

The background of the lower half of the cover is a dark, blue-tinted photograph of a mining site at night. A large, complex metal structure, possibly a conveyor system or a large storage bin, dominates the right side of the frame. In the foreground, a set of railway tracks runs diagonally from the bottom left towards the center. The background shows a dark, silhouetted landscape with some vegetation under a dark sky.

2020

ANNUAL REPORT



ABN 37 148 168 825

Directors

John Terpu	(Executive Chairman)
Kathleen Bozanic	(Independent Non-executive Director)
Andrew Caruso	(Independent Non-executive Director)

Executives

Sean Gregory	(Chief Executive Officer)
Mark Petricevic	(Company Secretary / Chief Financial Officer)

Registered Office and Principal Place of Business

Suite 4, 213 Balcatta Road
Balcatta WA 6021

Telephone: (08) 9240 4111

Facsimile: (08) 9240 4054

Email: admin@gsml.com.au

Website: www.gsml.com.au

Solicitors

HWL Ebsworth

Level 20/240 St Georges Terrace,
Perth WA 6000

Telephone: (08) 9420 1500

Auditors

HLB Mann Judd (WA Partnership)

Level 4, 130 Stirling Street

Perth WA 6000

Telephone: (08) 9227 7500

Facsimile: (08) 9227 7533

Share Register

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

Telephone: (within Australia): 1300 554 474

Telephone: (outside Australia): +61 (02) 8280 7100

registrars@linkmarketservices.com.au

Securities Exchange Listing and domicile

Great Southern Mining Limited is an Australian Company limited by shares and listed on the Australian Securities Exchange (ASX: GSN)

CONTENTS

	PAGE
Operating and Financial Review	2
Directors' Report.....	15
Auditor's Independence Declaration	31
Corporate Governance Statement.....	32
Statement of Profit or Loss and Other Comprehensive Income.....	33
Statement of Financial Position.....	34
Statement of Cash Flows	35
Statement of Changes in Equity	36
Notes to the Financial Statements.....	37
Directors' Declaration	73
Independent Auditor's Report	74
ASX Additional Information	78

OPERATING AND FINANCIAL REVIEW

The year to 30 June 2020 has been a busy one for Great Southern Mining Limited (the Company or GSN) with three completed drill programs on the Cox's Find and Mon Ami Gold Projects in Western Australia with baseline soil sampling work undertaken at Edinburgh Park in North Queensland along with the highly encouraging Hyperspectral Survey co-funded by Evolution Mining.

A summary of the main exploration activities during the period is below:

Western Australia:

Cox's Find Gold Project (the Project or Cox's Find)

Following the acquisition of the Project in September 2019, the Company immediately set about aggressively exploring the Project with a 17-hole Reverse Circulation (RC) program completed for a total of 2,658m.

The 2019 RC program focused on targeting shallow high-grade gold mineralisation adjacent to the historic underground developments which produced 77,000 ounces of gold at 22g/t from 1936-1942.

Notable high-grade intersections included:

- **5m at 31.23 g/t** gold from 134m, including **1m at 143.0 g/t** (19CFRC013).
- **2m at 36 g/t** gold from 146m, including **1m at 68 g/t** (19CFRC004).
- **5m at 14.54 g/t** gold from 140m, including **2m at 28.85 g/t** (19CFRC009).
- **8m at 9.43 g/t** gold from 73m, including **1m at 44 g/t** (19CFRC002).
- **6m at 7.90 g/t** gold from 132m, including **1m at 35.9 g/t** (19CFRC011).

The highly successful program not only provided some exceptional intersections but also proved the remnant mineralisation was in place with valuable structural information obtained.

Further details can be found in the ASX announcement on 26 November and 19 December 2019.

A geochemical program in March 2020 revealed encouraging anomalous zones with significant associations with gold and associated key pathfinder elements (As-Cu-Zn-Bi-Se). These results were then correlated to the geophysical mapping (refer to ASX announcement on 22 April 2020).

Following additional interpretation of the drill results and geochemical programs, a successful \$3.14m capital raising was completed in May 2020. The Company commenced a two-phase, 9,000m drilling program consisting of RC and Diamond Drilling (DD) in early June 2020.

The DD program consisted of a five-hole diamond tail program designed to intersect the Cox's Find main lode in areas of high-grade mineralisation and build on the understanding of the structural orientation of the high grade mineralisation to give insight to the structural constraints which can be used for the future drilling programs. The first DD hole was highly successful with a spectacular gold intersection produced of **5.65m @ 80.0 g/t** gold from 160.05m including a bonanza intercept of **1.1m @ 404.0 g/t** gold from 164.6m noted, refer to the ASX announcement on 29 July 2020 (photo at Figure 1).



Figure 1: Visible gold from 164.6m in 20CFRCD004.

An oblique isometric view of the spectacular gold intersections is shown at Figure 2.

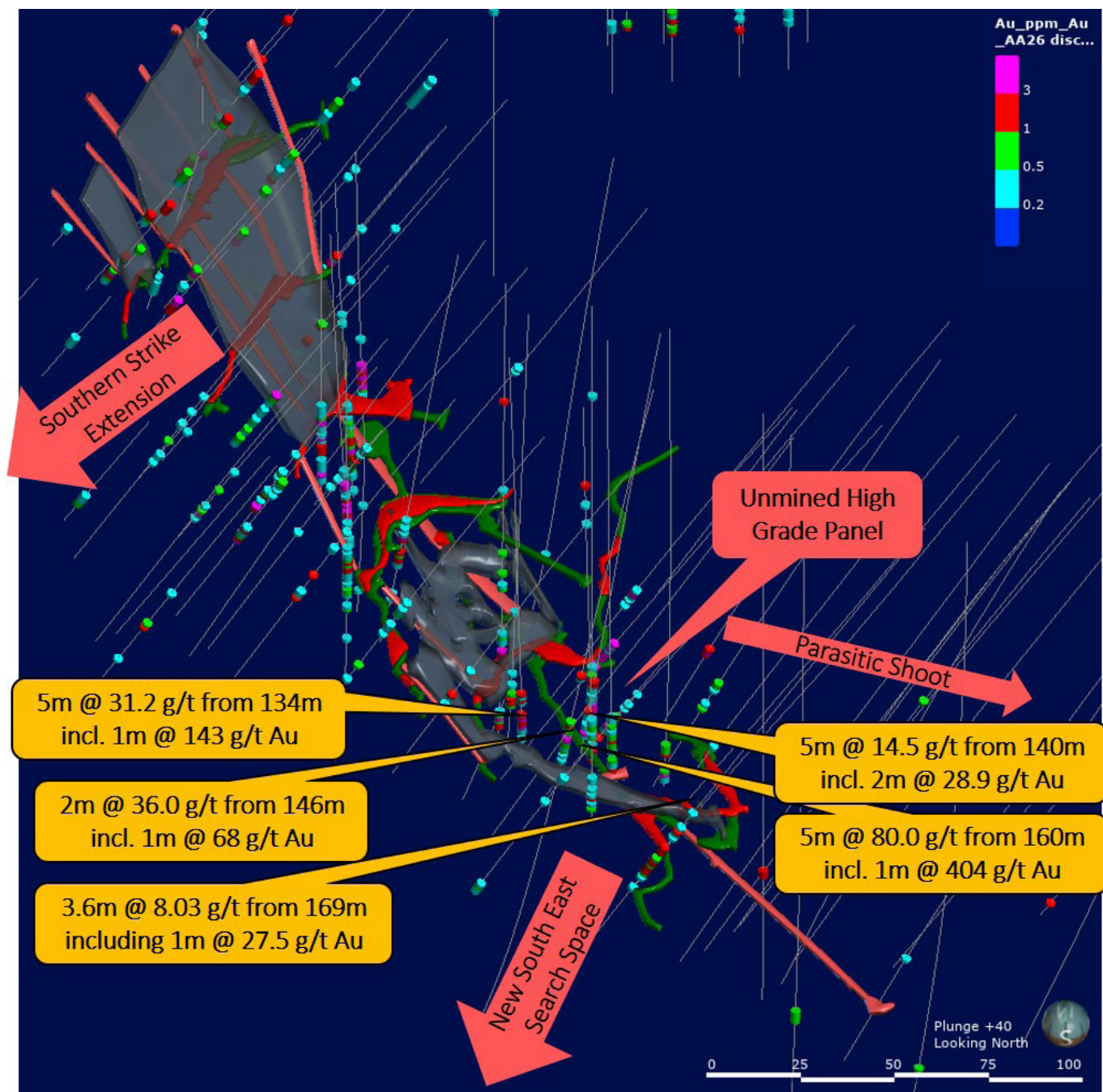


Figure 2: Oblique isometric view highlighting the spectacular gold intersections into the unmined panel at level 5-6 of Cox's Find

Cox's Find Gold Project (continued)

Whilst exploration work at Cox's Find is still at an early stage, the 2020 drilling has returned significant intersections of gold mineralisation within a possible larger gold-hosting system.

In addition to the bonanza intersection from the diamond hole, highlights of the 2020 program included the following :

- **9m @ 5g/t gold** from 142m within a broader zone of **16m @ 3.7g/t gold** from 138m (20CFRC0015).
- **2m @ 14.0 g/t gold** from 146m (20CFRC0014).
- **3.6m @ 8.03 g/t gold** from 168m (20CFRCD008).
- **13m @ 1.14 g/t gold** from 167m (20CFRC0034).
- **5m @ 5.51 g/t gold** from 59m (20CFRC0029).

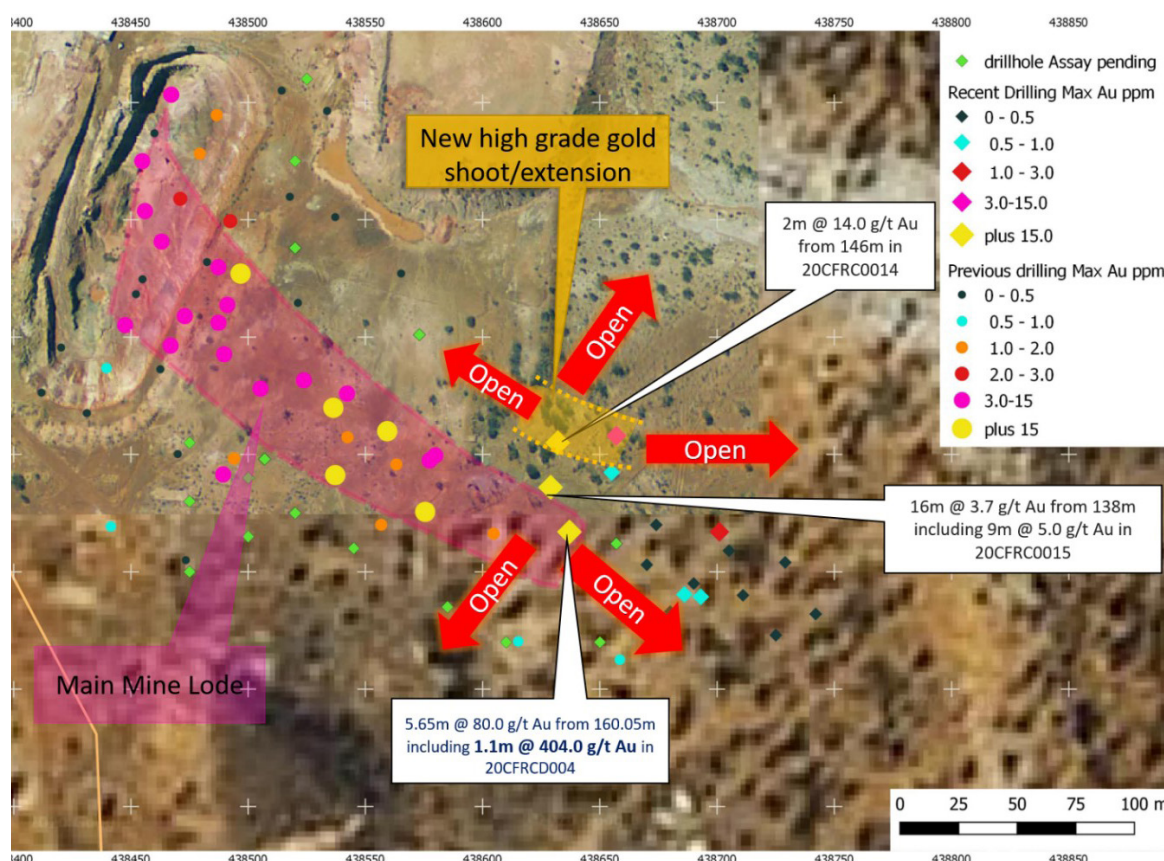
20CFRC015 was drilled through the Cox Find main mine lode (the focus of the historical mining) and was drilled 20m north east from the spectacular gold intersection of **5.65m @ 80.0 g/t gold** in diamond core 20CFRCD004.

A broad zone of mineralisation of **16m @ 3.7g/t gold** from 138m with a higher-grade core of **9m @ 5g/t gold** from 142m was intersected. The results suggest the high-grade main lode was intersected at 150 to 151m downhole with a high-grade assay result of **20.1 g/t gold**. This is highly encouraging and suggests that the main lode has excellent grade continuity at this level and requires follow up drill testing.

20CFRC0014 was drilled 40m north of the known interpreted main mine lode and was designed to test if mineralisation persisted along strike of the main lode (Figure 3). A gold intersection of **2m @ 14.0 g/t gold** from 146m, within a quartz vein was produced. The results demonstrate that mineralisation persists further north than previously interpreted or is a new high-grade lode shoot.

Overall, the results are extremely pleasing with excellent gold continuity and demonstrated high grade ore north of the existing workings that warrant follow up drilling for the second half of 2020.

Figure 3: Plan View of Cox's Find highlighting recent drill results with maximum downhole gold values.



Cox's Find Gold Project (continued)

Additional tenure applications

Subsequent to year end, the Company announced it had lodged applications over 4 strategic and highly prospective tenements immediately adjacent to Cox's Find. GSN has made applications over the tenements in Table 1:

Table 1:	Tenement Area km ²
Tenement	(approximate)
E38/3518	50
P38/4523	0.25
P38/4524	0.25
P38/4525	0.40
	50.90

Once granted, the tenement applications could increase the Project tenure to a total of 54km² and include over 12km of access to the clearly identifiable mineralised trends that host both the Garden Well and Rosemont gold deposits owned by Regis Resources Limited (ASX: RRL). Refer **Figure 4**.

