Iceni Gold Limited

A.C.N. 639 626 949

Financial Statements
For the Period 13 July 2020 to 31 December 2020

Contents

Directors' report

Your directors present their report on Iceni Gold Limited (**Iceni Gold** or **the Company**) for the financial period to 31 December 2020.

Iceni Gold was incorporated on 13 July 2020 with the intention of listing on the Australian Securities Exchange (**ASX**).

Directors

The names of Directors in office at any time during or since the end of the financial period are:

- Brian Bernard Rodan Director
- Paul Anthony Heatley Director
- Keith Charles Murray Director

Directors have been in office since incorporation to the date of this report unless otherwise stated. For additional information on Directors, including details of the qualifications of Directors, please refer to the paragraph 'Information relating to the directors' of this Directors' Report.

Company secretary

The following persons held the position of Company Secretary during the period ended 31 December 2020:

- Paul Heatley *(Appointed 13 July 2020, resigned 13 November 2020)*
  Qualifications ☐ BBus, CPA
  Experience ☐ Mr Heatley is an accountant and member of CPA Australia with 20 years experience in providing business advisory, taxation and company secretarial services to a range of large private and public unlisted companies. He is currently a Company Secretary of Desert Metals Limited (ASX: DM1).

- Mr Sebastian Andre *(Appointed 13 November 2020)*
  Qualifications ☐ BAcc/BA, GradDip Fin, FGIA
  Experience ☐ Mr Andre is a Chartered Secretary with over 10 years of experience in corporate advisory, governance and risk services. He has previously acted as an adviser at the ASX and has a thorough understanding of the ASX Listing Rules, specialising in providing advice to companies and their boards in respect to capital raisings, IPOs, backdoor listings, corporate compliance and governance matters. Mr Andre holds qualifications in accounting, finance and corporate governance and is a member of the Governance Institute of Australia.

Dividend paid or recommended

There were no dividends paid or recommended during the period ended 31 December 2020.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the period to 31 December 2020 other than disclosed elsewhere in this Interim Financial Report.

Operating and financial review

Nature of Operations and Principal Activities

The Company was incorporated as an unlisted public company limited by shares on 13 July 2020, for the purpose of acquiring, exploring, and developing gold projects in Western Australia.

Directors' report

Operations Review

The Group's main business undertaking is the exploration for and development of mineral resources. On 17 November 2020, the Group completed the acquisition of the 14 Mile Well Project and Guyer Well Project. The Group's key project is the 14 Mile Well Project, located in the Laverton region of Western Australia (Project). The tenements making up the Project cover an area of approximately 560km^2.

The Group has a planned exploration timetable and budget which are aimed at undertaking activities on the Project. Any returns to investors are subject to the Company being successful in making mineral discoveries and, where feasible, commercialising and developing such assets.

Financial Review

Operating Results

For the period to 31 December 2020 the Group reported a loss before tax of $168,363.

Financial Position

The net assets of the Group as at 31 December 2020 were $5,905,637. As at 31 December 2020, the Group's cash and cash equivalents were $1,092,995 and it had working capital of $1,060,332.

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of $168,363 and a net operating cash out-flow of $221,705.

The directors are satisfied that the going concern basis of preparation is appropriate as the directors are confident of the Group's ability to raise additional funds as and when they are required.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Events Subsequent to Reporting Date

The following significant events have arisen since the end of the period:

a. **Share Issues**

Subsequent to period end, the Group completed an additional seed capital raising of 750,000 shares at $0.10 per share.

In addition, the Group, as part of its pre-IPO capital raising, will issue a further 7,221,428 seed capital shares at $0.14 per share. As at the date of this report, these shares have not been issued. Funds received to date have been recorded as share capital on the Consolidated Statement of Financial Position.

b. **Option Issues**

The Company issued 7,000,000 unlisted options to the directors and 4,250,000 unlisted options to consultants, which will convert to shares on a one for one basis, exercisable at $0.30 per option with an expiry date of three years from issue with a valuation of $854,139 and $518,584 respectively.

c. **Application for quotation on the Australian Securities Exchange**

The Company is currently in the early stages of applying for quotation on the Australian Securities Exchange (ASX). The proposed capital raising is for 100,000,000 shares issued at $0.20 each to raise a total of $20,000,000.

