

Valhalla Minerals Limited
FINANCIAL REPORT
31 DECEMBER 2020

(Company No. 16664 16)
(Incorporated in British Virgin Islands)

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CORPORATE DIRECTORY

Director

Martin Pawlitschek

Registered Office

OMC Chambers
Wickhams Cay 1
Road Town
British Virgin Islands

Auditor

Pitcher Partners BA&A Pty Ltd
Level 11, 12-14 The Esplanade
Perth, WA 6000

DIRECTORS' REPORT

Your Director presents his report, together with the consolidated financial statements of Valhalla Minerals Limited (the "Company") and its controlled entity (the "Group") for the year ended 31 December 2020.

DIRECTORS

The names of Directors in office at any time during or since the end of the year to the date of this report are:

Name	Status	Appointed
Mr Martin Pawlitschek	Director	15 August 2011

PRINCIPAL ACTIVITY

The principal activity of the Group is mining and exploration for copper in the Tambacounda region of Senegal (the "Boulbi Project").

DIVIDENDS PAID OR RECOMMENDED

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

REVIEW OF OPERATIONS

Operation Review

The Group continued to engage in its principal activity during the financial year.

Financial Review

The consolidated income for the year ended 31 December 2020 was \$23,395 (2019: loss of \$11,159).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs for the financial year ended 31 December 2020.

EVENTS SUBSEQUENT TO REPORTING DATE

As announced on the ASX platform on the 2 March 2021, the Group is in the final stages of completing a transaction (Boulbi Agreement) with Ookami Limited ("Ookami") to sell 57% of the issued share capital of the Company for 2.5million fully paid ordinary shares in Ookami. Upon completion of Boulbi Agreement, Ookami will be entitled to appoint two directors to Sahel Minerals SARL (the Company's subsidiary) and will be appointed as the manager of the Boulbi Project.

There have been no other material events or circumstances that have arisen since the end of the financial year.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Group expects to increase operations at completion of the transaction with Ookami.

INFORMATION ON DIRECTOR

Martin Pawlitschek	Director
Qualifications	M Science, B. Science - Applied Geology (Honours), Dip. Applied Chemistry
Experience	Mr Pawlitschek currently serves as Senior Vice President of Geology for a mining focused Private Equity fund. Mr Pawlitschek is based in Europe and is responsible for undertaking technical due diligence on mining projects, principally from a geology and resource risk perspective, but also to evaluate exploration upside. He has part taken in over forty detailed due diligence reviews and site visits over the last three years and was a key member in the selection of the fund's projects to date. Mr Pawlitschek has over 21 years of experience primarily in exploration and resource drilling with some exposure to underground and open pit mines. During his 11-year tenure with BHP Billiton ("BHPB"), he oversaw numerous exploration programs in Australia, Laos and several countries in Southern and Central Africa. Later in his career with BHPB he was responsible for the technical aspects setting up

DIRECTORS' REPORT

several new business opportunities in the diamond sector in Botswana, South Africa, Angola and Democratic Republic of Congo ("DRC"). The Angolan projects resulted in the discovery of several large, diamond-bearing kimberlites.

Mr Pawlitschek later joined one of the junior companies set up by BHPB and moved forward an ambitious diamond exploration program in the DRC. From there he continued his career in the junior sector with a move to Senegal where he managed a large portfolio of exploration permits for gold in Eastern Senegal, which resulted in the development of what is now the 10MOz Sabodala gold camp with an annual output in excess of 200KOz of gold. He also had early in put in the evaluation of the Grand Cote Mineral sands project on the coast of Senegal; this is now the world's largest mineral sands dredging operation. Mr Pawlitschek is a Fellow of the Australasian Institute of Geoscientists.

Interest in Shares and Options at the date of this report	2,651
Directorships held in other listed entities (last 3 years)	Raiden Resources Limited (current) Jadar Lithium Limited (resigned 6 November 2018)

OPTIONS

At the date of this report, there were no un-issued shares under option for the Company.

ENVIRONMENTAL REGULATIONS

The Group aims to comply with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known breaches of the environmental regulations.

NON-AUDIT SERVICES

There was no non-audit service provided during the financial year ended 31 December 2020.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group 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 Group was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Director.