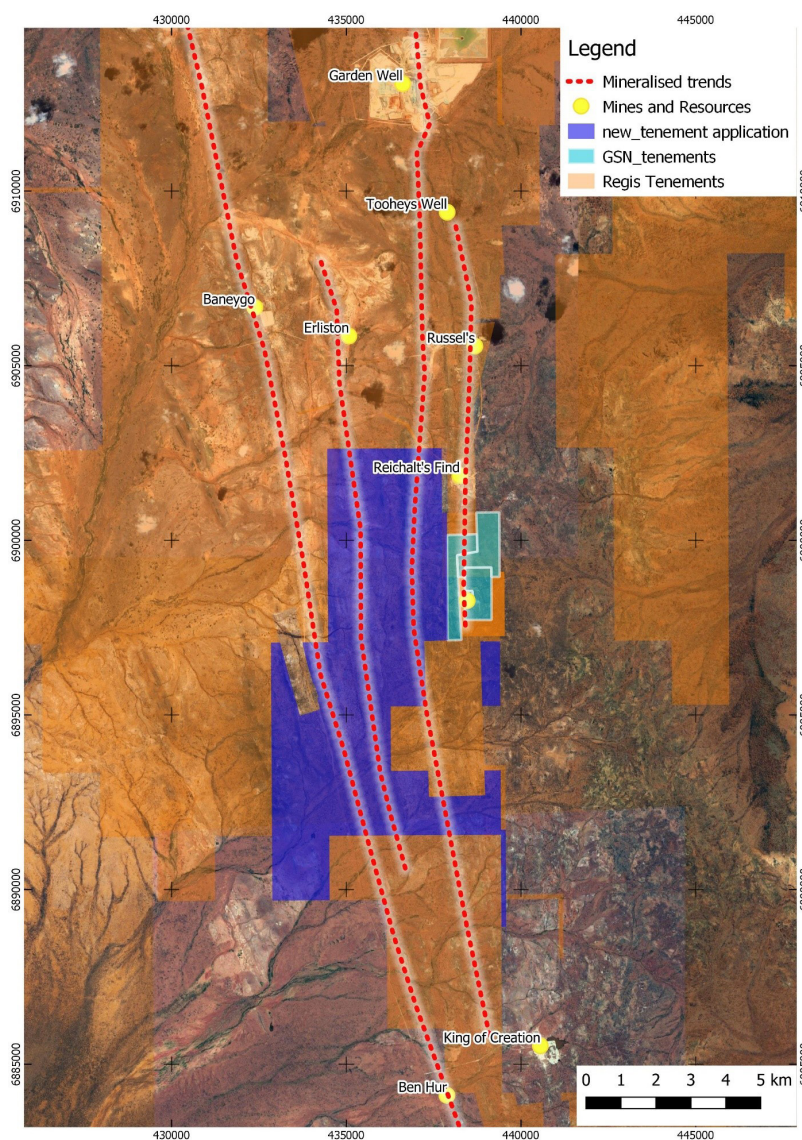


Figure 4: Plan view of the Cox's Find Project (light blue) and the applications lodged (dark blue) highlighting mineralised trends (red dashed lines).

Mon Ami Gold Project (Mon Ami or the Project)

During 2020 a considerable amount of planning and revaluation of the geological model took place to design a 20-hole RC program consisting of 2,763m which commenced in June 2020 and was completed in July 2020. The recent drill program was designed along a mineralised NNE striking regional shear zone, targeting areas which sit outside or on the edge of the current southern extent of the Resource area.

Drilling also targeted historic shafts along the shear which have extracted gold in the early 20th century and where the presence of cross cutting or NE splays have been mapped in close proximity to the main shear zone (Figure 5).

A number of gold bearing shoot extensions have been identified along strike and down plunge of the current resource area. The extension along strike has yet to be fully tested and will be a focal point for follow up drilling.

The following highlights were noted and announced to the ASX on 7 August 2020:

- Shallow high-grade gold intersection of **11m @ 7.9 g/t** gold from 26m including **4m @ 15.9 g/t** gold in (20MARC011).
- **4m @ 12.4 g/t** Au from 80m (20MARC003).

Drilling focused on the southern extent of resource area and remains open along strike and at depth, refer Figure 6.

Processing and interpretation of recent results is underway, and the Company believes that there is further scope to target the intersection points of the NE splays intersecting the regional shear zone to target the high grade mineralisation.

Planning for step out drilling both to the north and south of Mon Ami is underway.

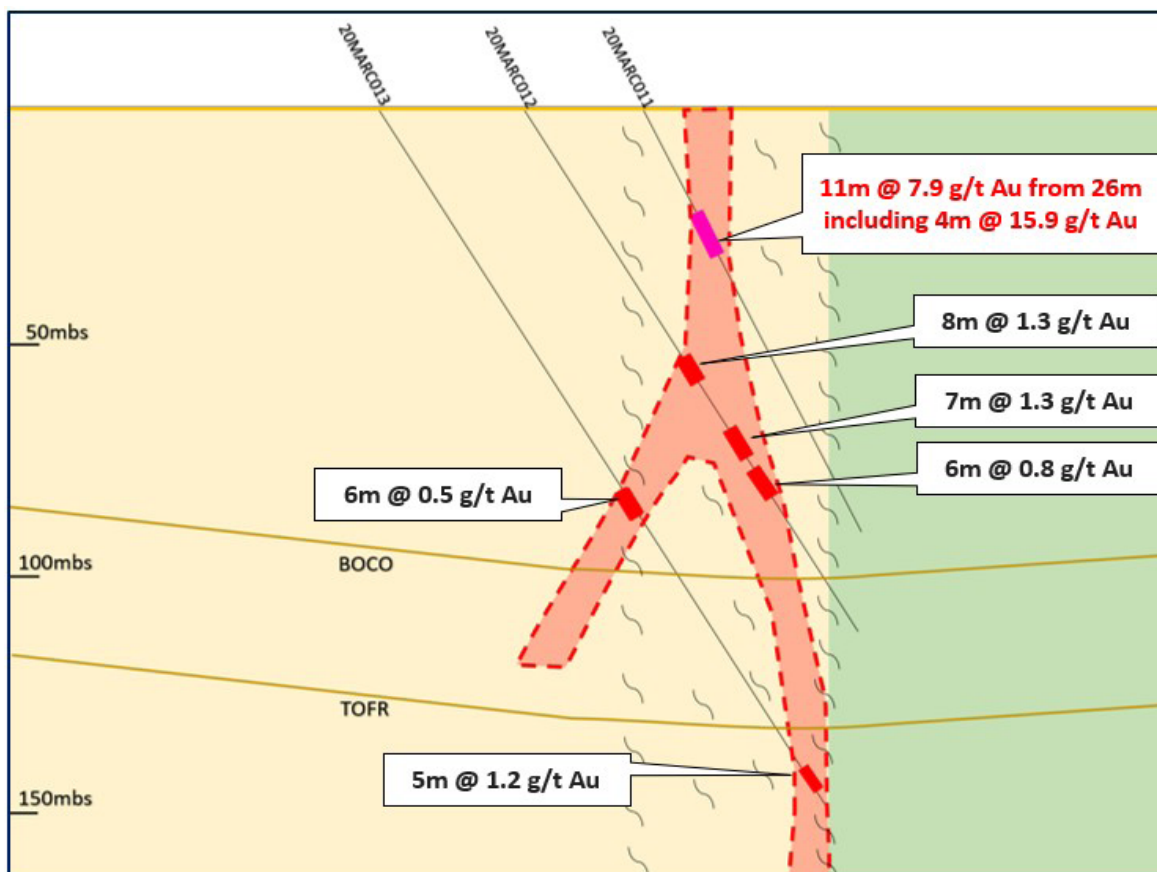


Figure 5: Section view between MLRC024 and 20MARC011 of the Mon Ami Gold Project highlighting the location of recent high-grade intercept. BOCO = Base of complete oxidation. TOFR = Top of Fresh Rock.

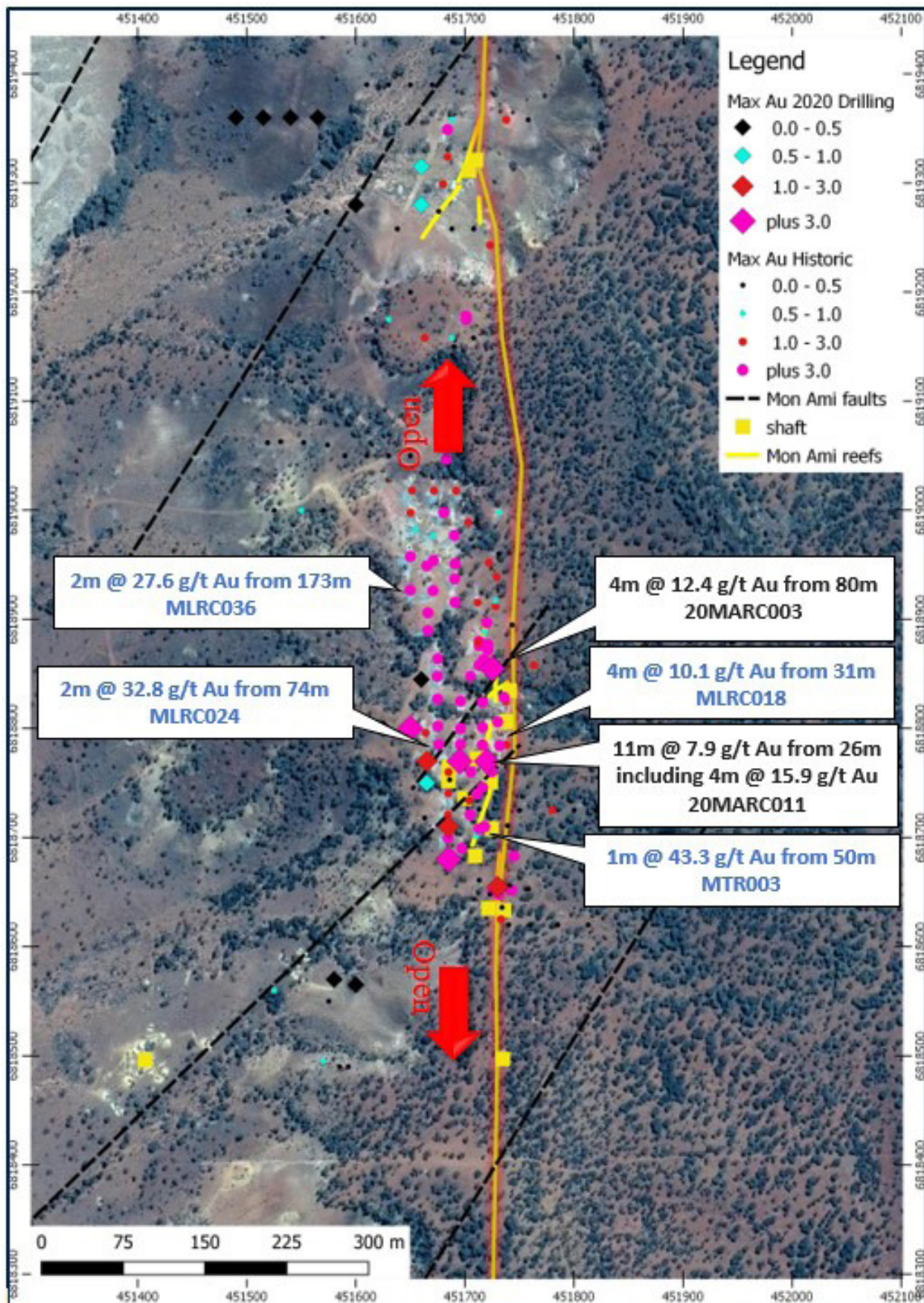


Figure 6: Plan view of the Mon Ami Gold Project highlighting the location of high-grade intercepts (black text recent) and the presence of high grade mineralisation at the intersection of NE splays and the mineralised contact.

Edinburgh Park – Queensland

The Company announced in October 2019 that it had entered an agreement with Evolution Mining Limited (ASX: EVN) to co-fund a hyperspectral survey over the Company's 100% owned Edinburgh Park and Johnnycake Projects in North Queensland (Refer Figure 10).

With the aid of a specialist consultant the Company undertook processing of this data to assist with identifying illuminations of indicative geological alteration systems. The initial interpretation was focused on epithermal style mineralisation systems. The following results were presented:

- A significant number of illumination targets were identified exhibiting indicative geological alteration footprints consistent with Mt Carlton-style high-sulphidation epithermal mineralisation.
- Five (5) are considered to be high priority targets and a further ten (10) secondary epithermal.
- Several priority targets show approximately 2 km extent of advanced argillic alteration - 'hot-spots' zones; evident and comparable to those deposits which host the Mt Carlton style mineralisation.
- A number of sizeable low-sulphidation veins or vein set targets have also been interpreted within larger target areas.
- The targets generated by initial hyperspectral interpretation, will allow a focused field exploration program around the highly prospective systems.
- Interpretation of the hyperspectral data is ongoing for other styles of gold mineralisation zones known to exist in this district.

The survey was designed to gather substantial geophysical data to assist with target delineation and comes off the back of the reconnaissance drilling program undertaken earlier in 2019 (refer ASX announcement on 5 July 2019). Drilling intersected a significant zone of well-developed, high-sulphidation epithermal-style mineralisation below the surface of the main outcrop discovery.

The hyperspectral results and interpretation have reinforced field observations at a number of known prospects (e.g., Fish Creek, Mt Dillon) and identified many new significant high-sulphidation hydrothermal centres or 'hot spots'.

The newly identified epithermal targets indicate and supports the potential for multiple mineralised deposit discoveries within similar NE-trending structural corridors within the Permian volcanics. Mineral mapping and hyperspectral images for several of these prospects are presented in ASX announcement on 15 April 2020.

Fish Creek, Mt Dillon, and the newly interpreted Edinburgh Castle, Whydah South and Bogie Range prospects are considered high priority targets due to the scale of the advanced argillic zones evident in the hyperspectral data which can extend up to ~2 km and are comparable to those alteration 'hot-spots' which host the Mt Carlton.

The hyperspectral survey was part of the Company's philosophy of conducting modern 'smarter' exploration techniques to screen the whole of project for evidence of new economic mineral systems.

In June 2020 the company undertook additional processing of hyperspectral data to assist with identifying illuminations of indicative geological alteration systems related to porphyry and Intrusive Related Gold Systems (IRGS). The interpretation and results were summarised as follows:

- Nineteen (19) illumination targets consistent with porphyry mineralisation alteration systems were identified.
- Due to the scale of the alteration zones evident in the hyperspectral data, which can extend up to ~2 km, combined with the evidence of alteration zonation, three (3) targets are considered to be high priority targets and a further ten (10) smaller scale illuminations are considered to be secondary targets.

The Company also completed mapping and initial geochemical survey work over a 10 km² area covering the porphyry stockwork north of Beaks Mountain within the Leichhardt Creek prospect area, a prospective porphyry and IRGS system. This geochemical mapping program is the first systematic gold focused exploration program undertaken over these highly prospective targets, which were identified from interpretation of hyperspectral data with geological mapping and geophysics.

Porphyry mineralization at Leichhardt Creek was noted and is associated with multiple intrusions and porphyritic dykes of diorite to quartz monzonite composition with associated stockwork sulphide and quartz-sulphide vein development and fracture fill.

Multiple breccia occurrences (e.g., Rocky Ponds) are present along the margins of the stockwork zones and are associated with Au-Ag-Cu mineralisation.

The geochemical mapping and sampling program collected around 652 soil samples and 11 rock chip samples completed on a wide spaced grid. The geochemical mapping program, the first systematic gold focused exploration program undertaken in this area, was completed on a wide spaced (100m x 100m) grid over highly prospective targets identified from interpretation of hyperspectral data in conjunction with reconnaissance geological mapping and aerial geophysics. Results were released to the market on 16 July 2020 with gold and molybdenum zones noted (Figures 7 and 8).

