

BLUE GOLD MINING PTY LTD

ABN 71 621 703 866

Annual Report - 30 June 2019

Blue Gold Mining Pty Ltd
Directors' report
30 June 2019

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Blue Gold Mining Pty Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors

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

Kim Wainwright

Principal activities

During the financial year the principal continuing activities of the Group consisted of exploration of gold and cobalt projects in the La Rioja Province in Argentina.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax amounted to \$52,573 (30 June 2018: \$7,650).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

The following matter took place subsequent to the end of the financial year:

- 3,200,000 shares were issued in May 2020 for \$320

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the group.

Environmental regulation

The group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Blue Gold Mining Pty LTd

Directors' report

30 June 2019

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

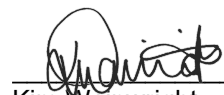
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Kim Wainwright
Director

12 August 2020
Brisbane

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF BLUE GOLD MINING PTY LTD

As lead auditor of Blue Gold Mining Pty Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Blue Gold Mining Pty Ltd and the entities it controlled during the period.



Ashleigh Woodley
Director

BDO Audit (WA) Pty Ltd
Perth, 13 August 2020

Blue Gold Mining Pty Ltd

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General information

The financial statements cover both Blue Gold Mining Pty Ltd as an individual entity and the group consisting of Blue Gold Mining Pty Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Blue Gold Mining Pty Ltd's functional and presentation currency.

Blue Gold Mining Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 6
29 McDougall Street
Milton QLD 4064

Principal place of business

Suite 6
29 McDougall Street
Milton QLD 4064

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 12 August 2020. The directors have the power to amend and reissue the financial statements.

Blue Gold Mining Pty Ltd
Consolidated Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Other income		-	5
Expenses			
Compliance and regulatory expenses		(342)	(202)
Exploration expenditure		(17,840)	(7,373)
Consulting and professional fees		(33,400)	-
Other expenses		(991)	(80)
		<u>(52,573)</u>	<u>(7,650)</u>
(Loss) before income tax expense		(52,573)	(7,650)
Income tax expense		-	-
		<u>-</u>	<u>-</u>
(Loss) after income tax expense for the year		(52,573)	(7,650)
Other comprehensive income for the year, net of tax		4,884	6,986
		<u>4,884</u>	<u>6,986</u>
Total comprehensive (loss) for the year		<u><u>(47,689)</u></u>	<u><u>(664)</u></u>
Total loss for the year is attributable to:			
Non-controlling interest		-	(16)
Owners of Blue Gold Mining Pty Ltd		(52,573)	(7,634)
		<u>(52,594)</u>	<u>(7,650)</u>
Total comprehensive income is attributable to:			
Non-controlling interest		244	333
Owners of Blue Gold Mining Pty Ltd		(47,933)	(997)
		<u>(47,689)</u>	<u>(664)</u>

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

Blue Gold Mining Pty Ltd
Consolidated Statement of financial position
As at 30 June 2019

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	3	42	1,671
Trade and other receivables		5,170	678
Total current assets		<u>5,212</u>	<u>2,349</u>
Non-current assets			
Exploration and evaluation asset	4	96,156	91,272
Total non-current assets		<u>96,156</u>	<u>91,272</u>
Total assets		<u>101,368</u>	<u>93,621</u>
Liabilities			
Current liabilities			
Trade and other payables		55,523	87
Total current liabilities		<u>55,523</u>	<u>87</u>
Total liabilities		<u>55,523</u>	<u>87</u>
Net assets		<u>45,845</u>	<u>93,534</u>
Equity			
Issued capital	6	90,000	90,000
Retained profits		(60,207)	(7,634)
Foreign currency translation reserve		11,277	6,637
Equity attributable to the owners of Blue Gold Mining Pty Ltd		<u>41,070</u>	<u>89,003</u>
Non-controlling interest		4,775	4,531
Total equity		<u>45,845</u>	<u>93,534</u>

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

Blue Gold Mining Pty Ltd
Consolidated Statement of changes in equity
For the year ended 30 June 2019

