(271,235)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>373,336</b>	<b>(271,235)</b>

The accompanying notes form part of these financial statements.

# Nimrod Resources Limited

## Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	2,242,538	2,800,068
Trade and other receivables	8	-	12,697
Other assets	9	31,609	58,124
TOTAL CURRENT ASSETS		<u>2,274,147</u>	<u>2,870,889</u>
NON-CURRENT ASSETS			
Trade and other receivables	8	134,275	90,000
Property, plant and equipment	10	215,887	111,221
Right-of-use assets	11	41,155	-
Exploration, evaluation and development assets	12	4,434,159	3,558,559
TOTAL NON-CURRENT ASSETS		<u>4,825,476</u>	<u>3,759,780</u>
TOTAL ASSETS		<u><u>7,099,623</u></u>	<u><u>6,630,669</u></u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	13	355,943	402,303
Lease liabilities	11	41,978	-
TOTAL CURRENT LIABILITIES		<u>397,921</u>	<u>402,303</u>
TOTAL LIABILITIES		<u>397,921</u>	<u>402,303</u>
NET ASSETS		<u><u>6,701,702</u></u>	<u><u>6,228,366</u></u>
<b>EQUITY</b>			
Issued capital	14	10,547,536	10,447,536
Retained earnings		(3,845,834)	(4,219,170)
TOTAL EQUITY		<u><u>6,701,702</u></u>	<u><u>6,228,366</u></u>

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity

For the Year Ended 30 June 2020

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>10,447,536</b>	<b>(4,219,170)</b>	<b>6,228,366</b>
Profit for the year	-	373,336	373,336
Total other comprehensive income for the year	-	-	-
<b>Transactions with owners in their capacity as owners</b>			
Shares issued during the year	100,000	-	100,000
<b>Balance at 30 June 2020</b>	<b>10,547,536</b>	<b>(3,845,834)</b>	<b>6,701,702</b>

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
<b>Balance at 1 July 2018</b>	<b>6,947,536</b>	<b>(3,947,935)</b>	<b>2,999,601</b>
Loss for the year	-	(271,235)	(271,235)
Total other comprehensive income for the year	-	-	-
<b>Transactions with owners in their capacity as owners</b>			
Shares issued during the year	3,500,000	-	3,500,000
<b>Balance at 30 June 2019</b>	<b>10,447,536</b>	<b>(4,219,170)</b>	<b>6,228,366</b>

# Statement of Cash Flows

## For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from R&D Incentive	932,326	-
Receipts from Government Covid-19 support	22,015	-
Payments to suppliers and employees	(675,447)	(718,991)
Interest received	30,143	48,137
GST Recovered	117,280	274,426
Net cash provided by/(used in) operating activities	15 426,317	(396,428)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(163,972)	(122,697)
Payment for exploration and evaluation	(875,600)	(2,161,552)
Payments for security deposits	(44,275)	(20,000)
Net cash provided by/(used in) investing activities	(1,083,847)	(2,304,249)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	100,000	3,500,000
Repayment of borrowings	-	(5,771)
Net cash provided by/(used in) financing activities	100,000	3,494,229
Net increase/(decrease) in cash and cash equivalents held	(557,530)	793,552
Cash and cash equivalents at beginning of year	2,800,068	2,006,516
Cash and cash equivalents at end of financial year	7 2,242,538	2,800,068

## Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Nimrod Resources Limited as an individual entity. Nimrod Resources Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Nimrod Resources Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 04 September 2020.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

### 2 Summary of Significant Accounting Policies

#### (a) Adoption of new and revised accounting standards

##### Adoption of AASB 16

The key changes to the Company's accounting policies and the impact on these financial statements from their application is described below

The Company has adopted AASB 16 *Leases* using the cumulative effect method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

##### Impact of adoption of AASB 16

Previously, leases were classified based on their nature as either finance leases or operating leases. Finance leases were recognised in the Statement of Financial Position and operating leases were recognised on a straight-line basis over the term of the lease.

Under AASB 16, the Company's accounting for operating leases as a lessee will now result in the recognition of a right-of-use (ROU) asset and a corresponding lease liability, with the exception of short term leases under 12 months and where the underlying ROU asset is of a low value. The lease liability will represent the present value of future lease payments. There will be a separate recognition of the depreciation charge on the ROU asset and interest expense on the lease liability.