Directors' report

Except for the above, no other matters or circumstances have arisen since the end of the financial period 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, Prospects and Business Strategies

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

Environmental Regulations

The Group's operations are not currently subject to any significant environmental regulations in the jurisdiction it operates in, namely Australia.

Information relating to the directors:

- **Brian Rodan** — Managing Director (appointed 13 July 2020)
  - Qualifications — Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM)
  - Experience — Managing Director and owner of Australian Contract Mining Pty Ltd (ACM), a mid-tier contracting company that successfully completed $1.5B worth of work over a 20 year period. ACM was sold to an ASX listed gold mining company in 2017.
    Founding Director of Dacian Gold Limited, which purchased the Mt Morgans Gold Mine from the Administrator of Range River Gold Ltd. After it listed on the ASX in 2012 Mr Rodan was Dacian's largest shareholder.
    Executive Director of Eltin Limited. 15 year tenure with Australia's largest full service ASX listed contract mining company with annual turnover of $850M (+). Mr Rodan is currently Managing Director and Acting Executive Chairman of Siren Gold Limited (ASX: SNG).

- **Keith Murray** — Non-Executive Director (appointed 13 July 2020)
  - Qualifications — B. Acc, Chartered Accountant (CAANZ)
  - Experience — Mr Murray is a Chartered Accountant with over 40 years' experience at a general manager level in audit, accounting, tax, finance, treasury and corporate governance. During the 1990's Mr Murray was Group Accounting Manager Corporate and Taxation and joint Company Secretary for Eltin Limited, a leading Australian based international mining services company. Mr Murray is currently General Manager Corporate and Company Secretary for the Heytesbury Group and is a non-executive director of Siren Gold Limited (ASX: SNG).

- **Paul Heatley** — Non-Executive Director (appointed 13 July 2020)
  - Qualifications — BBus, CPA
  - Experience — Mr Heatley is an accountant and member of CPA Australia with 20 years experience in providing business advisory, taxation and company secretarial services to a range of large private and public unlisted companies. He is currently a Company Secretary of Desert Metals Limited (ASX: DM1).

Meetings of directors

During the period five meetings of Directors were held. Attendances by each Director during the period are stated in the following table:

	Directors Meetings	
	Number eligible to attend	Number attended
Paul Heatley	5	5
Keith Murray	5	5
Brian Rodan	5	5

Indemnifying officers or auditors

Indemnification

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

Insurance premiums

During the financial period the Company has paid a premium of $Nil in respect of a contract to insure the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001

Options

Unissued shares under option

During the period the Group issued 5,000,000 options exercisable at $0.30 on or before 31 March 2024.

Shares issued on exercise of options

No shares have been issued upon exercise of options.

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 Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

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

Auditors independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the period to 31 December 2020 has been received and can be found on page 7.

This Report of the Directors is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).

BRIAN RODAN
Managing Director
Dated this 22nd day of February 2021

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the review of the financial statements of Iceni Gold Limited for the period ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Partner

Dated at Perth this 22nd day of February 2021

Consolidated statement of profit or loss and other comprehensive income

For the period to 31 December 2020

	Note	13 Jul 2020 to 31 Dec 2020 $
Continuing operations		
Revenue		-
Compliance costs		5,000
Financing costs		774
Information technology costs		2,750
Insurance		623
Legal fees		24,655
Professional fees		106,903
Public relations, marketing and advertising		26,024
Other expenses		1,634
Loss before tax		(168,363)
Income tax benefit	**2**	-
Net loss for the period		**(168,363)**
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss		-
Items that may be reclassified subsequently to profit or loss		-
Other comprehensive income for the period, net of tax		-
Total comprehensive loss for the period		**(168,363)**

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Statement of financial position

As at 31 December 2020

	Note	31 Dec 2020 $
Current Assets		
Cash and cash equivalents	**3a**	1,092,995
Trade and other receivables	**4**	491,177
Other assets	**5**	34,026
Total Current Assets		**1,618,198**
Non-Current Assets		
Capitalised exploration and evaluation expenditure	**6**	4,803,299
Plant and equipment	**7**	108,468
Total Non-Current Assets		**4,911,767**
Total Assets		**6,529,965**
Current Liabilities		
Trade and other payables	**8**	523,850
Borrowings	**9**	34,016
Total Current Liabilities		**557,866**
Non-Current Liabilities		
Borrowings	**9**	66,462
Total Non-Current Liabilities		**66,462**
Total Liabilities		**624,328**
Net Assets		**5,905,637**
Equity		
Issued capital	**10a**	6,069,000
Reserves	**10b**	5,000
Accumulated losses		(168,363)
Total Equity		**5,905,637**

The statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of changes in equity

For the period to 31 December 2020

	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 13 July 2020		**-**	**-**	**-**	**-**
Loss for the period		-	-	(168,363)	(168,363)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		**-**	**-**	**(168,363)**	**(168,363)**
Transactions with owners, directly in equity					
Share application funds and assets received		6,111,000	-	-	6,111,000
Options application funds received		-	5,000	-	5,000
Transaction costs		(42,000)	-	-	(42,000)
Balance at 31 December 2020	**10**	**6,069,000**	**5,000**	**(168,363)**	**5,905,637**

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of cash flows

For the period to 31 December 2020

	Note	13 Jul 2020 to 31 Dec 2020 $
Cash flows from operating activities		
Payments to suppliers		(220,931)
Interest paid		(774)
Net cash used in operating activities	**3b**	**(221,705)**
Cash flows from Investing activities		
Payments for exploration and evaluation		(787,928)
Payments for plant and equipment		(113,849)
Net cash used in investing activities		**(901,777)**
Cash flows from financing activities		
Proceeds from issue of shares		2,116,000
Proceeds from borrowings		106,010
Repayment of borrowings		(5,533)
Net cash provided from financing activities		**2,216,477**
Net increase in cash held		**1,092,995**
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	**3a**	**1,092,995**

The statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 1 Statement of significant accounting policies

These are the interim consolidated financial statements and notes of Iceni Gold Limited (**the Company**) and controlled entities (collectively **the Group**). Iceni Gold Limited is a Company limited by shares, incorporated on 13 July 2020 and domiciled in Australia. Iceni Gold Limited is a for-profit entity for the purpose of preparing consolidated financial statements under Australian Accounting Standards.

The interim financial report was authorised for issue on 18 February 2021 by the Directors of the Company.

1.1 Basis of preparation

a. Statement of compliance

The interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The interim report does not include notes of the type normally included in an annual financial report.

b. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of $168,363 and a net operating cash out-flow of $221,705. As at 31 December 2020, the Group's cash and cash equivalents was $1,092,995 and it had working capital of $1,060,332.

The Company is in the early stages of applying for quotation on the ASX . The proposed capital raising is for 100,000,000 shares to be issued at $0.20 per share to raise a total of $20,000,000.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

c. **Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 1 Statement of significant accounting policies (continued)

1.2 Significant accounting policies

a. Principles of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

b. Income tax

The income tax expense or income for the year comprises current income tax expense or income and deferred tax expense or income. Current and deferred income tax expense or income is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities or assets are therefore measured at the amounts expected to be paid to or recovered from the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year, as well unused tax losses.

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

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

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 1 Statement of significant accounting policies (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. 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. 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 statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

d. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

Plant and equipment is measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10% - 50%
Motor Vehicles	10% - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit and loss.

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 1 Statement of significant accounting policies (continued)

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instruments. For Financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instruments is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measure at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliability predicted, the contractual term) of the financial instrument to the net carry amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The Company does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial statements.

i. Financial assets at fair value through profit and loss or through other comprehensive Income

Financial assets are classified at 'fair value through profit or loss' or Fair value through 'Other comprehensive Income' when they are either held for trading for purposes of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss if electing to choose 'fair value through profit or loss' or other comprehensive income if electing 'Fair Value through other comprehensive income'.

ii. Financial Liabilities

The Company's financial liabilities include trade and other payables, loan and borrowings, provisions for cash bonus and other liabilities which include deferred cash consideration and deferred equity consideration for acquisition of subsidiaries & associates.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 1 Statement of significant accounting policies (continued)

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Derecognition

Financial assets are derecognised where the contractual rights to receipts of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset. Financial Liabilities are recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

Trade and other receivables

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Collectability of trade and other receivables are reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 1 Statement of significant accounting policies (continued)

Impairment of financial assets

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non- cash assets or liabilities assumed is recognised in profit or loss.

f. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 1 Statement of significant accounting policies (continued)

h. Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest income is recognised as it accrues in the profit and loss using the effective interest method.

All revenue is stated net of the amount of Goods and Services Tax (GST).

i. Exploration and evaluation expenditure

Costs incurred with respect to the acquisition of rights to explore for each identifiable area of interest are capitalised on the statement of financial position.