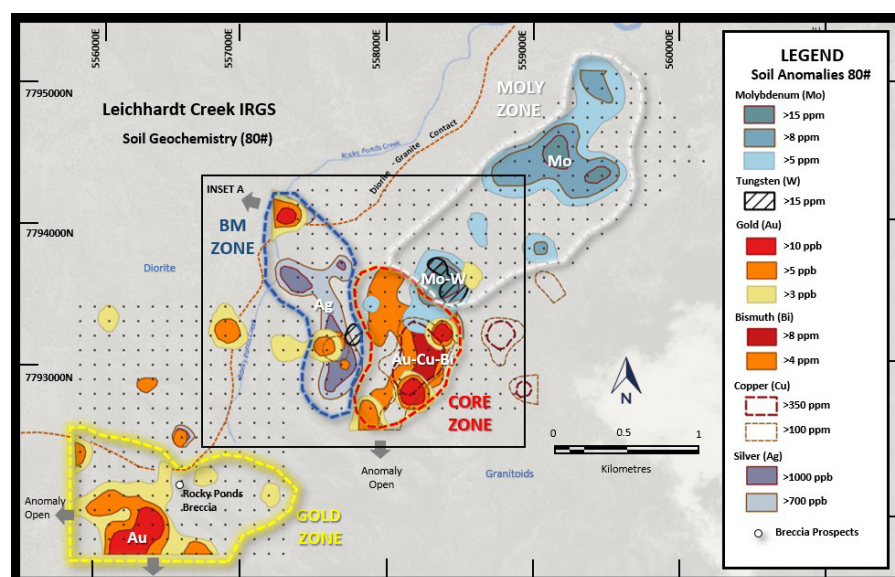


Figure 7: Soil Survey results at the Leichhardt Creek Prospect (anomalous pathfinder elements 90th percentile) showing zonation interpretation.

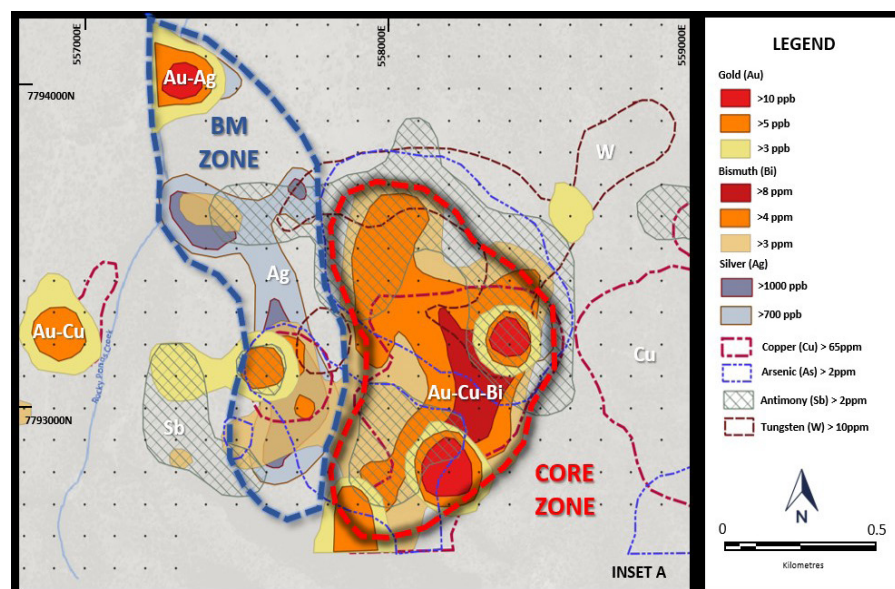


Figure 8: Insert A - Soil Survey results over main central Core Zone at the Leichhardt Creek Prospect showing Base Metal and Core zone area.

Geological Mapping

In addition to the soil sampling, reconnaissance geological mapping has been completed. This mapping outlined the presence of sheeted parallel arrays of low-sulphide (<5%), single stage quartz veins which may extend for 100's of metres and up to 10's of metres wide. The veins are filled compact fine comb quartz and commonly have a gossanous core of goethite and manganese oxides after sulphide. Where primary sulphide mineralisation is preserved, mineralisation consists of disseminated and microveinlet pyrite, with lesser chalcopryite (CuS), spalerite (ZnS), galena (PbS) and Molybdenite (MoS). Alteration associated with the sheeted vein system is expressed as narrow centimeter-scale selvages of phyllic alteration with intervening fresh unaltered host rock. The lack of pervasive alteration is consistent with the subdued hyperspectral signal and further supports an IRGS as opposed to a typical porphyry alteration halo.

The sheeted complex, the broader Beaks Mountain intrusive complex, hosts multiple lines of evidence

for the presence of mineralizing plutons and the likelihood of large-scale hydrothermal fluids, including microgranites and porphyry textures, metal-bearing granophyres, miarolitic cavities and unidirectional-solidification textures that support a pluton apices setting.

Several mineralised breccias (e.g., Rocky Ponds Breccia) have also been identified with the broader sheeted vein system.

The demagnetised zone correlates extremely well with anomalous surface soil gold and other IRGS pathfinder trends (Au, As, Sb, Sn, Bi, & Ag), and also display a clear metal zonation from NE to SW (Figure 10). Importantly the northern contact of the NE trending demag zone (being the faulted contact with the diorite) is considered the fundamental controlling structure for the emplacement of intrusive phases and the loci of alteration and mineralisation.

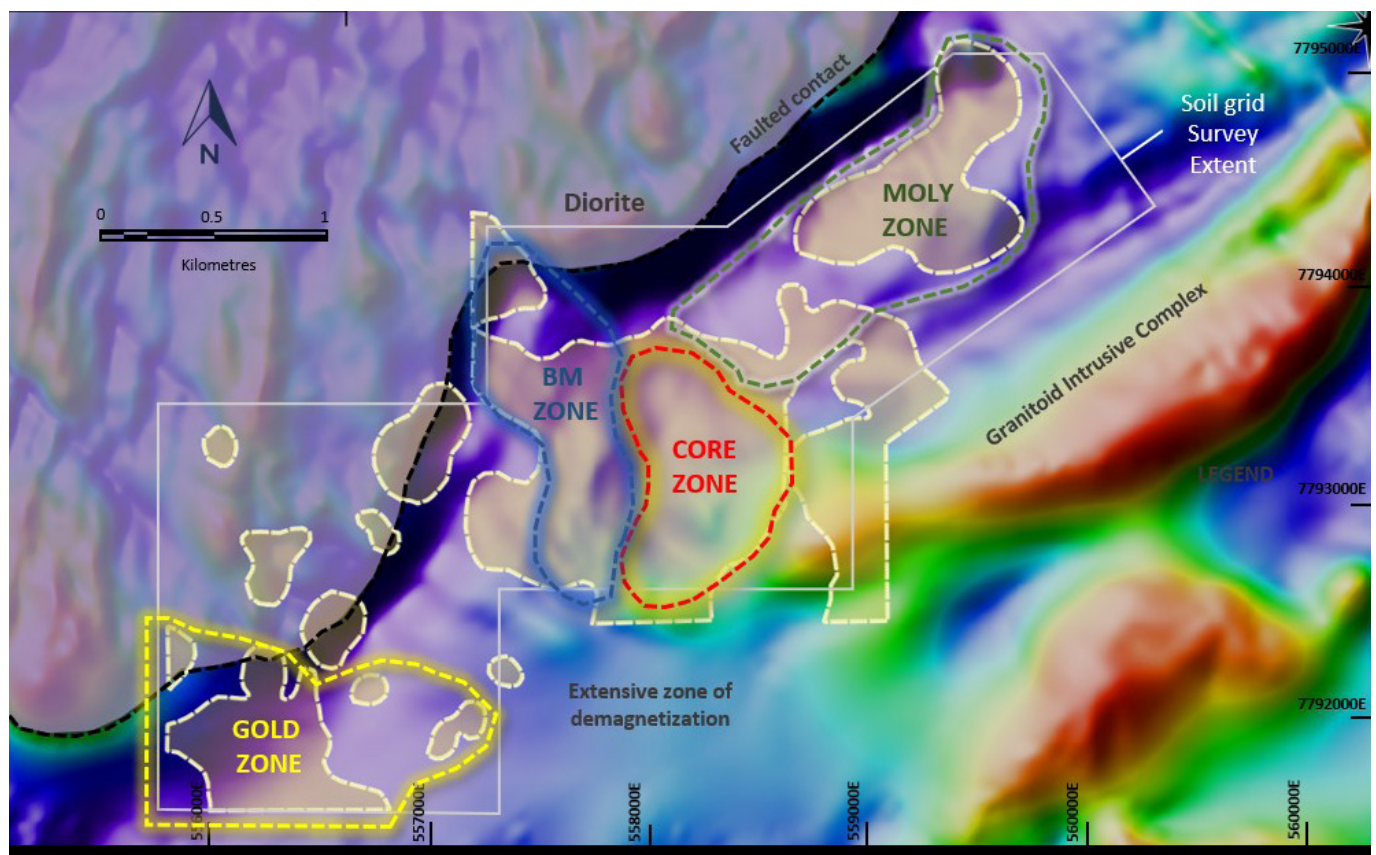


Figure 9: Anomalous geochemistry zones at the Leichardt Creek draped over RTP magnetic image.

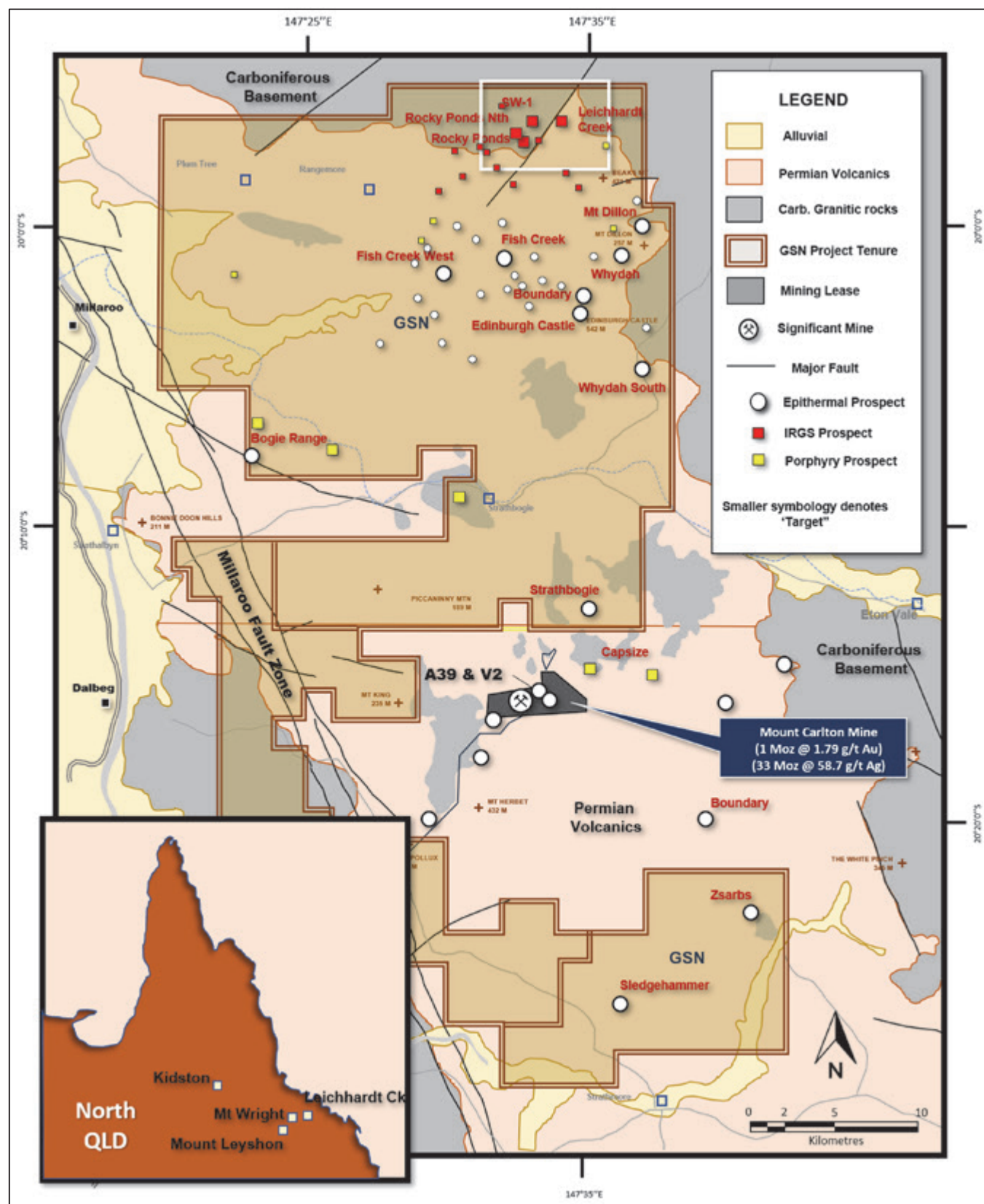


Figure 10: Location and geology of GSN's Edinburgh Park Project relative to the Mt Carlton Mine owned and operated by Evolution Mining Limited

Corporate

The following significant matters and changes during the period have occurred:

- In September 2019 the Company successfully raised \$835,884 before costs via a Rights Issue (Offer) to shareholders of New Options. Details were announced to the market on 4 September 2019. The shortfall under the Offer was 17,548,997 New Options placed in October 2019.
- On 30 July 2019 the Company entered a \$500,000 Director Loan facility with an entity related to Mr John Terpu. The loan is on commercial terms bearing an interest rate of 9.9%pa. The loan is unsecured and on an arm's length basis with \$300,000 owing at the date of this report.
- In October 2019 the Company completed placement to institutional and sophisticated investors of 27,000,000 Fully Paid Ordinary Shares at \$0.045 per share and 27,000,000 Listed Options exercisable at \$0.05 per Option on or before 4 September 2022. Total funds raised was \$1.485m (before costs).
- In February 2020, the company appointed Mr Mark Major as Chief Operating Officer of the Company. Mr Major resigned from the Company in September 2020.
- On 14 May 2020, the Company completed a successful placement of 70,000,000 fully paid ordinary shares at \$0.045 each with 1 free attaching Listed Option for every 4 shares issued (total of 17,500,000 to be issued). The placement raised \$3.15m before costs. Refer ASX announcement on 8 May 2020.
- In May 2020 the Company announced the deferral of the \$0.8m payment due to the Vendor of Cox's Find until August 2021. As consideration for the deferral, the Company paid the Vendor \$0.1m cash.
- On 12 June 2020, 5,000,000 of the Unlisted Options issued above were exercised, generating the Company a further \$0.3m.

Financial Position and Performance

The Company's net assets increased 106% from the year ended 30 June 2019 due to capital raising activities during the year and the acquisition of Cox's Find.

The Company held \$3.06m as cash and cash equivalents at 30 June 2020.

Operating cash outflows for the period totalled \$1.32m with cash outflows from investing activities totalling \$1.84m being the cash costs of the exploration programs across the Company's projects during the year. We note the emphasis of matter paragraph regarding the going concern assumption included in the auditor's report, refer to Note 1(w) for further disclosure. The Auditors Report on the Financial Statements included in this Annual Report includes an emphasis of matter related to going concern. The audit opinion is not modified in relation to this matter.