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 2 Summary of Significant Accounting Policies

#### (a) Adoption of new and revised accounting standards

The Company adopted AASB 16 using the modified retrospective method of adoption. The reclassifications and adjustments arising from the new leasing standard are therefore recognised in the opening statement of financial position on 1 July 2019. As the Company adopted this approach, there was no restatement of previous financial statements required. When applying this modified approach, the Company has elected to apply practical expedients allowed under the standard, including the use of hindsight in determining the lease term where the contract contains options to extend the lease. The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Contract relied on its assessment made applying AASB 117.

On adoption of AASB 16, the Company recognised lease liabilities in relation to leases which had previously been classified as an operating lease under AASB 117 Lease. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at date of transition.

#### (b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- 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 accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 2 Summary of Significant Accounting Policies

#### (c) Revenue and other income

All revenue is stated net of the amount of goods and services tax (GST).

##### Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

##### Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

#### (d) Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

#### (e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

#### (f) Financial instruments

##### (i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### (ii) Derecognition

##### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.



## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 2 Summary of Significant Accounting Policies

#### (f) Financial instruments

##### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

##### Impairment of Financial Assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

##### *Available-for-sale financial assets*

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

#### (g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts and credit cards are shown as borrowings in current liabilities on the statement of financial position.

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 2 Summary of Significant Accounting Policies

#### (h) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the income statement.

#### (i) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company 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.

#### (j) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

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

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

The mining extraction and processing activities of Nimrod Resources Limited normally give rise to obligations for site closure or rehabilitation.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in property, plant and equipment and depreciated accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense which is recognised in finance costs. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology discounted to their present value.

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

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 2 Summary of Significant Accounting Policies

#### (k) Going concern

The financial statements have been prepared on a going concern basis which contemplates that the Company will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2020, the company reported a profit after tax for the year of \$373,336 (2019: loss of \$271,235). In the same period, the company had combined operating and investing cash outflows totalling \$657,530 (2019: combined outflows totalling \$2,700,677).

Because of the nature of its operations the Directors recognise that there is a need, on an ongoing basis, for the Company to regularly raise additional cash to fund future exploration activity and meet other necessary corporate expenditure. Accordingly, when necessary, the Company investigates various options for raising additional funds which may include, but is not limited to, an issue of shares or the sale of exploration assets where increased value has been created through previous exploration activity. Over the past 8 years, the company has had a number of successful capital raisings.

Accessing capital markets is always uncertain and this may give rise to a material uncertainty in regards to the ability to raise additional funds. After taking into account the various funding options available, the Directors have a reasonable expectation that the Company will be successful with future fund raising initiatives and, as a result, will have adequate resources to fund its future operational requirements. For these reasons they continue to adopt the going concern basis in preparing the financial report.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

### 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key judgments - capitalisation of exploration and evaluation expenditure

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure carried at the end of the reporting period is \$ 4,434,159 (2019: \$3,558,559).

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 4 Revenue and Other Income

	2020 \$	2019 \$
Finance income		
- Interest received	28,144	47,484
<b>Total interest income</b>	<b>28,144</b>	<b>47,484</b>
Other income		
- Government Covid-19 support package	22,015	-
- R&D Incentive	932,326	-
<b>Total other income</b>	<b>954,341</b>	<b>-</b>
<b>Total Revenue</b>	<b>982,485</b>	<b>47,484</b>

#### 5 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2020 \$	2019 \$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2019: 27.5%)	102,667	(74,590)
Add:		
Tax effect of:		
- non-deductible depreciation and amortisation	33,286	3,156
- other non-allowable items	13,092	9,377
- R&D Expenditure	-	589,401
- Deferred tax asset not recognised	371,803	84,271
	<b>520,848</b>	<b>611,615</b>
Tax effect of:		
- deductible depreciation	(22,153)	(33,742)
- black hole expenses	(2,065)	(2,065)
- deductible exploration expenditure	(217,104)	(561,070)
- other allowable items	(23,136)	(14,738)
- R&D Incentive	(256,390)	-
Income tax expense	<b>-</b>	<b>-</b>

#### 6 Tax assets and liabilities

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of losses because it cannot be determined that future taxable profit will be available against which Nimrod Resources Limited can utilise the benefits therein.