Capitalised costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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

When production commences, the capitalised 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.

j. Operating Segments

AASB 8 – Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board in order to allocate resources to the segments and to assess their performance. Iceni Gold Ltd (and the Group) has only one operation, being the exploration for gold. Consequently, the Group does not report segmented operations.

k. New and Amended Standards Adopted by the Company

The Company has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Group has not had to change its accounting policies.

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 2 Income Tax

	13 Jul 2020 to 31 Dec 2020 $
a. Income tax benefit	
Current tax	-
Deferred tax	-
Income tax expenses/(benefit)	-
b. Reconciliation of income tax expense to prima facie tax payable	
The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:	
Prima facie tax on operating loss at 27.5%	(46,300)
Add / (less) tax effect of:	
• Temporary differences	(232,637)
• Deferred tax asset not brought to account	278,937
	-

Note 3 Cash and cash equivalents

a. Reconciliation of cash

	At 31 Dec 2020 $
Cash at bank	1,092,995
	1,092,995

b. Cash Flow information

Reconciliation of cash flow from operations to loss after income tax	
Loss after income tax	(168,363)
Adjustments for:	
• Project evaluation and exploration expenditure	(51,990)
Changes in assets and liabilities	
• Increase in prepayments	(34,026)
• Increase in GST receivable	(491,176)
• Increase in payables	123,850
• Increase in other operating liabilities	400,000
Cash flow utilised in operations	**(221,705)**

Note 4 Trade and other receivables

Current	
Unsecured	
GST receivable	491,177
	491,177

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 5 Other assets

	At 31 Dec 2020 $
Current	
Prepayments	34,026
	34,026

Note 6 Capitalised Exploration and Evaluation Expenditure

Movement in the Capitalised exploration and evaluation expenditure between the beginning and the end of the current financial period:

	13 Jul 2020 to 31 Dec 2020 $
Balance at the beginning of period	-
Acquisitions:	
- 14 Mile Well project	2,022,373
- Guyer Well project	2,022,373
Total acquisitions	4,044,746
Capitalised exploration expenditure	758,553
Closing Balance 31 December	**4,803,299**

During the financial year the following acquisitions of exploration projects/tenements were completed via payment of shares and cash:

	Cash consideration	Share consideration	Total consideration
Acquisitions:			
- 14 Mile Well project	22,373	2,000,000	2,022,373
- Guyer Well project	22,373	2,000,000	2,022,373
Closing Balance 31 December	**44,746**	**4,000,000**	**4,044,746**

Note 7 Plant and equipment

	At 31 Dec 2020 $
Motor vehicles – cost	112,894
Less: Accumulated depreciation	(5,371)
	107,523
Plant & equipment – cost	955
Less: Accumulated depreciation	(10)
	945
	108,468

Notes to the consolidated financial statements

For the period to 31 December 2020

Movements in carrying amounts

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

	Motor vehicles	Plant and equipment	Total
Balance at the beginning of period	-	-	-
Additions	112,894	955	113,849
Depreciation expense	(5,371)	(10)	(5,381)
Closing Balance 31 December	**107,523**	**945**	**108,468**

Note 8 Trade and other payables

	At 31 Dec 2020 $
Current	
Unsecured	
Trade Payables	123,850
Loans – Related Parties	400,000
	523,850

Note 9 Borrowings

Current	
Chattel mortgages	37,842
Less: Unexpired interest	(3,826)
	34,016
Non-current	
Chattel mortgages	69,376
Less: Unexpired interest	(2,914)
	66,462
	100,478

Note 10 Issued capital

	Number of Shares	At 31 Dec 2020 $
Ordinary Shares	90,700,000	6,069,000
Options	5,000,000	5,000
Total Share Capital		**6,074,000**

Notes to the consolidated financial statements

For the period to 31 December 2020

a. Ordinary Shares

	Number of Shares	13 Jul 2020 to 31 Dec 2020 $
Opening Balance 13 July	-	-
Shares issued during the period		
- Initial share issue	1,000	1
- Issue of founder shares	29,999,000	29,999
- Shares as consideration for projects	50,000,000	4,000,000
- Issue of seed capital	10,700,000	1,070,000
Share capital received for shares issued post reporting date		1,011,000
Transaction costs relating to shares issues		(42,000)
Closing Balance 31 December	**90,700,000**	**6,069,000**