The Company has performed in a manner consistent with that of a junior exploration company. The focus during the period was on undertaking drilling and exploration programs. The net loss for the period of \$1.87m is reflective of the corporate and overhead costs incurred in ensuring regulatory compliance is maintained, legal fees incurred in relation to corporate activities during the year and a non-cash charges such as the share-based payments expense.

The Company also employed a Chief Operating Officer in February 2020 and full-time Exploration Manager in Western Australia in May 2020. Therefore, the full year to 2020 included the pro-rata payments made to these individuals compared to nil in 2019.

Future Prospects

As discussed elsewhere in the Review of Operations Report, the Company will be looking to undertake additional exploration programs on its Western Australian and Queensland projects.

Further disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

Business Risks

The Company is subject to a number of risks that could potentially have an adverse impact on the performance of the Company. The Company has in place policies and procedures to monitor and manage these risks which can broadly be categorised as:

- commodity prices;
- currency risks;
- market risks;
- liquidity risks; and
- credit risks.

The Company, as a gold exploration company, faces inherent risks in its activities including tenement and title, exploration funding, project exploration risk, environmental and social sustainability risks, which may materially impact the Company's operations. The Company has in place procedures for reporting and monitoring of such risks which are continually being reviewed and updated to help manage these risks. The Board also believes that it and the management team have a thorough understanding of the Company's key risks in these areas and are managing them appropriately.

Additionally, liquidity risk is a constant focus of the Directors' being mindful of the ability of the Company to raise additional capital to meet expenditure commitments and further drilling programs. Further disclosure of these financial risks can be found in Note 21 to the Financial Statements.

The impact of the COVID-19 pandemic continues to pose a number of global socio-political, economic and health risks that may cause an impact on the Company's operations. The potential for the pandemic to be ongoing with unforeseen impacts is high. The Company has implemented procedures to protect the wellbeing of staff and contractors and ensure business continuity. The Company continues to monitor and respond to the risk of the pandemic commensurate with the risks in accordance with the Government recommendations and health advice.

Competent Persons Statement

The information in this Annual Report relating to the Company's Exploration Results and Mineral Resources Estimates is based on and fairly represents information compiled by Simon Buswell-Smith and Dr Bryce Healy. The Competent Persons have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code (2012 edition).

The information in this report that relates to the Mineral Resources estimation approach at Mon Ami is based on information compiled by Dr Michael Cunningham, GradDip, (Geostatistics) BSc honours (Geoscience), PhD, MAusIMM, MAIG. Dr Cunningham is a Principal Consultant, full-time, of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)".

The information in this Review of Operations has contained information that has been extracted from a number of ASX announcements released during the year and up to the date of this report. All announcements are available to view on the ASX platform (ASX: GSN) and the Company's website at www.gsml.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market an announcement.

Forward Looking Statements:

Forward- looking statements are only predictions and are not guaranteed. They are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of the Company. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ from those referred to in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward- looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this announcement will occur as contemplated.

Statements regarding the Company's plans with respect to Mineral Resources, exploration programs and future developments are forward-looking statements. There can be no assurance that the Company's plans will proceed at stated times in the future. Additionally, future drilling programs and outcomes presented are based on current estimates using information available at the time of the documents preparation. There is no guarantee that the programs will confirm the presence of additional Mineral Resources.

DIRECTORS' REPORT

Your Directors submit the annual financial report of Great Southern Mining Limited, (the Company), for the year ended 30 June 2020.

The names of Directors and the Secretary who held office during or since the end of the year and until the date of this report are as follows.

John Terpu – Executive Chairman

(Appointed Non-executive Chairman 12 January 2011, appointed Executive Chairman 1 July 2013)

Mr Terpu has over twenty years' of commercial and management expertise gained in a broad range of business and investment activities. He has been involved in the mining and exploration industry through the acquisition and investment in a number of strategic exploration and mining projects. Mr Terpu has a wide range of contacts in the exploration and mining investment community. No other public Company directorships were held in the previous three years.

Kathleen Bozanic

B.Com, CA ANZ, AICD – Independent Non-executive Director

(Appointed 26 April 2018)

Ms Bozanic is a chartered accountant with over twenty five years of experience in compliance, governance, risk, commercial and financial management, including leadership experience in strategic transformation and restructuring. Ms Bozanic also has considerable experience as an Audit Partner, Chief Financial Officer and the General Manager of Finance in the mining and construction sector. Ms Bozanic was appointed to the board of IGO Limited as a Non-executive Director on 3 October 2019. No other public Company directorships were held in the previous three years.

Mr Andrew Caruso B.Eng (Mining) (Hons), Grad Dip. Applied Finance & Investment – Independent Non-executive Director

(Appointed 26 April 2018)

Mr Caruso is a mining engineer with over twenty six years' experience in the Australian and international mining industries with a focus on corporate leadership, business development, operations and strategic planning and mine management. His experience includes over nine years as the chief executive for a number of iron ore and coal operations and development companies. Mr Caruso was appointed to the board Atrium Coal Limited as Managing Director on 12 August 2020. No other public Company directorships were held in the previous three years.

Mark Petricevic CA ANZ, AGIA, B.Com

Company Secretary

(Appointed 30 April 2018)

Mark is a chartered accountant with over seventeen years' experience in accounting, financial reporting, audit and corporate advisory including four years as an Audit and Assurance Partner. Mark has had no public Company directorships in the previous three years.

Directors' Meetings

The number of meetings of the Company's Board of Directors attended by each Director during the year ended 30 June 2020 was as follows:

	Number of Board Meetings Held Whilst in Office	Number of Board Meetings Attended
J. Terpu	11	11
K. Bozanic	11	10
A. Caruso	11	11

DIRECTORS' REPORT

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the Directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of fully paid Listed Options
J. Terpu	125,309,351	39,103,118
K. Bozanic	1,200,000	400,000
A. Caruso	1,200,000	400,000

Listed Options

On 4 September 2019 the Company completed a non-renounceable pro rata entitlement issue to Shareholders of one (1) New Listed Option for every three (3) Shares held by Eligible Shareholders at an issue price of \$0.010 per New Listed Option. The New Listed Options are exercisable at \$0.05 each on or before 4 September 2022. The directors took up their entitlements and were issued the options on 4 September 2020. The Directors have not undertaken any further trading in Listed Options during the period.

Unlisted Options

Details of Unlisted Options issued by the Company during or since the end of the financial year, and ordinary shares issued as a result of the exercise of an Unlisted Option are:

	Note	Date options granted	Expiry date	Exercise price of shares (\$)	Number under options
Opening Balance – 1 July 2019					12,100,000
Details of Shares Issued during the Period					
Exercise of Unlisted Options - 20 September 2019		16-Nov-18	31-Dec-19	\$ 0.02	(300,000)
Cancellation of Unlisted Options		14-May-18	31-Dec-19	\$ 0.02	(11,800,000)
Issue of Unlisted Options under the Long-Term Incentive Plan		Refer to Note A			3,000,000
Issue of Unlisted Options to Corporate Advisers	B	14-May-20	04-Sep-22	\$ 0.06	10,000,000
Exercise of Unlisted Options by Corporate Advisers					(5,000,000)
Closing Balance – 30 June 2020		130,619	132,468		8,000,000

Since the end of the financial year, 1,000,000 Unlisted Options were exercised by the former Chief Operating Officer.

DIRECTORS' REPORT

Unlisted Options (continued)

Note A:

The Unlisted Options issued on 27 February 2020 had a number of market-based vesting conditions. The fair value of each tranche was determined through the use of a Monte-Carlo option price calculation.

Vesting Conditions attached to A					
Tranche	Options – no.	Options – exercise price	Vesting Condition	Expiry date	Fair value (\$ per option)
Tranche 1	1,000,000	\$0.05	Executive remains an employee of the Company (at the Executive level or higher) as at 30 June 2021	30-Jun-22	0.015
Tranche 2	1,000,000	\$0.05	When GSN share price reaches \$0.12 based on a 20-trading day VWAP.	30-Jun-22	0.003
Tranche 3	1,000,000	\$0.05	When GSN share price reaches \$0.18 based on a 20-trading day VWAP.	30-Jun-23	0.002

Tranche 2 was exercised since the end of the financial year with Tranche 1 and Tranche 3 lapsing.

Note B:

As part of the placement undertaken in May 2020 the Company issued Shaw and Partners as corporate advisor 10,000,000 Unlisted Options exercisable at \$0.06 each on or before 4 September 2022. 5,000,000 of the Unlisted Options were exercised during the period.

No Unlisted Options have been issued to Directors during or since the end of the period. The Unlisted Options do not entitle the holder to participate in any share issue of the Company.

DIRECTORS' REPORT

Unlisted Options (continued)

Note C:

The following tranches of Unlisted Options have been issued since the end of the financial year.

Unlisted Options	Tranche	No.	Exercise Price	Vesting Condition	Expiry Date
Head of Exploration - Western Australia (issued 10 July 2020)	1	600,000	\$0.05	Employee remains with Company as at 30 June 2021.	30-Jun-22
	2	600,000	\$0.05	Employee remains with Company as at 30 June 2022.	30-Jun-23
Head of Exploration – Queensland (issued 2 September 2020)	1	1,000,000	\$0.10	Employee remains with Company as at 30 June 2022.	30-Jun-23
	2	1,000,000	\$0.20	Vest on discovery and resource development of a 500,000-ounce gold equivalent prospect withing the Queensland project portfolio.	30-Jun-25
Chief Executive Officer (issued 2 September 2020)	1	500,000	\$0.10	Vest after 12 months of service	30-Jun-23
	2	500,000	\$0.15	Vest after 24 months of service	30-Jun-24
	3	500,000	\$0.20	Vest after 36 months of service	30-Jun-25

DIRECTORS' REPORT

Performance Rights

Details of Performance Rights issued by the Company during or since the end of the financial year, and ordinary shares issued as a result of the exercise are:

Performance Rights	Tranche	No.	Exercise Price	Vesting Condition	Expiry Date
Chief Executive Officer (issued 2 September 2020)	1	2,000,000	nil	Share price of \$0.25 based on 20-trading day VWAP.	Note 1
	2	2,000,000	nil	Share price of \$0.35 based on 20-trading day VWAP.	Note 1
	3	2,000,000	nil	Share price of \$0.45 based on 20-trading day VWAP.	Note 1

Note 1:

Performance Rights are convertible into Shares on a one for one basis for no consideration upon exercise by the holder on or before the date which is 2 years after issue. Performance Rights are convertible into Shares on a one for one basis for no consideration upon exercise by the holder on or before the date which is 2 years after issue

Dividends

No dividends were declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activity of the Company during the year was exploration for and evaluation of economic deposits for gold and other minerals in Western Australia and Queensland.

Review of Operations

During the year, the Company carried out exploration on its tenements with the objective of identifying economic deposits of gold and other metals. The full review of operations immediately precedes this report.

Operating results for the year

The net result of operations for the year was a loss after income tax of **\$1,878,291** (2019: \$1,435,517). The Operating and Financial Review, included in the full review of operations, can be found immediately preceding this Directors' Report.

DIRECTORS' REPORT

Significant changes in the state of affairs

During the year, the following changes occurred:

Strategic Acquisitions

As announced by the Company on 5 June 2019, the Company entered into an agreement with a third party for the purchase of the Cox's Find Gold Project. The Company has paid the vendor a total of \$200,000 to date in relation to the acquisition. Additional consideration to be paid includes the following:

- Pay an amount of \$800,000 to the vendor within 12 months from the date of completion of the transaction (Deferred Payment 1). This has now been extended to 23 August 2021 and in consideration for this extension, a payment of \$100,000 was made to the Vendor in May 2020.
- Pay an amount of \$1,000,000, or issue shares to the value of \$1,000,000, to the vendor on declaration of a mineral resource of 500,000 ounces of gold (Deferred Payment 2);
- Pay a 1.5% net smelter return royalty (NSR) on all gold extracted and recovered.

Issue of securities during the period:

Fully Paid Ordinary Shares issued during the period and up until the date of this report.

Movement in issued shares for the period	Date	No.	\$
Balance at beginning of the financial year		303,412,338	23,611,759
Issued for cash			
Exercise of Unlisted Options	20-Sep-19	300,000	6,000
Placement	25-Oct-19	27,000,000	1,215,000
Cleansing Prospectus	01-Apr-20	100	4
Placement	08-May-20	70,000,000	3,150,000
Exercise of Listed Options	05-Jun-20	133,334	6,667
Exercise of Unlisted Options	11-Jun-20	5,000,000	300,000
Non-cash			
Issue of Shares to senior advisor on cancellation of Unlisted Options	16-Oct-19	1,000,000	60,000
Securities issued under Long Term Incentive Plan (LTIP)	05-Nov-19	1,450,000	80,910
Cancellation of Shares issued to senior advisor, approved at meeting held 27 November 2019	27-Nov-19	(1,000,000)	(60,000)
Issue of Shares to advisers	10-Mar-20	800,000	20,400
Share issue costs		-	(278,100)
Total on issue at Balance Date		408,095,772	28,112,640
Issued post balance date			
Exercise of Unlisted Options	17-07-20	1,000,000	50,000
Total on issue		409,095,772	28,162,640

DIRECTORS' REPORT

Listed Options issued during the period and up until the date of this report.

Movement in Listed Options		No.	\$
Balance at beginning of the financial year			
Issued under Rights Issue	05-Sep-19	83,588,449	835,884
Placement of Shortfall	25-Oct-19	17,548,997	175,490
Placement	25-Oct-19	27,000,000	270,000
Securities issued under Long Term Incentive Plan (LTIP)	05-Nov-19	2,000,000	60,000
Issue of Shares to advisers	10-Mar-20	2,000,000	22,667
Cleansing Prospectus	31-Mar-20	100	1
Exercise of Listed Options	05-Jun-20	(133,334)	(6,667)
Issued of Listed Options approved at General Meeting of Shareholders	03-Jul-20	20,000,000	-
Total on issue		152,004,212	1,357,375

DIRECTORS' REPORT

Significant events after the reporting date

On 4 August 2020 and 8 September 2020, the Company announced the results of its successful drilling programs at the Cox's Find and Mon Ami Gold Projects in Laverton, Western Australia.

On 28 July 2020 the Company announced it had lodged applications over 4 strategic and highly prospective tenements immediately adjacent to the 100% owned Cox's Find Gold Project in Western Australia. GSN has made applications over the following tenements:

Tenement	Tenement Area km2 (approximate)
E38/3518	50
P38/4523	0.25
P38/4524	0.25
P38/4525	0.40
	50.90

On 16 July 2020 the Company announced the results of the geochemical mapping and sampling program collected at the Edinburgh Park project in North Queensland. Around 652 soil samples and 11 rock chip samples completed on a wide spaced grid. The geochemical mapping program, the first systematic gold focused exploration program undertaken in this area, was completed on a wide spaced (100m x 100m) grid over highly prospective targets identified from interpretation of hyperspectral data in conjunction with reconnaissance geological mapping and aerial geophysics.

On 2 September 2020 the Company announced the appointment of Mr Sean Gregory as Chief Executive Officer and Mr Octavio Garcia as the Head of Exploration – Queensland. Mr Mark Major resigned as Chief Operating Officer.