As of 30 June 2020, the company has unutilised cumulative deferred tax assets of \$1,023,497 (2019: \$651,696).



## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 7 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	642,538	400,068
Deposits	1,600,000	2,400,000
	<b>2,242,538</b>	<b>2,800,068</b>

### 8 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
GST receivable	-	10,698
Other receivables	-	1,999
<b>Total current trade and other receivables</b>	<b>-</b>	<b>12,697</b>

	2020	2019
	\$	\$
NON-CURRENT		
Deposits	134,275	90,000
<b>Total non-current trade and other receivables</b>	<b>134,275</b>	<b>90,000</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 9 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	31,609	58,124

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 10 Property, plant and equipment

	2020 \$	2019 \$
Plant and equipment		
At cost	199,256	74,537
Accumulated depreciation	(46,897)	(10,626)
Total plant and equipment	152,359	63,911
Furniture, fixtures and fittings		
At cost	71,958	32,705
Accumulated depreciation	(20,701)	(765)
Total furniture, fixtures and fittings	51,257	31,940
Motor vehicles		
At cost	15,455	15,455
Accumulated depreciation	(3,184)	(85)
Total motor vehicles	12,271	15,370
<b>Total property, plant and equipment</b>	<b>215,887</b>	<b>111,221</b>

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Total \$
<b>Year ended 30 June 2020</b>				
Balance at the beginning of year	63,911	31,940	15,370	111,221
Additions	124,719	39,253	-	163,972
Depreciation expense	(36,271)	(19,936)	(3,099)	(59,306)
<b>Balance at the end of the year</b>	<b>152,359</b>	<b>51,257</b>	<b>12,271</b>	<b>215,887</b>
<b>Year ended 30 June 2019</b>				
Balance at the beginning of year	-	-	-	-
Additions	74,537	32,705	15,455	122,697
Depreciation expense	(10,626)	(765)	(85)	(11,476)
<b>Balance at the end of the year</b>	<b>63,911</b>	<b>31,940</b>	<b>15,370</b>	<b>111,221</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 11 Leases

Right-of-use assets		
	<b>Buildings</b>	<b>Total</b>
	\$	\$
Right-of-use assets at cost	102,888	102,888
Accumulated Depreciation Right-of-use assets	(61,733)	(61,733)
<b>Balance at end of year</b>	<b>41,155</b>	<b>41,155</b>

#### Lease liabilities

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

The company is party to one property lease in relation to its office. Rental provisions within the lease agreement requires that the minimum lease payments increase by the greater of 3% or CPI per annum.

The lease will mature within 12 months. The total discounted lease liability at 30 June 2020 is \$41,978 (Undiscounted liability: \$42,230).

#### 12 Exploration, evaluation and development assets

	<b>2020</b>	<b>2019</b>
	\$	\$
Exploration and evaluation	4,434,159	3,558,559
	<b>Exploration &amp; evaluation</b>	
	\$	
<b>2020</b>		
Balance at beginning of the year		3,558,559
Expenditure incurred		875,600
Balance at end of the year		4,434,159
<b>2019</b>		
Balance at beginning of the year		1,397,007
Expenditure incurred		2,161,552
Balance at end of the year		3,558,559

The tenement licences were acquired in 2008 from Metallurgical Refining and Development Pty Ltd, a director-related entity, in exchange for 68,649,970 ordinary shares in the company. The licences were valued by an independent valuer who determined the fair value at the time to be \$20,000.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use.

# Notes to the Financial Statements

For the Year Ended 30 June 2020

## 13 Trade and Other Payables

	2020	2019
	\$	\$
Current		
Trade payables	291,473	373,053
GST payable	967	-
Sundry payables and accrued expenses	55,296	29,250
Other payables	8,207	-
	<b>355,943</b>	<b>402,303</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## 14 Issued Capital

	2020	2019
	\$	\$
151,388,811 (2019: 150,588,811) Ordinary shares	<b>10,547,536</b>	<b>10,447,536</b>

### (a) Ordinary shares

	2020	2019
	No.	No.
At the beginning of the reporting period	<b>150,588,811</b>	122,588,811
Shares issued during the year	<b>800,000</b>	28,000,000
At the end of the reporting period	<b>151,388,811</b>	<b>150,588,811</b>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