Martin Pawlitschek

Director

14 April 2021

COSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	31-Dec-20	31-Dec-19
		AUD	AUD
Other Income		51,670	-
Administration and general expenses		(4,783)	(3,741)
Professional fees		(23,371)	(6,231)
Other expenses		(5,728)	(1,938)
Foreign exchange gain / (loss)		5,607	751
Profit before income tax		23,395	(11,159)
Income tax expense		-	-
Profit/(loss) for the year after income tax		23,395	(11,159)
Other comprehensive (loss)/income			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange difference on translating foreign exchange		(1,044)	(663)
Total comprehensive income/(loss) for the year		22,351	(11,822)
Comprehensive income/(loss) attributable to:			
Owners of the parent		23,586	(11,043)
Non-controlling interests		(1,235)	(779)
		22,351	(11,822)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	31-Dec-20 AUD	31-Dec-19 AUD
CURRENT ASSETS			
Cash and cash equivalents	4a	191	166
TOTAL CURRENT ASSETS		191	166
TOTAL ASSETS		191	166
CURRENT LIABILITIES			
Trade and other payables	5	32,673	4,641
Borrowings		-	50,358
TOTAL CURRENT LIABILITIES		32,673	54,999
TOTAL LIABILITIES		32,673	54,999
NET (LIABILITIES)		(32,482)	(54,833)
SHAREHOLDERS' EQUITY			
Issued capital	6	138	138
Reserve	7	(5,956)	(4,923)
Accumulated losses		(23,195)	(47,814)
Total parent entity interest in equity		(29,013)	(52,599)
Total non-controlling interest		(3,469)	(2,234)
TOTAL SHAREHOLDERS' (DEFICIT)		(32,482)	(54,833)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2020

	Issued Capital	Reserve	Accumulated Losses	Total	Non-controlling Interest	Total
	AUD	AUD	AUD	AUD	AUD	AUD
Balance at 1 January 2020	138	(4,923)	(47,814)	(52,599)	(2,234)	(54,833)
Profit for the year	-	-	24,619	24,619	(1,224)	23,395
Other comprehensive loss for the year	-	(1,033)	-	(1,033)	(11)	(1,044)
Total comprehensive income/(loss) for the year	-	(1,033)	24,619	23,586	(1,235)	22,351
Transactions with owners, recognised directly in equity						
Equity issued during the year	-	-	-	-	-	-
Balance at 31 December 2020	138	(5,956)	(23,195)	(29,013)	(3,469)	(32,482)
Balance at 1 January 2019	138	(4,203)	(37,491)	(41,556)	(1,455)	(43,011)
Loss for the year	-	-	(10,323)	(10,323)	(836)	(11,159)
Other comprehensive income for the year	-	(720)	-	(720)	57	663
Total comprehensive income/(loss) for the year	-	(720)	(10,323)	(11,043)	(779)	(11,822)
Transactions with owners, recognised directly in equity						
Equity issued during the year	-	-	-	-	-	-
Balance at 31 December 2019	138	(4,923)	(47,814)	(52,599)	(2,234)	(54,833)

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	31-Dec-20 AUD	31-Dec-19 AUD
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(5,850)	(8,578)
Net cash used in operating activities	4b	(5,850)	(8,578)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shareholder's borrowings		1,312	6,125
Net cash provided by financing activities		1,312	6,125
Net (decrease) in cash and cash equivalents		(4,538)	(2,453)
Foreign exchange		4,563	87
Cash and cash equivalents at the beginning of the financial year		166	2,532
Cash and cash equivalents at the end of the financial year	4a	191	166

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Valhalla Minerals Limited, the Group's parent company, is a limited liability company incorporated and domiciled in the British Virgin Islands. Its registered office and principal place of business is OMC Chambers, Wickhams Cay 1, Road Town, British Virgin Islands.

The consolidated financial statements for the year ended 31 December 2020 (including comparatives) were approved and authorised for issue by the Director at the date of the directors' report.

The consolidated financial statements of the Group have been prepared in accordance with *International Accounting Standards* as issued by the International Accounting Standard Board ("IASB").

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the consolidated financial statements:

a) Basis of preparation of the financial report

Historical Cost Convention

The consolidated financial statements have been prepared under the historical cost convention. Monetary amounts are expressed in Australian Dollars ("AUD").