A summary of the unlisted securities issued after the reporting date is contained in the Significant Changes in the State of Affairs section (page 18 and 19) of this Report.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has little financial impact on the Company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing 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.

Apart from the above, there has not been any other matter or circumstance that has arisen after the reporting date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Likely developments and expected results

The Company will continue to undertake drilling and exploration activities on its Western Australian and Queensland assets.

Environmental legislation

The Company is committed to minimising the environmental impacts of its exploration and operations of each project with an appropriate focus placed on compliance with environmental regulation. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 30 June 2020.

Indemnification and insurance of Directors and Officers

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

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company against any liability incurred in the course of their duties 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. No liability has arisen under the indemnity as at the date of this report.

DIRECTORS' REPORT

Voting and comments made at the Company's 2019 Annual General Meeting

The Company received more than 97% of "yes" votes from eligible Shareholders on its remuneration report for 2019. No specific feedback at the AGM or throughout the year was received.

Proceedings on behalf of the Company

No persons have applied for leave pursuant to section 327 of the Corporation Act 2001 to bring, or intervene in, proceedings on behalf of Great Southern Mining Limited.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 31 and forms part of this Directors' report for the year ended 30 June 2020.

Non-Audit Services

No amounts were paid or payable to the auditor for non-audit services provided during the year.

Remuneration report (audited)

This report outlines the remuneration arrangements in place for the key management personnel ("KMP") of the Company for the financial year ended 30 June 2020. KMP's being defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise). The report also includes remuneration arrangements of the executives in the Company receiving the higher remuneration. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

Key Management Personnel

Directors

J. Terpu (Executive Chairman appointed 1 July 2013; Non-executive Chairman appointed 12 January 2011).

K. Bozanic (Independent Non-executive Director appointed 26 April 2018, reappointed 27 November 2019).

A. Caruso (Independent Non-executive Director appointed 26 April 2018).

Company Secretary and Chief Financial Officer

M. Petricevic (Company Secretary and CFO, appointed 30 April 2018).

Chief Operating Officer

M. Major (appointed 27 February 2020, resigned 2 September 2020).

S. Gregory was appointed Chief Executive Officer of the Company on 2 September 2020.

Details of securities issued under the Company's Long-Term Incentive Plan have been noted previously.

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration in line with the Company's corporate strategy and operationally critical matters.

DIRECTORS' REPORT

Remuneration Committee

Great Southern Mining Limited has not established a Remuneration Committee. The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the executive team.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of Directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive Director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. The latest determination was at a General Meeting, prior to the Company's listing on ASX, held on 30 March 2011 when shareholders approved an aggregate remuneration of \$300,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board refers to the fees paid to Non-executive Directors of comparable companies, when undertaking the annual review process.

Each Non-executive Director receives a fee for being a Director of the Company. Should the Company

establish a Board committee, an additional fee would be paid for each committee on which a Non-executive Director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by Non-executive Directors who serve on one or more sub committees. During the financial year ended 30 June 2020 no such committees were in place.

Senior Manager and Executive Director Remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice where necessary.

Senior managers and executive directors are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Remuneration

A long-term incentive (LTI) plan was adopted by shareholders of the Company at the general meeting of members held 29 June 2018 and updated 3 July 2020.

During the period, the Company entered agreements with the Chief Operation Officer, Exploration Managers and subsequent to reporting date the Chief Executive Officer which contained the ability to pay short-term incentives (STI) aligned to the success of operationally critical matters. The STI was capped at 20% - 40% of the base salary. No STI was paid to any executives or Directors during or since the end of the period.

DIRECTORS' REPORT

Service Agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Employee	Base salary (\$) inclusive of superannuation	Term of agreement	Notice period
J Terpu	219,000	2 years	6 months
M Major	247,744	Until termination	3 months
M Petricevic	180,000	2 years	3 months
S Gregory	290,175	Until termination	3 months

Remuneration of key management personnel ('KMP') Table 1: KMP remuneration for the years ended 30 June 2020 and 30 June 2019.

			Short-term employee benefits				Post-employment benefits		Other long-term benefits	Equity	Total \$	Performance Related %
			Cash Salary & Fees \$	Bonuses \$	Non-Monetary Benefits \$	Annual Leave* \$	Superannuation \$	Long-service Leave (*) \$				
Directors												
J Terpu	Executive Chairman	2020	200,000	-	7,531	6,739	19,000	1,093	-	-	234,363	-
		2019	209,500	-	7,773	27,374	19,903	5,097	-	-	269,646	-
K. Bozanic (a)	Non-Executive Director	2020	37,400	-	-	-	3,325	-	-	-	40,725	-
		2019	35,000	-	-	-	3,325	-	-	-	38,325	-
A. Caruso(b)	Non-Executive Director	2020	43,400	-	-	-	3,325	-	-	-	46,725	-
		2019	35,000	-	-	-	3,325	-	-	-	38,325	-
Total to Directors		2020	280,800	-	7,531	6,739	25,650	1,093	-	-	321,814	-
		2019	279,500	-	7,773	27,374	26,553	5,097	-	-	346,296	-
Other Key Management Personnel												
M Petricevic	Company Secretary/CFO	2020	164,996	-	-	9,381	15,675	432	-	-	190,484	-
		2019	164,996	-	-	8,512	15,675	432	-	19,878	209,493	-
M Major(c)	Chief Operating Officer	2020	112,372	-	-	-	-	-	-	8,518	120,890	-
		2019	-	-	-	-	-	-	-	-	-	-
Total to KMP		2020	558,168	-	7,531	16,120	41,325	1,526	-	8,518	633,187	-
		2019	444,496	-	7,773	35,886	42,227	5,529	-	19,878	555,789	-

* The amounts disclosed in this column represent the movements in the associated provisions. They may be negative where a KMP has taken more leave than accrued during the period.

(a) During the period an additional \$8,400 was paid to A Caruso for consulting services. This amount has been included in the Cash Salary and Fees column above.

(b) During the period an additional \$2,400 was paid to K Bozanic for consulting services. This amount has been included in the Cash Salary and Fees column above.

(c) Represents fees paid to MMJB Family Trust, an entity associated with M Major. M Major resigned on 2 September 2020.

Mr Gregory was appointed 2 September 2020 and was therefore not remunerated by the Company during the period. No performance related remuneration was paid to any Director or Key Management Personnel during 2019 and 2020.

DIRECTORS' REPORT

Option plans in existence during the financial year:

On 29 June 2018 the Shareholders of the Company approved the adoption of the Long-Term Incentive Plan (LTIP). An update was approved by Shareholders of the Company on 3 July 2020.

The following options were issued on 27 February 2020 to key management personnel during the period under the long-term incentive plan:

Issued to M Major:

	Number of Options	Option Fair Value \$
Outstanding at 30 June 2019	-	-
Granted	3,000,000	8,518
Exercised	-	-
Outstanding and exercisable at 30 June 2020	3,000,000	8,518

The following principal assumptions were used in the valuation:

Valuation assumptions	
Grant date	27-Feb-20
Share price at date of grant	\$ 0.043
Volatility	84%
Expiry date	Refer below
Dividend yield	Nil
Risk free investment rate	0.50%
Vesting probability	between 9% and 75%
Fair value at grant date	refer below
Exercise price at date of grant	\$ 0.050
Exercisable from	Refer below

The Options issued on 27 February 2020 had a number of market-based vesting conditions. The fair value of each tranche was determined through the use of a Monte-Carlo option price calculation.

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time.

DIRECTORS' REPORT

Tranche	Options – no.	Options – exercise price	Vesting Condition	Expiry date	Fair value (\$) per option
Tranche 1	1,000,000	\$0.05	Executive remains an employee of the Company (at the Executive level or higher) as at 30 June 2021	30-Jun-22	0.015
Tranche 2	1,000,000	\$0.05	When GSN share price reaches \$0.12 based on a 20-trading day VWAP.	30-Jun-22	0.003
Tranche 3	1,000,000	\$0.05	When GSN share price reaches \$0.18 based on a 20-trading day VWAP.	30-Jun-23	0.002

On 17 July 2020, Tranche 2 vested and 1,000,000 Options were issued and immediately exercised by the holder. Tranche 1 and Tranche 3 lapsed after reporting date on resignation from the Company.

Options granted to Directors and exercised or lapsed during the year:

Nil options granted or exercised to/by Directors during the period or the prior period.

Movements in KMP share holdings

Fully paid ordinary shares – directly and indirectly held:

2020	Opening Balance 1 July 2019	Bought	Sold/transferred	Closing Balance 30 June 2020
J. Terpu	117,309,351	9,000,000	(1,000,000)	125,309,351
K. Bozanic	1,200,000	-	-	1,200,000
A. Caruso	1,200,000	-	-	1,200,000

The 1,000,000 transferred above was undertaken off-market. All other shares were acquired on market.

DIRECTORS' REPORT

Listed Options – directly or indirectly held:

2020	Opening Balance 1 July 2019	Bought	Sold	Closing Balance 30 June 2020
J. Terpu	-	39,103,118	-	39,103,118
K. Bozanic	-	400,000	-	400,000
A. Caruso	-	400,000	-	400,000

Transactions with Key Management Personnel

The following comprises amounts paid or payable and received or receivable applicable to entities in which KMP have an interest.

Directors and related parties	Note	2020 \$	2019 \$
<i>Paid/payable to:</i>			
Rent and service charges paid to Ruby Lane Pty Ltd atf the Terpu Trust	18	76,371	79,294
10,000,000 Fully paid ordinary shares issued to Valleyrose Pty Ltd in satisfaction for the \$300,000 loan provided to the Company in December 2018.	16	-	300,000
Mon Ami acquisition - April 2018 – unpaid at 30 June 2019, paid during FY2020	12	150,000	-
<i>Amounts owing to related parties at balance date:</i>			
J Terpu (as Director of Chellingtons Pty Ltd atf Red Star Trust) for administration services)		-	8,630
Mon Ami acquisition - April 2018	12	-	150,000
Loan provided by Valleyrose Pty Ltd in July 2019 (a)	13	500,000	-
Interest charges on loan provided by Valleyrose Pty Ltd in July 2019	(a)	41,549	-

(a) Loan provided by Director related entity on 31 July 2019. Interest is payable on commercial terms. Subsequent to balance date, \$200,000 has been repaid.

End of Remuneration Report

DIRECTORS' REPORT

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "John Terpu".

.....
John Terpu

Executive Chairman

Perth WA

26 September 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Great Southern Mining Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia
26 September 2020



M R Ohm
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Great Southern Mining Limited (the “Company”) has adopted the fourth edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council and became effective for the financial years beginning on or after 1 January 2020.

The Company’s Corporate Governance Statement for the financial year ended 30 June 2020 was approved by the Board on 23 September 2020. The Corporate Governance Statement is available on the Company’s website at www.gsml.com.au.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Revenue and other income	2	1,341	3,156
Expenses			
Administration expenses		(313,833)	(382,141)
Consulting fees		(97,774)	(77,193)
Directors benefits		(295,650)	(306,052)
Employee benefits expense	2	(255,737)	(240,120)
Legal fees		(127,705)	(109,830)
Marketing fees		(145,742)	(46,984)
Interest expense	2	(51,607)	-
Depreciation expense		(74,379)	(5,295)
Impairment of exploration expenditure	11	-	(146,471)
Exploration and evaluation expenditure not capitalised		(242,605)	(78,830)
Share Based Payment expense	2	(274,601)	(45,756)
Total expenses		(1,879,632)	(1,438,673)
Loss before income tax expense		(1,878,291)	(1,435,517)
Income tax expense	4	-	-
Net loss for the year		(1,878,291)	(1,435,517)
Other comprehensive income, net of income tax			
Items that may be reclassified to profit or loss		-	(25,729)
Net loss on equity instruments designated at fair value through other comprehensive income			
Income tax expense		-	-
Total comprehensive (loss)/income for the year		(1,878,291)	(1,461,246)
Basic and diluted loss per share (cents per share)	5	(0.563)	(0.509)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	6	3,067,264	208,044
Other assets	7	65,401	31,409
Total Current Assets		3,132,665	239,453
NON-CURRENT ASSETS			
Other receivables – non-current	8	13,500	12,500
Plant and equipment	10	84,551	14,913
Right of Use Asset	23A	222,124	-
Exploration and evaluation expenditure	11	7,187,818	4,363,187
Total Non-Current Assets		7,507,993	4,390,600
TOTAL ASSETS		10,640,658	4,630,053
CURRENT LIABILITIES			
Trade and other payables	12	662,614	523,837
Borrowings	13	511,691	-
Lease liability	23B	52,887	-
Employee benefits	15	94,984	78,172
Total Current Liabilities		1,322,176	602,009
NON-CURRENT LIABILITIES			
Borrowings	13	64,239	-
Deferred consideration	14	800,000	-
Lease liability	23B	171,634	-
Total Non-Current Liabilities		1,035,873	-
TOTAL LIABILITIES		2,358,049	602,009
NET ASSETS		8,282,609	4,028,045
EQUITY			
Issued capital	16	28,112,640	23,611,759
Reserves	17	1,631,975	80,756
Accumulated losses		(21,462,007)	(19,664,470)
TOTAL EQUITY		8,282,609	4,028,045

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,276,627)	(1,422,891)
Interest received		1,341	3,156
Interest paid		(41,549)	-
NET CASH USED IN OPERATING ACTIVITIES	22	(1,316,835)	(1,419,735)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(30,637)	-
Payments for exploration and evaluation expenditure		(1,817,587)	(1,101,775)
Proceeds from sale of financial assets		-	154,721
NET CASH USED IN INVESTING ACTIVITIES		(1,848,224)	(947,054)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and listed options (net of costs)		5,674,279	1,526,410
Payment of amount owing to Director related entity		(150,000)	-
Proceeds from Director Loan		500,000	300,000
NET CASH PROVIDED BY FINANCING ACTIVITIES		6,024,279	1,826,410
Net increase/(decrease) in cash held		2,859,220	(540,379)
Cash at beginning of year		208,044	748,423
CASH AT END OF YEAR	6	3,067,264	208,044

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

Notes	Issued Capital \$	Accumulated Losses \$	Fair Value Reserve of Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) \$	Unlisted Option Reserve \$	Listed Option Reserve \$	Total \$
Company						
Balance at 1 July 2018	21,750,349	(18,296,697)	93,470	35,000	-	3,582,122
Loss for the year	-	(1,435,516)	-	-	-	(1,435,516)
- Change in fair value of equity instruments designated at FVOCI	-	-	(25,731)	-	-	(25,731)
Total Comprehensive Loss	-	(1,435,516)	(25,731)	-	-	(1,461,245)
- Transfer of fair value reserve of equity instruments designated at FVOCI	-	67,739	(67,739)	-	-	-
Transaction recorded directly in equity						
Options issued during the period	-	-	-	45,756	-	45,756
Issue of share capital	1,939,250	-	-	-	-	1,939,250
Capital raising costs	(77,840)	-	-	-	-	(77,840)
	1,861,410	67,741	(67,739)	45,756	-	1,907,166
Balance at 30 June 2019	23,611,759	(19,664,470)	-	80,756	-	4,028,045
Company						
Balance at 1 July 2019	23,611,759	(19,664,470)	-	80,756	-	4,028,043
Loss for the year	-	(1,878,291)	-	-	-	(1,878,291)
Total Comprehensive Loss	-	(1,878,291)	-	-	-	(1,878,291)
Transaction recorded directly in equity						
Transfer of Share Option Reserve to accumulated losses on cancellation/exercise of options.	-	80,756	-	(80,756)	-	-
	-	-	-	-	-	-
Unlisted options issued during the period	-	-	-	274,601	-	274,601
Listed options issued during the period	-	-	-	-	1,357,375	1,357,375
Issue of share capital	4,778,980	-	-	-	-	4,778,980
Capital raising costs	(278,100)	-	-	-	-	(278,100)
	4,500,880	80,756	-	193,845	1,357,375	6,132,857
Balance at 30 June 2020	28,112,640	(21,462,007)	-	274,601	1,357,375	8,282,609

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Your Directors present their report on the Company for the financial year ended 30 June 2020. The Company is a listed public company registered in Australia. The principal activities are the exploration for and evaluation of economic deposits for gold and other minerals in North Queensland and Western Australia. The address of the Company's registered office is Suite 4, 213 Balcatta Rd, Balcatta WA 6021.