	Issued capital \$	Retained profits \$	Foreign currency translation reserve \$	Total \$	Non- controlling interest \$	Total equity \$
Balance at 14 September 2017	-	-	-	-	-	-
Profit after income tax expense for the year	-	(7,634)	-	(7,634)	(16)	(7,650)
Other comprehensive income for the year, net of tax	-	-	6,637	6,637	349	6,986
Total comprehensive income for the year	-	(7,634)	6,637	(997)	333	(664)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	90,000	-	-	90,000	-	90,000
Non-controlling interest on acquisition of subsidiary	-	-	-	-	4,198	4,198
Balance at 30 June 2018	90,000	(7,634)	6,637	89,003	4,531	93,534

	Issued capital \$	Retained profits \$	Foreign currency translation reserve \$	Total \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2018	90,000	(7,634)	6,637	89,003	4,531	93,534
Loss after income tax expense for the year	-	(52,573)	-	(52,573)	-	(52,573)
Other comprehensive income for the year, net of tax	-	-	4,640	4,640	244	4,884
Total comprehensive loss for the year	-	(52,573)	4,640	(47,993)	244	(47,689)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	-	-	-	-	-	-
Balance at 30 June 2019	90,000	(60,207)	11,277	41,070	4,775	45,845

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

Blue Gold Mining Pty Ltd
Consolidated Statement of cash flows
For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		-	-
Payments to suppliers and employees (inclusive of GST)		(1,629)	(8,247)
Interest received		-	5
Net cash from operating activities		<u>(1,629)</u>	<u>(8,242)</u>
Cash flows from investing activities			
Payments for exploration expenditure		-	(80,087)
Net cash used in investing activities		<u>-</u>	<u>(80,087)</u>
Cash flows from financing activities			
Proceeds from share issue		-	90,000
Net cash from financing activities		<u>-</u>	<u>90,000</u>
Net increase/(decrease) in cash and cash equivalents		(1,629)	1,671
Cash and cash equivalents at the beginning of the financial year		<u>1,671</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>42</u></u>	<u><u>1,671</u></u>

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The new accounting policy is disclosed below. There is no impact on the Group for the year ended 30 June 2019.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any transitional adjustments.

The new accounting policies (applicable from 1 July 2018) are set out below.

Classification and measurement:

Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: The Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Impairment:

From 1 July 2018, the Group will assess, on a forward-looking basis, any expected credit losses (ECLs) associated with any debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

Basis of preparation

In the directors' opinion, the group is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Blue Gold Mining Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Blue Gold Mining Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Note 1. Significant accounting policies (continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred an operating loss for the period of \$52,573 and incurred net cash outflows before financing activities of \$1,629.

The ability of the group to continue as a going concern is dependent on securing additional funding from its shareholders through capital raisings or long term loans. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. Subsequent to year end the entity expects to receive additional funds via either further capital raisings or long term loans planned by the ultimate parent entity. The financial statements have been prepared on the basis that the entity is a going concern as letters of ongoing financial support have been provided by shareholders representing 67% of the shareholding of the Company.

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

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Exploration and evaluation expenditure

Exploration and evaluation costs are allocated to specific areas of interest and are capitalised as incurred. Such costs comprise net direct costs and an appropriate portion of related overhead expenditure directly related to activities in the area of interest. Exploration costs resulting from an acquisition are also capitalised to the statement of financial position if they result from an acquisition. These 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 have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs carried forward in respect of an area of interest which is abandoned are written off in the year in which the abandonment decision is made.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items

Note 1. Significant accounting policies (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Issued capital

Ordinary shares are classified as equity.