Shares of the company were issued during the period on the following basis:

i. 1,000 shares issued on incorporation;
ii. 29,999,000 founder shares issued at $0.001 per share;
iii. 50,000,000 consideration shares issued as consideration for the Projects at $0.08 per share; and
iv. 10,700,000 seed capital shares issued at $0.10 per share;

Shares of the company to be issued post reporting date are to be issued on the following basis:

i. 7,221,428 seed capital shares to be issued at $0.14 per share
ii. 750,000 seed capital shares to be issued at $0.10 per share

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

	Number of Options	13 Jul 2020 to 31 Dec 2020 $
Opening Balance 13 July	-	-
Options issued during the period:		
- Issue of founder options, exercisable at $0.30 on or before 31/03/2024	5,000,000	5,000
Closing Balance 31 December	**5,000,000**	**5,000**

Notes to the consolidated financial statements
For the period to 31 December 2020

Note 11 Financial Risk Management

a. Financial Risk Management Policies

The Board's objective when managing capital is to maintain a strong capital base so as to safeguard the Group's ability to continue as a going concern. This note presents information about the Group's exposure to each of the below risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments include cash, short term deposits, accounts payable and other receivables.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's Financial Assets and Liabilities is shown below:

Subsidiary	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	Total $
Financial Assets at amortised cost:				
Cash and cash equivalents	1,092,995	-	-	1,092,995
Trade and other receivables	-	-	491,177	491,177
Total Financial Assets	1,092,995	-	491,177	1,584,172
Financial Liabilities at amortised cost:				
Trade and other payables	-	-	523,850	523,850
Borrowings	-	100,478	-	100,478
Total Financial Liabilities	-	100,478	523,850	624,328
Net Financial Assets/(Liabilities)	1,092,995	(100,478)	(32,673)	959,844

b. Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate and equity price risk. However, the sole material risk at the present stage of the Group is liquidity risk.

The Board of Director's has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

i. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Due to the current nature of the Group, being a pre-IPO exploration entity, the Group is not exposed to material credit risk.

Notes to the consolidated financial statements

For the period to 31 December 2020

ii. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically, the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Group include trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date with the exception of the unsecured loan.

Contractual Maturities

The following are the contractual maturities of financial liabilities of the Group:

	Within 1 year $	Greater than 1 year $	Total $
Financial liabilities due for payment:			
Trade and other payables	523,850	-	523,850
Borrowings	34,016	66,462	100,478
Total Financial Assets	557,866	66,462	624,328
Financial Assets:			
Cash and cash equivalents	1,092,995	-	1,092,995
Trade and other receivables	491,177	-	491,177
	1,584,172	-	1,584,172
Net inflow/(outflow) on financial instruments	1,026,306	(66,462)	959,844

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

iii. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Due to the current nature of the Group, being a pre-IPO exploration entity, the Group is not exposed to material market risk.

iv. Sensitivity Analysis

Due to the current nature of the Group, being a pre-IPO exploration entity, the Group is not exposed to material financial risk sensitivities.

Notes to the consolidated financial statements
For the period to 31 December 2020

v. Net Fair Values

The fair values of financial assets and financial liabilities are presented in the table below and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

	Note	Carrying Amount $	Fair Value $
Financial Assets:			
Cash and cash equivalents	3a	1,092,995	1,092,995
Trade and other receivables	4	491,177	491,177
		1,584,172	1,584,172
Financial liabilities:			
Trade and other payables	8	523,850	523,850
Borrowings	9	100,478	100,478
Total Financial Assets		624,328	624,328

Financial instruments whose carrying value is equivalent to fair value due to their nature include

- Cash and cash equivalents;
- Trade and other receivables;
- Trade and other payables; and
- Borrowings.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

Note 12 Interest in subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group and the proportion of ownership interest held equals the voting rights held by the Group. Investments in subsidiaries are accounted for at cost. The subsidiary's country of incorporation is also its principal place of business:

Subsidiary	Country of Incorporation	Class of shares	Percentage Owned
14 Mile Well Gold Pty Ltd	Australia	Ordinary	100%
Guyer Well Gold Pty Ltd	Australia	Ordinary	100%

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 13 Commitments

Tenement commitments

In order to maintain current rights of tenure to exploration tenements the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments within Australia. These obligations may be reset when application for a mining lease is made and at other times. The Group has a minimum expenditure commitment on tenures under it controls. The Group can apply for exemption from compliance with minimum exploration expenditure requirements. Due to the nature and scale of the Group's exploration activities the Group is unable to estimate its likely tenement holdings and therefore minimum expenditure requirements more than 1 year ahead.