(b) Basis of preparation and statement of compliance

The general-purpose financial statements of the Company have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Great Southern Mining Limited is a for-profit entity for the purpose of preparing the financial statements

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial report is presented in Australian dollars.

The financial statements for the year ended 30 June 2020 were approved and authorised for issue by the Board of Directors on 26 September 2020.

(c) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

The Company has adopted all of the new and revised Standards and Interpretations issued

by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the accounting period beginning on or after 1 January 2019. A summary of which is included below:

AASB 16 Leases replaces AASB 117 Leases and related interpretations.

AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Most leases will be capitalised on the statement of financial position by recognising a lease liability for the present value obligation and a 'right of use' asset. The right of use asset is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in the expense recognition with interest and depreciation replacing operating lease expense. There are exemptions for short-term leases and leases of low-value items.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019. The Company has applied AASB 16 from 1 July 2019 using the modified retrospective approach, with no restatement of comparative information.

The impact on the accounting policies, financial performance and financial position of the Company from the adoption of AASB 16 is detailed in **Note 23**.

Changes in accounting policies on initial application of Accounting Standards

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

30 June 2020. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Company's financial statements.

(d) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Exploration and evaluation expenditure carried forward

In accordance with accounting policy **Note 1 (r)**, management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions including the maintenance of title, ongoing expenditure and prospectivity are made. During the year, no amounts were written off. Refer to **Note 11** for disclosure of carrying values.

Recovery of deferred tax assets

Deferred tax assets are currently not recognised in the financial statements. The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. Given the current stage of the Company's exploration and development cycle, the likelihood and timeline of future taxable income cannot be reliably estimated. Refer to **Note 4**.

Share based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. For security instruments issued to consultants, consideration of the fair value of services received (if available) or fair value of the equity instruments granted as consideration is used. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to **Note 17**.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Leases

The adoption of AASB 16 and impacts of estimates and assumptions is detailed in **Note 23**.

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Great Southern Mining Limited. The Company's activities included the exploration and evaluation of projects in North Queensland and Western Australia.

In addition, corporate assets which are not directly attributable to the business activities of the operating segment are not allocated to a segment. In the financial periods under audit, this primarily applies to the Company's registered office and administrative duties.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss apart from impacts of adoption of AASB 16. Refer **Note 1(c)**.

f) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(g) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the

applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

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

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

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(h)

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

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

(i)

Impairment of assets

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Impairment of assets (continued)

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

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

(j) Cash and cash equivalents

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

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment for expected credit losses. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

(l) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

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

In the periods presented the Company has financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets at fair value through other comprehensive income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and

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

Any gains or losses recognised in other comprehensive income (OCI) will not be recycled upon derecognition of the asset.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables. The Company does not have any derivative financial instruments in any period presented.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(m) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Plant and equipment – over 3 to 5 years

Motor Vehicles – over 3 years

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

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in a separate line item.

(ii) Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(n) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(o) Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables or in employee benefits, in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Other long-term employee benefits

The Company's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

The Company presents employee benefit obligations as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

(p) 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(q) Earnings per share

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

Diluted earnings per share is calculated as net profit/loss adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Exploration and evaluation expenditure

Exploration and evaluation expenditure in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation 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.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(s) Share-Based payments

The Company operates equity-settled share-based remuneration plans for its employees. None of the Company's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to the share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

(t) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

(u) **Subsidiary**

During the year the Company incorporated a wholly owned subsidiary, East Laverton Exploration Pty Ltd. No transactions have been incurred by this entity for the year ended 30 June 2020 and therefore the entity has not been consolidated into the results of the Company. The Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cashflows for the year then ended as shown in these Financial Statements are considered to constitute those of the Group.

(v) **Leases**

Right of Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

(w) Going Concern

During the period the Company incurred a net loss of \$1,878,291 (2019: loss of \$1,435,517). Net cash outflows from operating and investing activities during the period were \$3,165,059 (2019: cash outflows of \$2,366,789).

The ability of the Company to continue to pay its debts as and when they fall due is dependent upon:

- Continued cash management and monitoring of operating cashflows according to exploration success. Future exploration expenditure is generally discretionary in nature and exploration activities may be slowed or suspended as part of the Company's cash management strategy;
- The Company has demonstrated its ability to raise capital via equity placements and rights issues to shareholders during the period. Given the strong support of shareholders and the prospectivity of the Company's current projects the Directors are confident that any future capital raisings will be successful. The Company also maintains a significant number of shares available to issue under the ASX Listing Rule capacity.

Given the potential funding options and cash management initiatives noted above, the Directors believe the going concern basis is appropriate.

Should the Company be unable to obtain sufficient future funding and be successful in completion of the transactions noted above, there is a material uncertainty which may cast significant doubt as to whether the Company will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE	Note	2020 \$	2019 \$
--	------	------------	------------

The following revenue and expense items are relevant in explaining the financial performance for the year.

Revenue

Interest income – other parties		1,341	3,156
---------------------------------	--	-------	-------

Expense

Rent and services charges are paid to a related party, refer to Note 18		76,371	79,294
Share based payment expense, refer to Note 17B		274,601	45,756
Interest expense	(a)	51,607	-
Employee benefits expense	(b)	255,737	240,120
Non-refundable consideration paid – Cox's Find Gold Project		-	50,000

(a) Interest charges relate to \$41,549 in interest paid on Director Loan of \$500,000 received on 31 July 2019 (refer to **Note 18** for further details) and \$10,058 in relation to lease liabilities (refer **Note 23**).

(b) Of the employee remuneration expenses for the year to 30 June 2020 above, \$25,542 was paid in superannuation (2019: \$17,031).

NOTE 3: AUDITOR'S REMUNERATION	2020 \$	2019 \$
--------------------------------	------------	------------

The auditor of Great Southern Mining Limited is HLB Mann Judd.

Amounts received or due and receivable by HLB Mann Judd for:

Audit and review of financial reports	24,250	25,564
---------------------------------------	--------	--------

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4: INCOME TAX EXPENSE	2020 \$	2019 \$
(a) Recognised in the statement of comprehensive income		
Current income tax on net loss for the year	-	-
Deferred tax relating to the origination and reversal of temporary differences	-	-
Total income tax benefit	-	-
(b) Reconciliation between income tax expense and pre-tax loss		
Loss before tax	(1,878,291)	(1,435,516)
Income tax using the tax rate of 30% (2019: 30%).	(563,487)	(430,655)
Tax effect of:		
Non-deductible expenses	90,366	14,889
Non-assessable income	(11,741)	20,322
Effect of temporary differences recognised directly in equity	(83,430)	(51,393)
Unused tax losses and temporary differences not recognised as deferred tax assets	568,292	446,837
Income tax expense on pre-tax loss	-	-
(c) Tax expense/(benefit) relating to items of other comprehensive income (continued)		
	-	-
Revaluation of financial assets	-	-
Disposal of financial assets	-	-
Income tax applicable thereto	-	-
(d) Unrecognised deferred tax balances		
Deferred tax assets and (liabilities) calculated at 30% (2019: 30%) have not been recognised in respect of the following:		
Income tax losses	3,751,800	2,643,500
Temporary differences	(1,506,531)	(966,522)
	2,245,269	1,676,978

Deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets and deferred tax liabilities relating to (i) capitalised exploration expenditure for which immediate tax write-off is available and (ii) revaluation of financial assets have not been recognised in the financial statements. Refer to **Note 1(d)**.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 5: (LOSS) PER SHARE	2020 Cents per share	2019 Cents per share
Basic and diluted loss per share	(0.563)	(0.509)
Weighted average number of ordinary shares used in calculation of loss per share	326,650,738	282,193,959
Loss used in calculation of basic and diluted (loss) per share	(1,878,291)	(1,435,516)

Given the Company is in a loss position for the year ended 30 June 2020 the options that have been issued during the period are anti-dilutive in nature and therefore do not impact the diluted earnings per share calculation.

NOTE 6: CASH AND CASH EQUIVALENTS	2020 \$	2019 \$
Cash on hand and at bank	3,067,264	208,044
	3,067,264	208,044

The Company does not have any funds on short-term deposit.

NOTE 7: OTHER ASSETS	2020 \$	2019 \$
Prepaid expenses	65,401	31,409
	65,401	31,409

NOTE 8: OTHER RECEIVABLES – NON-CURRENT	2020 \$	2019 \$
Exploration tenement guarantees	13,500	12,500
	13,500	12,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2020 \$	2019 \$
Listed securities – opening balance	-	180,000
Fair value movement through other comprehensive income	-	(25,729)
Disposal of securities during the period	-	(154,271)
Total Financial Assets at period end.	-	-

The financial assets above were measured at fair value in the statement of financial position up until the date of sale. The fair value was determined with reference to the quoted prices (unadjusted) in active markets for identical assets (Level 1). The balance of the reserve of \$67,741 included within equity was transferred to accumulated losses on disposal.

The Company has a number of financial instruments which are not measured at fair value in the statement of financial position.

The Directors consider that the carrying amounts of receivables, current payables and current liabilities are considered to be a reasonable approximation of their fair values.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10: PLANT AND EQUIPMENT	2020 \$	2019 \$
Plant and equipment at cost	184,764	93,236
Less: Accumulated depreciation	(100,213)	(78,323)
	84,551	14,913
Movement schedule for plant and equipment		
Opening written down value	14,913	19,518
Additions (i)	90,424	-
Disposals	-	-
Depreciation	(20,786)	(4,605)
Loss on sale	84,551	14,913

(i) As at June 2020 the Company had financed the purchase of a motor vehicle for use on site. The total amount financed was \$75,000 with the vehicle used as collateral / security for the loan. Refer **Note 13** for further details.

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE	2020 \$	2019 \$
Cost brought forward in respect of areas of interest in the exploration and evaluation stage	4,363,186	3,455,352
Expenditure incurred during the year	1,874,632	920,073
Acquisition of Cox's Find Gold Project (a)	150,000	-
Deferred Consideration relating to Cox's Find Gold Project (b)	800,000	-
Acquisition of Mt Weld Tenements	-	134,240
Impairment of exploration expenditure	-	(146,479)
Cost carried forward	7,187,818	4,363,186

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE

In September 2019 the Company completed the acquisition of the Cox's Find Gold Project. The material terms of the transaction are outlined below:

Transaction Terms	
Consideration	\$200,000. \$150,000 (a) was capitalised during the year. \$50,000 was expensed in the 2019 financial year prior to transfer to the Company.
Deferred Payment 1	(b) \$800,000 cash payment to be made within twelve (12) months of entering formal sale and purchase agreement. An additional \$100,000 was paid to the vendor in May 2020 to further defer the payment until August 2021. The amount has been classified as a non-current liability. Refer to Note 14 .
Deferred Payment 2	\$1,000,000 payable in cash or shares (to be determined) subject to the declaration of a JORC 2012 Mineral Resource of at least 500,000 ounces of gold.

Deferred Payment 1 of \$800,000 has been recognised as a non-current liability and is due in August 2021. Deferred Payment 2 has not be recognised as it is not possible to reliably estimate the timing of the payment to be made, or the amount of any payment required, if any. The exploration program required to declare a JORC 2012 Mineral Resource of at least 500,000 is at the discretion of the Company.

Under the Sale and Purchase agreement the Vendor has registered a mortgage over the Project and tenements M38/578, M38/170 and M38/740 in relation to Deferred Payment 1 and 2.

The current carrying value of the Project is: \$1,911,302.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on successful development and commercial exploitation or sale of respective areas.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12: TRADE AND OTHER PAYABLES	2020 \$	2019 \$
Trade creditors (a)	486,958	272,751
Accruals and other payables (a)	175,656	92,456
Related party payables	-	8,630
Amount owing to related party - Mon Ami Gold Project (b)	-	150,000
	<u>662,614</u>	<u>523,837</u>

- (a) All trade and other payables are non-interest bearing and are normally settled on 30 – 60-day terms. All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.
- (b) Amount was payable to an entity related to the Executive Chairman relating to the acquisition of the Mon Ami Gold Project in 2018. All amounts owing as at 30 June 2019 have been paid during the current period.

NOTE 13: BORROWINGS	2020 \$	2019 \$
<i>Current</i>		
Director Loan (a)	500,000	-
Financial Liability (b)	11,691	-
	<u>511,691</u>	<u>-</u>
<i>Non-current</i>		
Financial Liability (b)	64,239	-

- (a) On 30 July 2019 an entity associated with director John Terpu provided a \$500,000 loan to the Company. The loan is unsecured, repayable on demand and bears an interest rate of 9.9% per annum. \$200,000 has been paid since balance date.
- (b) As at June 2020 the Company had financed the purchase of a motor vehicle for use on site. The facility is secured with the vehicle used as collateral / security for the loan. The term of the facility is three years with interest being 3.32%. 100% of the facility has been utilised at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: DEFERRED CONSIDERATION	2020 \$	2019 \$
<i>Deferred consideration - Cox's Find Acquisition</i>	800,000	-
	800,000	-

Refer to **Note 11** for further information on the Deferred Consideration payable following the acquisition of the Cox's Find Gold Project in September 2019. In May 2020 it was negotiated with the vendor to defer the payment to August 2021.