Critical accounting estimates

The preparation of the consolidated 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 consolidated financial statements are disclosed in note 1(k).

b) Basis of consolidation

The Group's consolidated financial statements incorporate those of the Company and its subsidiary as at 31 December 2020.

All transactions and balances between the Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between the Group companies.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interest.

c) Going Concern

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

The Consolidated Statement of Profit and Loss and Other Comprehensive Income shows that the Group incurred a gain of \$23,395 during the year ended 31 December 2020 (2019 loss of: \$11,159) and had net cash outflows from operations of \$5,850 (2019: \$8,578). The Consolidated Statement of Financial Position shows that the Group had a cash and cash equivalents balance of \$191 (2019: \$166), a net current liability position of \$32,482 (2019: \$54,833) and a net deficit position of \$32,482 as at 31 December 2020 (2019: \$54,833).

The consolidated financial statements have been prepared on a going concern basis. In arriving at this position the Director has had regard to the fact that based on the matters noted below the Group has, or in the Director's opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this consolidated financial report. In forming this view the Director has taken into consideration the following:

As announced on the ASX platform on the 2 March 2021, the Group is in the final stages of completing a transaction (Boulbi Agreement) with Ookami Limited ("Ookami") to sell 57% of the issued share capital of the Company for 2.5 million fully paid ordinary shares in Ookami. Part of the Boulbi Agreement includes an earn-in agreement and shareholder agreement with Ookami to which the Group grants Ookami the sole and exclusive right to earn an additional 21% interest by spending the earn-in expenditure of US\$750,000. Also as part of the Boulbi Agreement, Ookami is required to complete a capital raise of approximately \$5,700,000 (the "Capital Raise"). The Group has received confirmation from Ookami that should the transaction with Ookami be completed and the Capital Raise be successful, Ookami will fund the Group's administrative and other committed expenditure for a period of at least 12 months from the date of signing this consolidated financial report. It should be noted that should the Capital Raise be unsuccessful, Ookami is currently unable to fund the Group's administrative and other committed expenditure for a period of at least 12 months from the date of signing this consolidated financial report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Going Concern (continued)

Should the Group not achieve the matters set out above there is a material uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements. The consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern and meet its debts as and when they fall due.

d) Adoption of New and Amended Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretation issued by the IASB that are mandatory for the reporting period.

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

e) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is brought to account on an accruals basis using the effective interest rate method and, if not received at the end of the reporting period, is reflected in the Consolidated Statement of Financial Position as a receivable.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks with original maturity of three months or less.

g) Exploration and Evaluation Expenditure

Recognition and measurement

Exploration and evaluation expenditure, including costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Cost incurred before the Group obtained the legal rights to explore an area are recognised in profit and loss.

Exploration and evaluation expenditure are recognised as an asset if the right of the area of interest are current and either:

- The expenditures are expected to be recouped through successful development and exploitation of the areas of interest; or
- Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Subsequent measurement

Exploration and evaluation assets are assessed for impairment if:

- Sufficient data exists to determine technical feasibility and commercial viability; and
- Facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of the impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation assets to mine properties within property, plant and equipment.

The value of the Group's interest in exploration and evaluation expenditure is dependent upon:

- The continuance of the Group's right to tenure of the areas of interest;
- The result of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Equity

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits. The option reserve records the value of share-based payments.

i) Foreign currency translations and balances

Functional and presentation of currency

The functional currency of each entity within the Group is measured using the currency of the primary economic environment in which entity operates. The consolidated financial statements are presented in AUD.

Foreign currency transactions and balances

Foreign currency translations are translated into presentation currency using the exchange rate prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in profit or loss.

j) Financial instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the Group are subsequently measured in their entirety at either amortised cost or fair value. The Group currently has no financial assets other than cash and cash equivalents.

Classification of financial liabilities

Financial liabilities classified as held for trading, contingent consideration payable by the Group for the acquisition of a business, and financial liabilities designated at Fair value through profit or loss, are subsequently measured at fair value.