During the financial year, the company approved the creation of a Share Rights Plan for eligible employees and directors. No Awards, representing an entitlement to share options, were issued under the Plan during the financial year. Subsequent to year-end, Invitations to apply for Awards were issued to the Directors and Company Secretary. For more details refer to Note 19.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 15 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Profit for the year	373,336	(271,235)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	59,306	11,476
- depreciation on ROU asset	61,733	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	1,999	653
- (increase)/decrease in prepayments	26,515	(51,594)
- increase/(decrease) in trade and other payables	(47,327)	(100,235)
- increase/(decrease) in lease liabilities	(60,910)	-
- increase/(decrease) in GST	11,665	14,507
Cashflows from operations	<u>426,317</u>	<u>(396,428)</u>

#### 16 Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instrument and accounts receivable and payable.

The carrying amounts for each category of financial instruments, measure in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

##### Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk



## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 16 Financial Risk Management

#### Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

	2020	2019
	\$	\$
<b>Financial assets</b>		
Held at amortised cost		
Cash and cash equivalents	2,242,538	2,800,068
Trade and other receivables	134,275	102,697
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	(397,921)	(402,303)
<b>Total</b>	<u>1,978,892</u>	<u>2,500,462</u>

### 17 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 131,665 (2019: \$ 94,352).

### 18 Related Parties

(a) The Company's main related parties are as follows:

(i) Key management personnel (KMP)

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 17: Key Management Personnel Remuneration.

Other transactions with KMP and their related parties are shown below.

(ii) Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 18 Related Parties

(b) Transactions with related parties

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

The following transactions occurred with related parties:

	Purchases	Liabilities
	\$	\$
<b>KMP related parties</b>		
Metallurgical Refining & Development Pty Ltd	177,703	225,588
CAD Partners Pty Ltd	5,396	-

(c) Loans from related parties

There are no loans from KMP as of 30 June 2020 (2019: Nil).

#### 19 Events Occurring After the Reporting Date

The outbreak of the coronavirus disease (COVID-19) has impacted many sectors. To date there has been no significant effect on the performance of the company.

The directors will continue to closely monitor the impact of COVID-19 on the company's business and financial performance however the situation is continuing to evolve and the long-term consequences are uncertain.

During the financial year, the company approved the creation of a Share Rights Plan for eligible employees and directors. No Awards, representing an entitlement to share options, were issued under the Plan during the financial year. Subsequent to year-end, Invitations to apply for Awards representing 1,166,667 Options were issued to the Directors and Company Secretary. A value of \$145,833 would be recorded if all options are issued. Any value will be recorded in the financial report for the year in which the Options are issued.

Other than as noted above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

#### 20 Statutory Information

The registered office of the company is:

Nimrod Resources Limited  
LEVEL 4, 240 Queen Street  
BRISBANE QLD 4000

The principal place of business is:

Unit 3, 19 Murdoch Circuit  
ACACIA RIDGE QLD 4110


## Nimrod Resources Limited

### Directors' Declaration

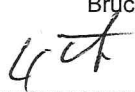

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 22, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director  .....  
Bruce McIver AM

Director  .....  
Terry O'Reilly

Dated this  day of  2020

**Nimrod Resources Limited**

[hallchadwickqld.com.au](http://hallchadwickqld.com.au)

## **Independent Audit Report to the members of Nimrod Resources Limited**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Nimrod Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for 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 Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2(l) in the financial report which indicates that the Company earned a profit after tax for the year ended 30 June 2020 of \$373,336 (2019: loss of \$271,235) and in the same period had combined operating and investing cash outflows totalling \$657,530 (2019: combined outflows totalling \$2,700,677). Note 2(k) also indicates that there may be a material uncertainty in regards to the ability of the company to raise additional funds.

As stated in Note 2(k), these events or conditions, along with other matters as set forth in Note 2(k), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Responsibilities of 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 - Reduced Disclosure Requirements 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.

## **Nimrod Resources Limited**

### **Independent Audit Report to the members of Nimrod Resources Limited**

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

#### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



**Nimrod Resources Limited**

**Independent Audit Report to the members of Nimrod Resources Limited**

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

*Hall Chadwick*  
*M. B. Keyser*

Mark Taylor  
Director  
HALL CHADWICK QLD

Dated this 4<sup>th</sup> day of September 2020