NOTE 15: EMPLOYEE BENEFITS	2020 \$	2019 \$
<i>Current employee entitlements</i>		
Annual Leave	62,674	47,388
Long-Service Leave	32,310	30,784
	94,984	78,172
<i>Movements in employee benefits</i>		
Opening	47,388	30,784
Accrued	28,643	1,526
Taken	(13,357)	-
Closing	62,674	32,310

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 16: ISSUED CAPITAL		2020		2019	
		No.	\$	No.	\$
Issued capital comprises:					
Fully Paid Ordinary Shares		408,095,772	28,112,640	303,412,338	23,611,759
<i>Movement in issued shares for the year</i>	Date	No.	\$	No.	\$
Balance at beginning of the financial year		303,412,338	23,611,759	245,899,003	21,750,349
Escrowed Securities					
Exercise of Unlisted Options	20-Sep-19	300,000	6,000	-	-
Issue of shares to Senior Advisor	16-Oct-19	1,000,000	60,000	-	-
Placement	25-Oct-19	27,000,000	1,215,000	-	-
Securities issued under Long Term Incentive Plan	05-Nov-19	1,450,000	80,910	-	-
Cancellation of shares issued to Senior Advisor	27-Nov-19	(1,000,000)	(60,000)	-	-
Issue of shares to advisers	10-Mar-20	800,000	20,400	-	-
Shares issued under a Cleansing Prospectus	01-Apr-20	100	4	-	-
Placement	08-May-20	70,000,000	3,150,000	-	-
Exercise of Listed Options	05-Jun-20	133,334	6,667	-	-
Exercise of Unlisted Options	11-Jun-20	5,000,000	300,000	-	-
Placement	06-Aug-18	-	-	31,846,669	1,194,250
Acquisition of Tenement Package	01-Nov-18	-	-	1,000,000	35,000
Exercise of Unlisted Options	31-Dec-18	-	-	1,500,000	30,000
Issue of Shares on Conversion of Loan from Director	11-Mar-19	-	-	10,000,000	300,000
Placement	22-Mar-19	-	-	8,333,333	250,000
Exercise of Unlisted Options	29-Mar-19	-	-	1,500,000	30,000
Placement	30-Apr-19	-	-	3,333,333	100,000
Costs associated with the issue of shares		-	(278,100)	-	(77,840)
Balance at end of the financial year		408,095,772	28,112,640	303,412,338	23,611,759

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 17: RESERVES	17 A - Listed Option Reserve		17 B - Unlisted Option Reserve		Financial Asset Reserve	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Balance at beginning of the financial year	-	-	80,756	35,000	-	93,470
Transfer on cancellation/exercise of options	-	-	(80,756)	-	-	-
Change during the period	1,357,375	-	274,601	45,756	-	(93,470)
Balance at end of the financial year	1,357,375	-	274,601	80,756	-	-

Total balance of Reserves at balance date is \$1,631,975 (2019: \$80,756).

The financial assets reserve records the revaluation of financial assets at fair value through other comprehensive income. During the period the Company disposed of its financial assets. These financial assets were measured at fair value with movements recognised in the Reserve. On derecognition the remaining balance in the reserve has been transferred within equity to accumulated losses.

The Unlisted Option Reserve record the fair value of options issued during the period using valuation models as described in **Note 1** and **Note 17B**. The transfer of Share Option Reserve to accumulated losses was on cancellation/exercise of Unlisted Options during the period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 17A: LISTED OPTION RESERVE

2020

		No.	\$
Listed Options		132,004,212	1,357,375
	Date	No.	\$
<i>Movement of listed options for the year</i>			
Balance at beginning of the financial year			
Issued under Rights Issue	05-Sep-19	83,588,449	835,884
Placement of Shortfall	25-Oct-19	17,548,997	175,490
Placement	25-Oct-19	27,000,000	270,000
Securities issued Under Long Term Incentive Plan (a)	05-Nov-19	2,000,000	60,000
Issue of shares to advisers (b)	10-Mar-20	2,000,000	22,667
Cleansing Prospectus	31-Mar-20	100	1
Exercise of listed options	05-Jun-20	(133,334)	(6,667)
Balance at end of the financial year		132,004,212	1,357,375

The Listed Options have an exercise price of \$0.05 on or before 4 September 2022.

- a) 2,000,000 Listed Options were issued to a consultant. The Listed Options were issued at \$0.03 per Listed Option being the trading price on the date of issue. The 1,450,000 fully paid ordinary shares issued at a \$0.056 per share in satisfaction of invoices outstanding. The securities were issued pursuant to the Company's adopted long-term incentive plan for services rendered.
- b) 2,000,000 Listed Options were issued to advisers during the period regarding competing tenement applications. The Listed Options were issued at \$0.013 per Listed Option being the trading price on the date of issue.

No Listed Options were issued during the year ended 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 17B: UNLISTED OPTION RESERVE		2020		2019	
	Note	No.	\$	No.	\$
Opening Balance		12,100,000	80,756	11,800,000	35,000
<i>Movement of unlisted options for the year</i>					
Transfer exercise of Unlisted Options	a	(300,000)	(6,000)	-	-
Transfer exercise of Unlisted Options	a	-	(39,756)	-	-
Cancellation of Unlisted Options	a	(11,800,000)	(35,000)	-	-
Issue of Options under Long Term Incentive Plan	b	3,000,000	8,518	3,300,000	45,756
Issue of Unlisted Options to Corporate Advisers	c	10,000,000	266,084		
Exercise of Unlisted Options		(5,000,000)	-	(3,000,000)	-
Balance at end of the financial year		8,000,000	274,601	12,100,000	80,756

- a) Following the cancellation of the 11,800,000 Unlisted Options on 27 November 2019 the Company had no Unlisted Options on issue. The Company reclassified the \$80,756 in the Option Reserve to accumulated losses in the Statement of Changes in Equity. Subsequent to this, the 3,000,000 Unlisted Options in (b) were issued under the Company's Long-Term Incentive Plan and 10,000,000 Unlisted Options (c) were issued to Corporate Advisers. The valuation assumptions used are as follows

Valuation assumptions for Unlisted Options issued during the year	b	c
Grant date	27-Feb-20	14-May-20
Share price at date of grant	\$ 0.043	\$ 0.057
Volatility	84%	84%
Expiry date	Refer below	04-Sep-22
Dividend yield	Nil	Nil
Risk free investment rate	0.50%	0.50%
Vesting probability	between 9% and 75%	n/a
Fair value at grant date	refer below	0.026
Exercise price at date of grant	\$ 0.050	\$ 0.060
Exercisable from	Refer below	14-May-20
Weighted average remaining contractual life	2.3 yrs	2.1 yrs

The Options issued on 27 February 2020 had a number of market-based vesting conditions. The fair value of each tranche was determined through the use of a Monte-Carlo option price calculation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Vesting Conditions attached to B					
Tranche	Number	Exercise Price	Vesting Condition	Expiry date	Fair value (\$ per option)
Tranche 1	1,000,000	\$0.05	Executive remains an employee of the Company (at the Executive level or higher) as at 30 June 2021	30-Jun-22	\$1.5 cents
Tranche 2	1,000,000	\$0.05	When GSN share price reaches \$0.12 based on a 20-trading day VWAP.	30-Jun-22	\$0.3 cents
Tranche 3	1,000,000	\$0.05	When GSN share price reaches \$0.18 based on a 20-trading day VWAP.	30-Jun-23	\$0.2 cents

Tranche 2 vested subsequent to balance date and was immediately exercised by the holder on 17 July 2020. \$50,000 was received by the Company. Tranche 1 and Tranche 3 have lapsed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 18: RELATED PARTY DISCLOSURES

The following comprises amounts paid or payable and received or receivable applicable to entities in which key management personnel (KMP) have an interest.

Directors and related parties	Note	2020 \$	2019 \$
<i>Paid/payable to:</i>			
Rent and service charges paid to Ruby Lane Pty Ltd at Terpu Trust		76,371	79,294
10,000,000 Fully paid ordinary shares issued to Valleyrose Pty Ltd in satisfaction for the \$300,000 loan provided to the Company in December 2018.	16	-	300,000
Amounts paid to Valleybrook Investments Pty Ltd for the Acquisition of Mon Ami during the current period.		150,000	-
<i>Amounts owing to related parties at balance date</i>			
J Terpu (as Director of Chellingtons Pty Ltd atf Red Star Trust) for administration services)		-	8,630
Mon Ami Acquisition - April 2018	12	-	150,000
Loan provided by Valleyrose Pty Ltd in July 2019 (a)	13	500,000	-
Interest charges on loan provided by Valleyrose Pty Ltd in July 2019		41,549	-
(a) Subsequent to balance date, \$200,000 has been repaid.			
The totals of remuneration paid to KMP of the Company during the year are as follows:		2020 \$	2019 \$
Short-term employee benefits		583,344	488,155
Post-employment benefits		41,325	47,756
Share Based payments		8,518	19,878
Total KMP compensation		633,187	555,789

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 19: COMMITMENTS AND CONTINGENT LIABILITIES

a) Exploration Expenditure Commitments

The Company has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements.

These obligations will vary from time to time, subject to statutory approval and capital management. The terms of the granted licences and those subject to relinquishment will alter the expenditure commitments of the Company as will change to areas subject to licence.

b) Native Title

Native title claims have been made with respect to areas which include tenements in which the Company has interests. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects.

(c) Contingencies

- (i) As part of the acquisition of the Mon Ami Gold Project during 2018 the Company has entered a Royalty Deed with Valleybrook Investments Pty Ltd ("Valleybrook"), being a company related to J Terpu. The royalty entitles Valleybrook to a net smelter return of 2.75% on revenue produced from sales of ore extracted. The term of the Royalty is for the life of the mining lease on the Mon Ami Gold Project, subject to the availability of ore to be extracted. At the date of this report the Company is not in a position to reliably estimate the amount, if any, that would be paid to Valleybrook as a result of successful economic extraction of Ore from the project given its exploration stage and as such this amount has not been recognised in the accounts of the Company at balance date.

- (ii) In September 2019 the Company completed the acquisition of the Cox's Find Gold Project. The material terms of the transaction are disclosed in Note 11.

Included in the consideration is Deferred Payment 2 of \$1,000,000 payable in cash or shares (to be determined) subject to the declaration of a JORC 2012 Mineral Resource of at least 500,000 ounces of gold and a 1.5% Net Smelter Return (NSR).

Deferred Payment 2 will not be recognised until such time that a reliable estimate can be made on the timing of any payment, if any. The exploration program required to declare a JORC 2012 Mineral Resource of at least 500,000 ounces of gold is at the discretion of the Company.

(d) Lease Commitments

The Company leases its head office premises. Previously the lease commitments were classified as an operating lease. Under AASB16, these have been recognised as a Right-of-Use asset and a lease liability.

For lease liability commitments refer to **Note 23**.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 20: SEGMENT INFORMATION

The Company undertakes mineral exploration and evaluation work on a number of tenements located in Western Australia and North Queensland.

Management currently identifies the Company's assets in each location as separate operating segments.

These operating segments are monitored by the Company's chief operating decision maker and strategic decisions are made on the basis of available cash reserves and exploration results.

The items included in the statement of profit or loss and other comprehensive income equate to the Corporate Segment. Segment assets and liabilities are disclosed in the table below:

	Western Australia		Queensland		Corporate		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Exploration & Evaluation Expenditure	4,228,057	1,981,082	2,959,761	2,382,105	-	-	7,187,818	4,363,187
Cash & Cash Equivalents	-	-	-	-	3,067,264	208,044	3,067,264	208,044
Other assets	-	-	-	-	385,576	58,822	385,576	58,822
Assets	4,228,057	1,981,082	2,959,761	2,382,105	3,452,840	266,866	10,640,658	4,630,053
Liabilities	718,797	220,214	39,879	224,902	1,599,373	156,892	2,358,049	602,008

The Company's corporate assets, consisting of its corporate office headquarters are not allocated to any exploration segment's assets.

An impairment charge of \$146,471 was recognised in 2019 in relation to the Company's Queensland exploration assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 21: FINANCIAL RISK MANAGEMENT

Overview

This note presents information about the Company's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Company does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities. Given the Company is not generating sales nor has significant receivable balances apart from GST payments to be received from the ATO, at the reporting date there were no significant concentrations of credit risk.

(i) *Cash and cash equivalents*

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. The Company only holds bank accounts with major Australian financial institutions.

(ii) *Trade and other receivables*

As the Company operates primarily in exploration activities, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Company where necessary establishes an allowance for impairment that represents its estimate of expected losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

(iii) *Exposure to credit risk*

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

Carrying Amount	2020 \$	2019 \$
Cash and cash equivalents	3,067,264	208,044
Other receivables	13,500	12,500

(iv) *Impairment Losses*

None of the Company's other receivables are past due (2019: nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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 Company's reputation.

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Company's interest-bearing liabilities include the \$500,000 Director loan and the motor vehicle finance.

The following are the Company's contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2020 (\$)	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Interest Bearing	575,930	575,930	505,856	5,835	22,433	40,160
Non-interest bearing	1,462,614	1,466,803	662,614	-	800,000	-
	2,038,544	2,042,733	1,168,470	5,835	822,433	40,160

30 June 2019 (\$)	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Non-interest bearing	523,232	523,232	523,232	-	-	-

The weighted average interest rate on the \$500,000 Director loan is 9%.

The weighted average interest rate on the motor vehicle facility is 3.32%. 100% of the facility has been utilised at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company no longer holds investments in listed securities.

Currency Risk

The Company is not exposed to currency risk and at the reporting date the Company holds no financial assets or liabilities which are exposed to foreign currency risk.

Commodity Price Risk

The Company operates primarily in the exploration and evaluation phase of gold projects and accordingly the Company's financial assets and liabilities are subject to minimal commodity price risk.

Interest Rate Risk

The Company is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Company does not use derivatives to mitigate these exposures.

At balance date the Company did not have any cash held in term deposits. During the prior period, excess cash and cash equivalents were held in short term deposit at interest rates maturing over 90 day rolling periods.

(i) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss or through equity, therefore a change in interest rates at the reporting date would not affect profit or loss or equity.

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2020 and 2019.

	Profit or loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	\$	\$	\$	\$
30 June 2020				
Variable rate instruments	33,630	-	33,630	-
30 June 2019				
Variable rate instruments	1,978	(1,978)	1,978	(1,978)

Decrease in rate assumes that the interest rate on the variable rate instruments declines to nil.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Fair Values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	30-Jun-20		30-Jun-19	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Cash and cash equivalents	3,067,264	3,067,264	208,044	208,044
Other receivables	13,500	13,500	12,500	12,500
Trade and other payables	(662,614)	(662,614)	(523,837)	(523,837)
Borrowing – Director loan	(500,000)	(500,000)	-	-
Borrowing – Vehicle Finance	(75,930)	(75,930)	-	-
Deferred Consideration	(800,000)	(800,000)	-	-
Employee benefits	(94,984)	(94,984)	(78,172)	(78,172)
	947,236	947,236	381,464	381,464

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liability.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

All financial assets carrying amount is equal to their fair values. Financial liabilities carrying value and fair values are determined using Level 3 inputs.

Capital Management

Capital is defined as the equity of the Company.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects.

The Company's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Company monitors capital requirements regularly and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year. The Board considers capital management at each Board meeting and mitigates risks when identified.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 22: STATEMENT OF CASH FLOWS	2020 \$	2019 \$
Reconciliation of operating loss after income tax to net cash used in operating activities		
Loss after income tax	(1,878,291)	(1,435,516)
<i>Add: Non-cash items</i>		
Depreciation - PPE	74,379	5,295
Share based payment expense	274,601	45,756
Impairment of exploration expenditure	-	146,471
Share based payment allocated to consulting fees	60,000	-
Share based payment to acquire tenement not capitalised	36,640	-
<i>Change in assets and liabilities</i>		
(Increase)/decrease in other current assets	(33,992)	(18,165)
Increase/(decrease) in operating payables	133,016	(207,735)
Increase/(decrease) in employee entitlements	16,811	44,158
Net cash used in operating activities	<u>(1,316,835)</u>	<u>(1,419,735)</u>

Non-cash investing and financing activities

During the period the Company acquired a motor vehicle via a finance facility of \$75,000. **Refer Note 13.**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 23A: RIGHT OF USE ASSET	2020 \$
Cost	
Recognised on 1 July 2019 on adoption of AASB 16	275,303
Additions	-
At 30 June 2020	275,303
Accumulated depreciation	
Recognised on 1 July 2019 on adoption of AASB 16	-
Charge for the year	(53,179)
At 30 June 2020	(53,179)
Carrying Amount	
At 1 July 2019	275,303
At 30 June 2020	222,124
Amounts recognised in the profit and loss	
Expense on right-of-use asset	(53,179)
Interest expense on lease liabilities	(10,058)
Expense relating to short term leases (a)	(16,800)
Total cash outflow for leases	(81,919)

AASB 16 has been adopted during the period, refer to Note 1(d) for details.