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

Goods and Services Tax ('GST') and other similar taxes

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 1. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Blue Gold Mining Pty Ltd ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Blue Gold Mining Pty Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Asset acquisition

When the assets acquired does not meet the definition of a business, the transaction is accounted for as an asset acquisition. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill arose on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. The non-controlling interest is recognised at fair value.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Exploration asset

The future recoverability of exploration and evaluation assets through either exploitation or sale is dependent on a number of factors, including the level of reserves and resources, future technological changes which could impact the cost of production, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. The project has not yet reached the stage where an assessment of economically recoverable resources or reserves can be made. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

Note 3. Current assets - cash and cash equivalents

	2019 \$	2018 \$
Cash on hand	-	-
Cash at bank	42	1,671
	<u>42</u>	<u>1,671</u>

Note 4. Non-current assets – exploration and evaluation asset

	2019 \$	2018 \$
Exploration Asset	<u>96,156</u>	<u>91,272</u>

Blue Gold Mining through its Argentinean subsidiary, Tres Elementos holds the below tenement:

- (a) Tres Elementos: 168-L-1939 (King Tut – La Rioja);

Note 5. Equity - issued capital

	2019 Shares	2018 Shares	2019 \$	2018 \$
Ordinary shares - fully paid	<u>63,990,200</u>	<u>63,990,200</u>	<u>90,000</u>	<u>90,000</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 6. Equity – reserves

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. The functional currency of the subsidiary is United States Dollars (USD).

Note 7. Contingent liabilities

The group had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Note 8. Commitments

The group had no commitments for expenditure as at 30 June 2019 and 30 June 2018.

Note 9. Interests in subsidiaries

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

Name	Country of incorporation	Principal activities	Parent Ownership interest		Non-controlling interest Ownership interest	
			2018 %	2019 %	2019 %	2018 %
Tres Elemenos SA	Argentina	Exploration of gold and cobalt deposits in the La Rioja province in Argentina.	95%	95%	5%	5%

Note 10. Events after the reporting period

The following matter took place subsequent to the end of the financial period:

- 3,200,000 shares were issued in May 2020 for \$320

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

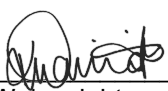
Blue Gold Mining Pty Ltd
Directors' declaration
30 June 2019

In the directors' opinion:

- the group is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Blue Gold Mining Pty Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Kim Wainwright
Director

12 August 2020
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the members of Blue Gold Mining Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Blue Gold Mining Pty Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Blue Gold Mining Pty Ltd, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1, 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 Group 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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

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

Emphasis of matter – Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



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

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink. The signature starts with the letters 'BDO' in a stylized, blocky font. Below this, there is a large, fluid, cursive signature that appears to read 'Ashleigh Woodley'.

Ashleigh Woodley

Director

Perth, 13 August 2020

BLUE GOLD MINING PTY LTD

ABN 71 621 703 866

Annual Report - 30 June 2020

Blue Gold Mining Pty Ltd
Directors' report
30 June 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Blue Gold Mining Pty Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

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

Kim Wainwright

Principal activities

During the financial year the principal continuing activities of the Group consisted of exploration of gold and cobalt projects in the La Rioja Province in Argentina.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax amounted to \$6,280 (30 June 2019: \$52,573).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had limited impact on the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years, other than as stated elsewhere in the financial report.

Likely developments and expected results of operations

Information on likely developments in the operations of the group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the group.

Environmental regulation

The group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

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

Auditor's independence declaration

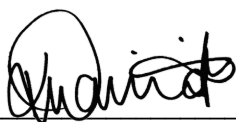
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Kim Wainwright
Director

19 October 2020
Brisbane

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF BLUE GOLD MINING PTY LTD

As lead auditor of Blue Gold Mining Pty Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Blue Gold Mining Pty Ltd and the entities it controlled during the period.



Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 19 October 2020

Blue Gold Mining Pty Ltd
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30 June 2020

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General information

The financial statements cover both Blue Gold Mining Pty Ltd as an individual entity and the group consisting of Blue Gold Mining Pty Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Blue Gold Mining Pty Ltd's functional and presentation currency.

Blue Gold Mining Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 6
29 McDougall Street
Milton QLD 4064

Principal place of business

Suite 6
29 McDougall Street
Milton QLD 4064

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 19 October 2020. The directors have the power to amend and reissue the financial statements.