All other financial liabilities recognised by the Group are subsequently measured at amortised cost. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. The Group's financial liabilities include trade and other payables and borrowings.

k) Critical Accounting Estimates and Judgements

The Director evaluates estimates and judgements incorporated into the consolidated financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key Judgement

Exploration and evaluation expenditure

Key judgements are applied in considering exploration and evaluation expenditure to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the Group operates. There were no significant impact upon the consolidated financial statements or any significant uncertainties with respect to events or conditions which may have impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

NOTE 2: KEY MANAGEMENT PERSONNEL ("KMP") COMPENSATION

There have been no payments made to the Director and KMP of the Group for the financial year ended 30 June 2020 (2019: Nil).

Loans from/to KMP and their related parties

During the year, the Group received an additional zero-interest loan of \$1,312 from the shareholders, to cover the expenses incurred by the Group (2019: \$6,125). As at 31 December 2020 the loan was fully forgiven and hence the Group has recognised an amount of \$51,670 as income for the period ended 31 December 2020.

Other transactions and balances with KMP and their related parties

For the financial year ended 31 December 2020, \$32,673 was payable to Mr Macoumba Diop, shareholder of the Group's controlled entity, in relation to payments made on behalf of Sahel Minerals SARL (2019: \$4,641).

There were no other transactions and balances with KMP and their related parties during the financial year.

	31 December 2020 AUD	31 December 2019 AUD
NOTE 3: AUDITOR'S REMUNERATION		
During the year the following fees were paid or payable for services provided by the auditor of the Group		
Remuneration of the auditor of the Group		
- Audit or review of the financial reports	-	-
	-	-

	31 December 2020 AUD	31 December 2019 AUD
NOTE 4a: CASH AND CASH EQUIVALENTS		
Cash at bank	191	166
	191	166

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4b: CASH FLOW INFORMATION

Income after income tax	23,395	(11,159)
Non-cash flows in loss after income tax		
Non-cash (income)/expenditure	(51,670)	-
Movement in foreign exchange (gain)/loss	(5,607)	(751)
Changes in assets and liabilities		
Increase/(Decrease) in trade payables	28,032	3,332
Cash flows used in operating activities	(5,850)	(8,578)

Credit Standby Facilities

The Group has no credit standby facilities.

Non-Cash Investing and Financing Activities

There were no non-cash investing and financing activities during the year.

	31 December 2020 AUD	31 December 2019 AUD
NOTE 5: TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	(11,444)	-
Other payables	(21,229)	(4,641)
Loan from shareholder	-	(50,358)
	(32,673)	(54,999)

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value. During the year, total of \$51,670 of shareholder loan were forgiven.

NOTE 6: ISSUED CAPITAL

	31 December 2020 No.	31 December 2019 No.
(a) Movements in fully paid Ordinary Capital		
Opening balance at beginning of year	10,000	10,000
Shares issued during the year	-	-
Closing balance at the end of year	10,000	10,000

The Company has issued share capital amounting to 10,000 (2019: 10,000) ordinary shares.

	31 December 2020 AUD	31 December 2019 AUD
(b) Movements in fully paid Ordinary Capital		
Opening balance at beginning of year	138	138
Shares issued during the year	-	-
Closing balance at end of year	138	138

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Note	31 December 2020 AUD	31 December 2019 AUD
NOTE 7: RESERVES			
Opening balance at beginning of year		(4,923)	(4,203)
Foreign exchange movement in year		(1,033)	(720)
Closing balance at end of year		(5,956)	(4,923)

The purpose of this reserve is to record exchange differences arising on the translation of non-monetary items to the extent that the underlying gain or loss is recognized in other comprehensive income.

NOTE 8: FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, trade and other payables and borrowings.

Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are market risk (including fair value and interest rate risk) and cash flow interest rate risk, credit risk and liquidity risk.

(a) Interest Rate Risk

The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future. The exposure to interest rates arises from the cash and cash equivalents balances and any borrowings that attract interest.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is not considered to be material.

(b) Credit risk

The maximum exposure to credit risk is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Consolidated Statement of Financial Position and notes to the consolidated financial statements.