The Company leases its registered head office premises. The remaining lease term is 4yrs. (2019: 5yrs).

(a) The Company leases a base of operations including a shed and office in Laverton, Western Australia. The lease is less than one year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

NOTE 23B: LEASE LIABILITIES	2020 \$
LEASE LIABILITIES	
Current	52,887
Non-Current	171,634
	224,521

AASB 16 has been adopted during the period, refer to **Note 1(d)** for details. Refer to **Note 23A** for lease details.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 24: EVENTS AFTER REPORTING DATE

In July 2020 the Company announced the results of its successful drilling programs at the Cox's Find and Mon Ami Gold Projects in Laverton, Western Australia.

On 29 July, 12 August and 21 September 2020 the Company announced it had lodged applications over 4 strategic and highly prospective tenements immediately adjacent to the 100% owned Cox's Find Gold Project in Western Australia. GSN has made applications over tenements E38/3518, P38/4523, P38/4524 and P38/4525.

On 16 July 2020 the Company announced the results of the geochemical mapping and sampling program collected at the Edinburgh Park project in North Queensland. Around 652 soil samples and 11 rock chip samples completed on a wide spaced grid. The geochemical mapping program, the first systematic gold focused exploration program undertaken in this area, was completed on a wide spaced (100m x 100m) grid over highly prospective targets identified from interpretation of hyperspectral data in conjunction with reconnaissance geological mapping and aerial geophysics.

On 2 September 2020 the Company announced the appointment of Mr Sean Gregory as Chief Executive Officer and Mr Octavio Garcia as the Head of Exploration – Queensland. Mr Mark Major resigned as Chief Operating Officer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

The following unlisted securities were issued after the reporting date:

Unlisted Options	Tranche	No.	Exercise Price	Vesting Condition	Expiry Date
Head of Exploration - Western Australia <i>(issued 10 July 2020)</i>	1	600,000	\$0.05	Employee remains with Company as at 30 June 2021.	30-Jun-22
	2	600,000	\$0.05	Employee remains with Company as at 30 June 2022.	30-Jun-23
Head of Exploration - Queensland <i>(issued 2 September 2020)</i>	1	1,000,000	\$0.10	Employee remains with Company as at 30 June 2022.	30-Jun-23
	2	1,000,000	\$0.20	Vest on discovery and resource development of a 500,000-ounce gold equivalent prospect within the Queensland project portfolio.	30-Jun-25

Unlisted Options	Tranche	No.	Exercise Price	Vesting Condition	Expiry Date
Chief Executive Officer <i>(issued 2 September 2020)</i>	1	500,000	\$0.10	Vest after 12 months of service	30-Jun-23
	2	500,000	\$0.15	Vest after 24 months of service	30-Jun-24
	3	500,000	\$0.20	Vest after 36 months of service	30-Jun-25

On 17 July 2020 1,000,000 Fully Paid Ordinary Shares were issued on the exercise of 1,000,000 Unlisted Options at \$0.05 each.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Performance Rights

Performance Rights	Tranche	No.	Exercise Price	Vesting Condition	Expiry Date
Chief Executive Officer (issued 2 September 2020)	1	2,000,000	nil	Share price of \$0.25 based on 20-trading day VWAP.	Note 1
	2	2,000,000	nil	Share price of \$0.35 based on 20-trading day VWAP.	Note 1
	3	2,000,000	nil	Share price of \$0.45 based on 20-trading day VWAP.	Note 1

Note 1: Performance Rights are convertible into Shares on a one for one basis for no consideration upon exercise by the holder on or before the date which is 2 years after issue.

In July 2020 a second finance facility was entered to acquire a second motor vehicle. The terms of that facility are identical to the financial liability recognised at 30 June 2020.

Coronavirus impact

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has little financial impact on the Company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing 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.

Apart from the above, there has not been any other matter or circumstance that has arisen after the reporting date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Great Southern Mining Limited (the "Company"):
 - (a) the accompanying financial statements and notes comply with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Company's financial position at 30 June 2020 and of its performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

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

A handwritten signature in black ink, appearing to read 'John Terpu'.

John Terpu
Executive Chairman
Perth WA

26 September 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Great Southern Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Great Southern Mining Limited ("the Company") which comprises the statement of financial position as at 30 June 2020, the statement of profit and Loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia.

We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 1(w) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of exploration and evaluation expenditure Refer to Note 11	
The Company has capitalised exploration and evaluation expenditure of \$7,187,818 as at 30 June 2020. Our audit procedures determined that the carrying value of exploration and evaluation expenditure was a key audit matter as it was an area which required the most communication with those charged with governance and was determined to be of key importance to the users of the financial statements.	Our procedures included but were not limited to the following: - We obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; - We obtained evidence that the Company has current rights to tenure of its areas of interest; - We substantiated a sample of additions to exploration expenditure during the year; - We enquired with management and reviewed ASX announcements and minutes of Directors' meetings to ensure that the Company had not decided to discontinue exploration and evaluation at its areas of interest; and - We examined the disclosure made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 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.

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 Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Great Southern Mining Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
26 September 2020



M R Ohm
Partner

ASX ADDITIONAL INFORMATION

Additional information as required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. All information as at 10 September 2020 (Calculation Date) unless noted otherwise.

1. Shareholder Information

1.1 As at 10 September 2020 the Company had 1553 holders of Ordinary Fully Paid Shares and 249 holders of Listed Options.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

- (a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each Fully Paid Share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

Unlisted and Listed Options do not carry any voting rights.

1.2 Distribution of Securities

Holding Between	Listed Shares		Listed Options		Unlisted Options	
	Securities	No. of holders	Securities	No. of holders	Securities	No. of holders
100,001 and Over	374,809,738	269	146,393,991	112	10,900,000	5
10,001 to 100,000	30,958,050	783	5,404,872	97	0	0
5,001 to 10,000	2,826,991	345	172,235	22	0	0
1,001 to 5,000	495,516	129	30,982	9	0	0
1 to 1,000	5,477	27	2,126	9	0	0
Total	409,095,772	1,553	152,004,206	249	10,900,000	5
Unmarketable Parcels		127		25	n/a	n/a

One Unlisted Option holder, Pareto Nominees Pty Ltd, holds 5,000,000 Unlisted Options exercisable at \$0.06 each on or before 4 September 2022. No securities are subject to escrow.

1.3 Substantial Holders:

The following holders of securities are recorded as substantial holders of securities

Rank	Name	Fully Paid Shares	%	Listed Options	%
1	VALLEYROSE PTY LTD	78,101,536	19%	24,867,179	16%
2	DANNY TAK TIM CHAN	50,006,323	12%	21,668,775	14%
3	VALLEYBROOK INVESTMENTS PTY LTD	47,207,815	12%	14,235,939	9%
4	DAVIDE BOSIO and ASSOCIATED COMPANIES	26,700,000	7%	n/a	n/a

Twenty Largest quoted security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Fully Paid Ordinary Shares

Listed Options

	Name	No. Held	%		Name	No. Held	%
1	VALLEYROSE PTY LTD	78,101,536	19.09	1	VALLEYROSE PTY LTD	24,867,179	16.36
2	DANNY TAK TIM CHAN	50,006,323	12.22	2	DANNY TAK TIM CHAN	21,668,775	14.26
3	VALLEYBROOK INVESTMENTS PTY LTD	47,207,815	11.54	3	VALLEYBROOK INVESTMENTS PTY LTD	14,235,939	9.37
4	PARETO NOMINEES PTY LTD	16,000,000	3.91	4	PARETO NOMINEES PTY LTD	6,000,000	3.95
5	BNP PARIBAS NOMS PTY LTD	13,955,135	3.41	5	GETMEOUTOFHERE PTY LTD	4,929,825	3.24
6	ANYSHA PTY LTD	12,500,105	3.06	6	NAUTICAL HOLDINGS WA PTY LTD	4,700,000	3.09
7	DJ CARMICHAEL PTY LTD	10,000,000	2.44	7	ANYSHA PTY LTD	4,166,702	2.74
8	BNP PARIBAS NOMINEES PTY LTD	5,861,286	1.43	8	BNP PARIBAS NOMINEES PTY LTD	4,149,716	2.73
9	MR ADAM ANDREW MACDOUGALL	5,224,902	1.28	9	R W ASSOCIATES PTY LIMITED	4,000,000	2.63
10	MR RUPERT JAMES GRAHAM LOWE	5,000,000	1.22	10	ADMARK INVESTMENTS PTY LTD	2,770,000	1.82
10	MOUNT STREET INVESTMENTS PTY LTD	5,000,000	1.22	11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,656,666	1.75
11	PATINA RESOURCES PTY LTD	3,333,333	0.81	12	DJ CARMICHAEL PTY LTD	2,500,000	1.64
12	CITICORP NOMINEES PTY LIMITED	3,255,792	0.80	13	ALLCARE INVESTMENTS PTY LTD	2,107,913	1.39
13	GETMEOUTOFHERE PTY LTD	3,053,941	0.75	14	LAGRAL STRATEGIES PTY LTD	1,548,997	1.02
14	MR CONNOR MARK ROBINSON	2,965,388	0.72	15	MRS VICKI GAYE PLAYER & MR SCOTT JAMES PLAYER	1,524,781	1.00
15	NAUTICAL HOLDINGS WA PTY LTD	2,900,000	0.71	16	HANNING NOMINEES PTY LTD	1,500,000	0.99
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,509,295	0.61	17	MR CONNOR MARK ROBINSON	1,488,464	0.98
17	STONE PONEYS NOMINEES PTY LTD	2,500,000	0.61	18	SP FUNDS MANAGEMENT PTY LTD	1,452,591	0.96
18	KIWI BATTLER PTY LTD	2,452,089	0.60	19	MR SHOHAN ASIRI SENEVIRATNE	1,400,000	0.92
19	MR BRYCE HEALY	2,100,000	0.51	20	MR ADAM ANDREW MACDOUGALL	1,375,000	0.90
20	MR MARK BARNABA	2,000,000	0.49				
20	MR ENZO BOSIO & MRS CAMILLA BOSIO	2,000,000	0.49				
20	BALD WINGNUT PTY LTD	2,000,000	0.49				
		279,926,940	68			109,042,548	71

Unlisted Options on issue per expiry date.

Unlisted Options (Exercisable)	Expiry Date	Number
\$0.06	04-Sep-22	5,000,000
\$0.05	30-Jun-22	600,000
\$0.05	30-Jun-23	600,000
\$0.10	30-Jun-23	1,500,000
\$0.15	30-Jun-24	500,000
\$0.20	30-Jun-25	1,500,000
\$0.05	31-Dec-22	600,000
\$0.10	31-Dec-23	600,000
		10,900,000

Performance Rights

Details of Performance Rights issued by the Company during or since the end of the financial year, and ordinary shares issued as a result of the exercise are:

Tranche	No.	Exercise Price	Vesting Condition	Expiry Date
1	2,000,000	nil	Share price of \$0.25 based on 20-trading day VWAP.	Note 1
2	2,000,000	nil	Share price of \$0.35 based on 20-trading day VWAP.	Note 1
3	2,000,000	nil	Share price of \$0.45 based on 20-trading day VWAP.	Note 1

Note 1:

Performance Rights are convertible into Shares on a one for one basis for no consideration upon exercise by the holder on or before the date which is 2 years after issue. Performance Rights are convertible into Shares on a one for one basis for no consideration upon exercise by the holder on or before the date which is 2 years after issue.

1.4 Share Buy-Backs

There is no current on-market buy-back scheme.

1.5 Securities Purchased On-market

There were no securities purchased on-market per ASX Listing Rule 4.10.22 during the reporting period.

2. Other Information

Great Southern Mining Limited, incorporated and domiciled in Australia, is a public listed Company limited by Shares.

Review of Operations:

A review of operations is contained in the Directors' Report.

Company Secretary:

The name of the Company Secretary is Mark Petricevic.

Corporate Governance:

In accordance with Listing Rule 4.10.3, the Company's Corporate Governance Statement can be found on the Company's website. Refer www.gsml.com.au

Address and telephone details of the Company's Registered Office:

Suite 4, 213 Balcatta Rd
Balcatta WA 6021
T: 08 9240 4111

Share Register:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Telephone: (within Australia): 1300 554 474
Telephone: (outside Australia): +61 (02) 8280 7761
Facsimile: (02) 9287 0303

Tenement Schedule

Registered Holder	Tenement ID	Interest
WESTERN AUSTRALIA		
Great Southern Mining Limited	M38/1256	100%
Great Southern Mining Limited	E38/2829	100%
Great Southern Mining Limited	M38/170	100%
Great Southern Mining Limited	M38/578	100%
Great Southern Mining Limited	M38/740	100%
East Laverton Exploration Pty Ltd	E38/3476	100%
East Laverton Exploration Pty Ltd	E38/3518	100%-Pending
East Laverton Exploration Pty Ltd	P38/4523	100%-Pending
East Laverton Exploration Pty Ltd	P38/4524	100%-Pending
East Laverton Exploration Pty Ltd	P38/4525	100%-Pending
Great Southern Mining Limited	E38/2442	100%
Great Southern Mining Limited	E38/2856	100%
Great Southern Mining Limited	E38/2587	100%
East Laverton Exploration Pty Ltd	E38/3362	100%-Pending
East Laverton Exploration Pty Ltd	E38/3363	100%
East Laverton Exploration Pty Ltd	E38/3364	100%-Pending
QUEENSLAND		
Great Southern Mining Limited	EPM 18986	100%
Great Southern Mining Limited	EPM 25196	100%
Great Southern Mining Limited	EPM 26527	100%
Great Southern Mining Limited	EPM 26810	100%
Great Southern Mining Limited	EPM 27130	100%
Great Southern Mining Limited	EPM 27131	100%
Great Southern Mining Limited	EPM 27506	100%-Pending
Great Southern Mining Limited	EPM 27291	100%
Great Southern Mining Limited	EPM 27459	100%-Pending
Great Southern Mining Limited	EPM 27460	100%-Pending

Mineral Resource Estimate

On 7 November 2018, the Company released the Maiden Mineral Resource Estimate (Inferred) at its Mon Ami Gold Project of 1.1M tonnes at 1.7g/t for 59,000 ounces gold, using a cut-off grade of 1.0 g/t gold. There has been no change to the estimate since being released. From a governance control perspective refer to the Company's Corporate Governance Statement noted in Section 2 previously and the Competent Persons section in the Operating and Financial Review included in this Annual Report for further details.