The current yearly minimum exploration expenditure commitment obligations not provided for in the financial report and payable are: $1,179,020.

Other than the above, the Directors of Iceni Gold Limited consider that there are no other material commitments outstanding as at 31 December 2020.

Note 14 Contingent assets and liabilities

The company has no contingent assets or liabilities as at 31 December 2020.

Note 15 Events subsequent to reporting date

The financial report was authorised for issue on 22 February 2021 by the Directors. The following significant events have arisen since the end of the period.

Share Issues

Subsequent to period end, the Group completed an additional seed capital raising of 750,000 shares at $0.10 per share.

In addition, the Group intends, as part of its pre-IPO capital raising, to issue 7,221,428 seed capital shares at $0.14 per share. As at the date of this report, these shares have not been issued. Funds received to date have been recorded as share capital on the Consolidated Statement of Financial Position.

Options Issues

The Company issued 7,000,000 unlisted options to the directors and 4,250,000 unlisted options to consultants, which will convert to shares on a one for one basis, exercisable at $0.30 per option with an expiry date of three years from issue with a valuation of $854,139 and $518,584 respectively.

Application for quotation on the Australian Securities Exchange

The Company is currently in early stages of applying for quotation on the Australian Securities Exchange (ASX). The proposed capital raising is for 100,000,000 shares issued at $0.20 each to raise a total of $20,000,000.

Except for the above, no other matters or circumstances have arisen since the end of the financial period 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.

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 16 Key Management Personnel compensation (KMP)

The names and positions of KMP are as follows:

- Brian Bernard Rodan — Managing Director (appointed 13 July 2020)
- Keith Charles Murray — Non-Executive Director (appointed 13 July 2020)
- Paul Anthony Heatley — Director (appointed 13 July 2020)

	13 Jul 2020 to 31 Dec 2020 $
Short-term employee benefits	-
Post-employment benefits	-
Other long-term benefits	-
Termination benefits	-
Share-based payments	-
Total	**-**

Note 17 Related party transactions

Transactions between parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Related party transactions with Iceni Gold Ltd are listed below:

	13 Jul 2020 to 31 Dec 2020 $	Amounts outstanding at 31 Dec 2020 $
MCA Nominees Pty Ltd:		
MCA Nominees Pty Ltd, a business controlled by Mr Brian Rodan, provides mining administration and consulting services.		
Consideration for acquisition of 14 Mile Well Project and Guyer Well Project:		
- Shares 50,000,000 ordinary shares values at:	4,000,000	-
- Cash payable for GST on acquisition	400,000	400,000
Halifax Advisory Pty Ltd:		
Halifax Advisory Pty Ltd, a business controlled by Mr Paul Heatley, provides business consulting and advisory services.		
Fees expensed during the period	14,575	5,500

Note 18 Operating Segments

AASB 8 – Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board in order to allocate resources to the segments and to assess their performance. Iceni Gold Ltd (and the Group) has only one operation, being the exploration and evaluation of gold. Consequently, the Group does not report segmented operations.

Notes to the consolidated financial statements

For the period to 31 December 2020

Note 19 Company details

The registered office of the company and principal place of business is:

Address: Level 2 41-43 Ord Street
West Perth WA 6005

Directors' Declaration

The Directors have determined that the Group is a reporting entity and that this general purpose consolidated financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 8 to 28, are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards as described in Note 1 to the financial statements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

    b. give a true and fair view of the consolidated group's financial position as at 31 December 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements

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 and is signed for and on behalf of the directors by:

BRIAN RODAN
Managing Director
Dated this 22nd day of February 2021

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

Independent Auditor's Review Report

To the Members of Iceni Gold Limited

Conclusion

We have reviewed the accompanying half-year financial report of Iceni Gold Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Iceni Gold Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Iceni Gold Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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* that are relevant to our audit of the annual 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 review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.1(b) in the financial report, which indicates that the Company incurred a net loss of $168,363 during the period ended 31 December 2020. As stated in Note 1.1(b), these events or conditions, along with other matters as set forth in Note 1.1(b), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 22nd day of February 2021