Blue Gold Mining Pty Ltd
Consolidated Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Other income		-	-
Expenses			
Compliance and regulatory expenses		(347)	(342)
Exploration expenditure		-	(17,840)
Consulting and professional fees		-	(33,400)
Other expenses		<u>(5,933)</u>	<u>(991)</u>
(Loss) before income tax expense		(6,280)	(52,573)
Income tax expense		<u>-</u>	<u>-</u>
(Loss) after income tax expense for the year		(6,280)	(52,573)
Other comprehensive income for the year, net of tax		<u>95</u>	<u>4,884</u>
Total comprehensive (loss) for the year		<u><u>(6,185)</u></u>	<u><u>(47,689)</u></u>
Total loss for the year is attributable to:			
Non-controlling interest		-	-
Owners of Blue Gold Mining Pty Ltd		<u>(6,280)</u>	<u>(52,573)</u>
		(6,280)	(52,573)
Total comprehensive income is attributable to			
Non-controlling interest		5	244
Owners of Blue Gold Mining Pty Ltd		<u>(6,190)</u>	<u>(47,933)</u>
		(6,185)	(47,689)

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

Blue Gold Mining Pty Ltd
Consolidated Statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	3	413	42
Trade and other receivables		5,616	5,170
Total current assets		<u>6,029</u>	<u>5,212</u>
Non-current assets			
Exploration and evaluation asset	4	96,251	96,156
Total non-current assets		<u>96,251</u>	<u>96,156</u>
Total assets		<u>102,280</u>	<u>101,368</u>
Liabilities			
Current liabilities			
Trade and other payables		62,300	55,523
Total current liabilities		<u>62,300</u>	<u>55,523</u>
Total liabilities		<u>62,300</u>	<u>55,523</u>
Net assets		<u>39,980</u>	<u>45,845</u>
Equity			
Issued capital	6	90,320	90,000
Retained profits		(66,487)	(60,207)
Foreign currency translation reserve		11,367	11,277
Equity attributable to the owners of Blue Gold Mining Pty Ltd		<u>35,200</u>	<u>41,070</u>
Non-controlling interest		<u>4,780</u>	<u>4,775</u>
Total equity		<u>39,980</u>	<u>45,845</u>

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

Blue Gold Mining Pty Ltd
Consolidated Statement of changes in equity
For the year ended 30 June 2020

	Issued capital \$	Retained profits \$	Foreign currency translation reserve \$	Total \$	Non-controlling interest \$	Total equity \$
Balance at 30 June 2019	90,000	(60,207)	11,277	41,070	4,775	45,845
Profit after income tax expense for the year	-	(6,280)	-	(6,280)	-	(6,280)
Other comprehensive income for the year, net of tax	-	-	90	90	5	95
Total comprehensive income for the year	-	(6,280)	90	(6,190)	5	(6,185)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	320	-	-	320	-	320
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-
Balance at 30 June 2020	90,320	(66,487)	11,367	35,200	4,780	39,980

	Issued capital \$	Retained profits \$	Foreign currency translation reserve \$	Total \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2018	90,000	(7,634)	6,637	89,003	4,531	93,534
Loss after income tax expense for the year	-	(52,573)	-	(52,573)	-	(52,573)
Other comprehensive income for the year, net of tax	-	-	4,640	4,640	244	4,884
Total comprehensive loss for the year	-	(52,573)	4,640	(47,993)	244	(47,689)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	-	-	-	-	-	-
Balance at 30 June 2019	90,000	(60,207)	11,277	41,070	4,775	45,845

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

Blue Gold Mining Pty Ltd
Consolidated Statement of cash flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		-	-
Payments to suppliers and employees (inclusive of GST)		51	(1,629)
Interest received		-	-
Net cash from operating activities		<u>51</u>	<u>(1,629)</u>
Cash flows from investing activities			
Payments for exploration expenditure		-	-
Net cash used in investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from share issue		320	-
Net cash from financing activities		<u>320</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		371	(1,629)
Cash and cash equivalents at the beginning of the financial year		<u>42</u>	<u>1,671</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>413</u></u>	<u><u>42</u></u>

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred an operating loss for the period of \$6,280 and incurred net cash inflow before financing activities of \$51.