Credit risk related to balances with banks and other financial institutions and trade and other receivables, and is managed by the Group in accordance with approved Board policy. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	31 December 2020 AUD	31 December 2019 AUD
Cash and cash equivalents – AA Rated	4a	191	166
		191	166

(c) 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. 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.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8: FINANCIAL INSTRUMENTS (CONTINUED)

The following are the contractual maturities of financial liabilities based on the actual rates at the reporting date excluding interest payments:

2020	Interest rate	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount assets/ (liabilities)
		AUD	AUD	AUD	AUD	AUD	AUD	AUD
Financial liabilities at amortised cost								
Trade and other payables		32,673	-	-	-	-	32,673	32,673
Borrowings		-	-	-	-	-	-	-
		32,673	-	-	-	-	32,673	32,673

2019	Interest rate	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount assets/ (liabilities)
		AUD	AUD	AUD	AUD	AUD	AUD	AUD
Financial liabilities at amortised cost								
Trade and other payables		4,641	-	-	-	-	4,641	4,641
Borrowings		-	-	50,358	-	-	50,358	50,358
		4,641	-	50,358	-	-	54,999	54,999

(d) Net fair Value of financial assets and liabilities

Fair value estimation

Due to the short-term nature of the financial assets and liabilities the carrying value is considered to approximate fair value.

NOTE 9: CONTROLLED ENTITY

Valhalla Minerals Limited

Controlled entity	Country of Incorporation	Percentage Owned	
		2020	2019
Sahel Minerals SARL	Senegal	90%	90%

NOTE 10: COMMITMENTS

The Group has a commitment to incur expenditure of USD \$3,100,000 (circa AUD \$4,077,000) during the life of the Boulbi Project. Minimal expenditure has been incurred as at the date of this report.

NOTE 11: CONTINGENT LIABILITIES

The are no known contingent liabilities at the end of the reporting period (2019: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12: RELATED PARTY TRANSACTIONS

Key Management Personnel (“KMP”)

Disclosure relating to KMP are set out in Note 2.

Loans from/to KMP and their related parties

During the year, the Group received an additional zero-interest loan of \$1,312 from the shareholders, to cover the expenses incurred by the Group (2019: \$6,125). As at 31 December 2020 the loan was fully forgiven and hence the Group has recognised an amount of \$51,670 as income for the period ended 31 December 2020.

Other transactions and balances with KMP and their related parties

For the financial year ended 31 December 2020, \$32,673 was payable to Mr Macoumba Diop, shareholder of the Group’s controlled entity, in relation to payments made on behalf of Sahel Minerals SARL (2019: \$4,641).

There were no other transactions and balances with KMP and their related parties during the financial year.

NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

As announced on the ASX platform on the 2 March 2021, the Group is in the final stages of completing a transaction (Boulbi Agreement) with Ookami Limited (“Ookami”) to sell 57% of the issued share capital of the Company for 2.5million fully paid ordinary shares in Ookami. Upon completion of Boulbi Agreement, Ookami will be entitled to appoint two directors to Sahel Minerals SARL (the Company’s subsidiary) and will be appointed as the manager of the Boulbi Project.

There have been no other material events or circumstances that have arisen since the end of the financial year.

DIRECTORS' DECLARATION

In Director's opinion:

- a) The consolidated financial statements and notes are in accordance with *International Accounting Standards*, including:
 - (a) complying with *International Accounting Standards* as detailed in Note 1 to the consolidated financial statements; and
 - (b) presenting fairly, in all material respects, the financial position of the Group as at 31 December 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the consolidated financial statements.
- b) There are reasonable grounds to believe that the Group 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 Director.



Martin Pawlitschek

Director

14 April 2021

VALHALLA MINERALS LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VALHALLA MINERALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Valhalla Minerals Limited (the "Company") and its controlled entity (the "Group"), which comprises the consolidated statement of financial position as at 31 December 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 statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Group as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International 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 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. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 c) to the consolidated financial report which indicates that as at 31 December 2020, the Group had a cash and cash equivalents balance of \$191 and a net current liability of \$32,482. As at the date of this report there is a material uncertainty that the Group can meet its administrative and other committed expenditure for the next 12 months. This condition, along with other matters as set forth in Note 1 c) to the financial statements, indicates that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

Those charged with governance are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

VALHALLA MINERALS LIMITED**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VALHALLA MINERALS LIMITED****Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with International Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

VALHALLA MINERALS LIMITED

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VALHALLA MINERALS LIMITED**

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

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
14th April 2021