The ability of the group to continue as a going concern is dependent on securing additional funding from its shareholders through capital raisings or long term loans. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. Subsequent to year end the entity expects to receive additional funds via further capital raisings planned by the ultimate parent entity. The financial statements have been prepared on the basis that the entity is a going concern as letters of ongoing financial support have been provided by shareholders representing 67% of the shareholding of the Company.

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There is no material impact on the group for the year ended 30 June 2020.

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

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in the statement of comprehensive income. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

Note 1. Significant accounting policies (continued)

Transition Method and Practical Expedients Utilised

The Group adopted AASB 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 July 2019), without restatement of comparative figures. The Group elected to apply the practical expedient to not reassess whether a contract is, or contains, a lease at the date of initial application. Contracts entered into before the transition date which were not identified as leases under AASB 17 and IFRIC 4 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019. AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group applied the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 17:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if AASB 16 had been applied since the commencement date;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 36 as at the date of initial application; and
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

There is no impact on the Company for the year ended 30 June 2020.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The group has applied the simplified approach permitted by AASB 9 Financial Instruments to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Exploration and evaluation expenditure

Exploration and evaluation costs are allocated to specific areas of interest and are capitalised as incurred. Such costs comprise net direct costs and an appropriate portion of related overhead expenditure directly related to activities in the area of interest. Exploration costs resulting from an acquisition are also capitalised to the statement of financial position if they result from an acquisition. These 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 have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs carried forward in respect of an area of interest which is abandoned are written off in the year in which the abandonment decision is made.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Issued capital

Ordinary shares are classified as equity.

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

Goods and Services Tax ('GST') and other similar taxes

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Blue Gold Mining Pty Ltd ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Blue Gold Mining Pty Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Note 1. Significant accounting policies (continued)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Asset acquisition

When the assets acquired does not meet the definition of a business, the transaction is accounted for as an asset acquisition. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill arose on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. The non-controlling interest is recognised at fair value.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration asset

The future recoverability of exploration and evaluation assets through either exploitation or sale is dependent on a number of factors, including the level of reserves and resources, future technological changes which could impact the cost of production, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. The project has not yet reached the stage where an assessment of economically recoverable resources or reserves can be made. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

Note 3. Current assets - cash and cash equivalents

	2020 \$	2019 \$
Cash on hand	-	-
Cash at bank	413	42
	<u>413</u>	<u>42</u>

Note 4. Non-current assets – exploration and evaluation asset

	2020 \$	2019 \$
Exploration Asset	96,251	96,156
	<u>96,251</u>	<u>96,156</u>

Blue Gold Mining through its Argentinean subsidiary, Tres Elementos holds the below tenement:

- (a) Tres Elementos: 168-L-1939 (King Tut – La Rioja);

Note 5. Equity - issued capital

	2020 Shares	2019 Shares	2020 \$	2019 \$
Ordinary shares - fully paid	67,190,200	63,990,200	90,320	90,000
	<u>67,190,200</u>	<u>63,990,200</u>	<u>90,320</u>	<u>90,000</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 6. Equity – reserves

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. The functional currency of the subsidiary is United States Dollars (USD).

Note 7. Financial Risk Management

Financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
Financial Assets			
Cash and cash equivalents	3	413	42
Total Financial Assets		<u>413</u>	<u>42</u>
Financial Liabilities			
Trade and other payables		62,300	55,523
Total Financial Liabilities		<u>62,300</u>	<u>55,523</u>

The carrying amounts of these financial instruments approximate their fair values.

Financial Risk Management Policies

Exposure to key financial risks is managed in accordance with the Group's risk management policy with the objective to ensure that the financial risks inherent in mineral exploration activities are identified and then managed or kept as low as reasonably practicable.

The main financial risks that arise in the normal course of business are market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Different methods are used to measure and manage these risk exposures. Liquidity risk is monitored through the ongoing review of available cash and future commitments for exploration expenditure. Exposure to liquidity risk is limited by anticipating liquidity shortages and ensures capital can be raised in advance of shortages. Interest rate risk is managed by limiting the amount interest bearing loans entered into by the Group. It is the Board's policy that no speculative trading in financial instruments be undertaken so as to limit exposure to price risk.

Primary responsibility for identification and control of financial risks rests with the Board. The Board is apprised of these risks from time to time and agrees any policies that may be undertaken to manage any of the risks identified.

The carrying values less the impairment allowance for receivables and payables are assumed to approximate fair values due to their short term nature. Cash and cash equivalents are subject to variable interest rates.

Specific Financial Risk Exposures and Management

a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Company. The Company has no customers and consequently no significant exposure to bad debts or other credit risks.

With respect to credit risk arising from financial assets, which comprise cash and cash equivalents and receivables, the exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. At reporting date cash and deposits were held with Australia and New Zealand Banking Group Ltd, which has a AA- credit rating.

Note 7. Financial Risk Management (continued)

b) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the Group's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the Group monitors its ongoing research and development cash requirements and raises equity funding as and when appropriate to meet such planned requirements. The Group has no undrawn financing facilities. Trade and other payables, the only financial liability of the Group, are due within 3 months.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

FINANCIAL LIABILITY AND FINANCIAL ASSET MATURITY ANALYSIS	WITHIN 1 YEAR		1 TO 5 YEARS		TOTAL CONTRACTUAL CASH FLOW	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
FINANCIAL LIABILITIES DUE FOR PAYMENT						
Trade and other payables	62,300	55,523	-	-	62,300	55,523
Total contractual outflows	62,300	55,523	-	-	62,300	55,523
Total expected outflows	62,300	55,523	-	-	62,300	55,523
FINANCIAL ASSETS - CASH FLOWS REALISABLE						
Trade and other receivables	5,616	5,170	-	-	5,616	5,170
Total anticipated inflows	5,616	5,170	-	-	5,616	5,170

c) Market Risk

i. Interest rate risk

The Group's cash flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. At reporting date, the company does not have any borrowings. The Group does not enter into hedges. An increase/ (decrease) in interest rates by 1% during the whole of the respective periods would have led to an increase/ (decrease) in both equity and losses of less than \$10,000. 1% was thought to be appropriate because it represents four 0.25 basis point rate rises/falls, which is appropriate in the recent economic climate.

ii. Price risk

Price risk relates to the risk that the commodity price of the underlying resource being targeted by the Group's exploration activities could fluctuate. Management does not currently hedge nor participate in diversification of the type of minerals explored for in an attempt to mitigate the price risk. Price risk also relates to the risk that share price can fluctuate and where assets are held in shares, as tradeable on a recognisable exchange, then the price of these shares and therefore the value of the assets can fluctuate.

Note 8. Contingent liabilities

The group had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Note 9. Commitments

The group had no commitments for expenditure as at 30 June 2020 and 30 June 2019.

Note 10. Related party transactions

Parent entity

Blue Gold Mining Pty Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 11.

Transactions with related parties

There were no transactions with related parties.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 11. Interests in subsidiaries

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

Name	Country of incorporation	Principal activities	Parent Ownership interest 2020	Non-controlling interest Ownership interest 2020
			%	%
Tres Elemenos SA	United States of America	Exploration of gold and cobalt deposits in the La Rioja province in Argentina.	95%	5%

Note 12. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had limited impact on the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years, other than as stated elsewhere in the financial report.

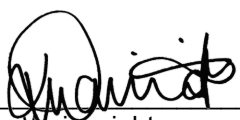
Blue Gold Mining Pty Ltd
Directors' declaration
30 June 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

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

On behalf of the directors



Kim Wainwright
Director

19 October 2020
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the members of Blue Gold Mining Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Blue Gold Mining Pty Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Blue Gold Mining Pty Ltd, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group 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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd



Ashleigh Woodley
Director

Perth, 19 October 2020