

ABYSSINIAN GOLD LIMITED

ABN 40 115 819 479

Annual Financial Report 30 June 2020

Abyssinian Gold Limited (formerly Hodges Resources Ltd) is an Australian exploration company focussed on the discovery and development of mining projects across the globe. For more details, visit www.hodgesresources.com.au.

The company was established in 2005, its headquarters are in West Perth, Western Australia and its current Board of Directors and Company Secretary comprises:

DIRECTORS	Nathan McMahon Bryan Dixon Felicity Repacholi-Muir (resigned 30 th November 2019) Terry Gardiner (appointed 18 th December 2019)
SECRETARY	Bryan Dixon (appointed 18 th December 2019)
REGISTERED & PRINCIPAL OFFICE	Level 3, 30 Richardson Street West Perth Western Australia 6005 Telephone: +61 (8) 9322 6283 Facsimile: +61 (8) 9322 6398
AUDITORS	Bentleys (WA) Pty Ltd London House Level 3, 216 St Georges Terrace Perth 6000 Telephone: +61 (8) 9226 4500 Facsimile: +61 (8) 9226 4300
SHARE REGISTRY	Advance Share Registry 110 Stirling Highway Nedlands Western Australia 6009 Telephone: +61 (8) 9389 8033 Facsimile: +61 (8) 9262 3723
BANKERS	National Australia Bank Level 14, 100 St Georges Terrace Perth Western Australia 6000

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The Directors of Abyssinian Gold Limited ("Abyssinian" or the "Company") present the annual financial report of the Company and its controlled entities (the "Group") for the financial year ended 30 June 2020. In order to comply with the provisions of the Corporations Act, the directors report as follows:

DIRECTORS

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

Nathan McMahon	Non-Executive Chairman
Bryan Dixon	Non-Executive Director to 18 th December 2019 Managing Director and Company Secretary from 18 th December 2019
Felicity Repacholi-Muir	Managing Director (resigned 30 th November 2019)
Terry Gardiner	Non-Executive Director (appointed 18 th December 2019)

Information on Directors

Bryan Dixon	Independent Non-Executive Director (since August 2005 to 18 December 2019) Managing Director & Company Secretary (since 18 December 2019)
Qualifications:	B. Comm; CA; ACIS
Experience:	Mr Dixon has over 20 years' experience in the mining sector and was Managing Director of Blackham Resources Ltd (now Wiluna Mining Corporation Ltd), a West Australian gold producer until May 2019. Mr Dixon is a Chartered Accountant and has extensive experience in the management of public and listed exploration and mining companies. Previously, Mr Dixon has been employed by an international accounting firm, Resolute Limited, and Archipelago Resources Plc. He was a joint winner of the Asia-Pacific Mining Executive of the year in 2017. Mr Dixon has held numerous director and management roles with emerging resource companies. Mr Dixon specializes in mining mergers and acquisitions, feasibility, financing, development and operations.
Directorships of listed companies:	Blackham Resources Limited (from July 2006 to May 2019) Lithium Australia NL (since December 2009 to current)
Interest in Shares:	824,991 fully paid ordinary shares
Interest in Options:	Nil
Nathan McMahon	Independent Non-Executive Director (since May 2008)
Qualifications:	B. Comm
Experience:	Mr McMahon has provided corporate management advice to the mining industry for over 20 years to in excess of 30 publicly listed mining companies. Mr McMahon is currently joint Managing Director of Cazaly Resources Limited and until recently was Non-Executive Chairman of Galan Lithium Limited. Mr McMahon has specialised in native title negotiations, joint venture negotiations, project evaluations, due diligence and project acquisitions and disposals and financings
Directorships of listed companies:	Cazaly Resources Limited (since June 2002) Galan Lithium Limited (since February 2011 to February 2020)
Interest in Shares:	2,479,512 fully paid ordinary shares
Interest in Options:	Nil

Terry Gardiner	Non-Executive Director (appointed 18 th December 2019)
Qualifications:	Dip.Fin.Servcies
Experience:	Mr Gardiner has over 20 years' experience in capital markets, stockbroking & derivatives trading and prior to that had many years trading in equities & derivatives for his family accounts. Currently a Director of stockbroking firm Barclay Wells Limited and a Non-executive Director of Cazaly Resources Limited and Galan Lithium Limited
Directorships of listed companies:	Cazaly Resources Limited - Non-executive Director (since December 2016) Galan Lithium Limited - Non-executive Director (since December 2013)
Interest in Shares:	Nil
Interest in Options:	Nil
Felicity Repacholi-Muir	Managing Director (resigned 30 th November 2019)

COMPANY SECRETARY

Mike Robbins resigned as Company Secretary on 18th December 2019. Bryan Dixon was appointed as Company Secretary on 18th December 2019.

Directors' Meetings

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director are:

<u>Directors</u>	<u>Directors' Meetings</u>	
	<u>Held</u>	<u>Attended</u>
Nathan McMahon	8	8
Bryan Dixon	8	8
Terry Gardiner	3	3
Felicity Repacholi-Muir	5	5

Dividends

No dividends have been paid or 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 Group during the course of the financial year was due diligence on mineral exploration and development projects for potential acquisition.

Corporate Structure

Abyssinian Gold is a company limited by shares that is incorporated and domiciled in Australia. The Company's securities are unlisted but the Company is aiming to re-list as soon as a suitable mineral project can be acquired.

Operating Results and Financial Position

Earnings Per Share

The basic loss per share for the Group for the year was 1.90 cents (2019: 2.63 cents) per share.

Results

The loss after tax for the year was \$293,666 (2019 - \$391,681). The Group's net assets at the end of the year are \$47,111 (2019 - \$132,897).

Cash and cash equivalents as at year end were \$197,826 (2018 - \$150,278).

The Group has fully provided for the potential non-repayment of the refundable option fee of US\$3 million due and payable by the existing shareholders of Jaquar Ventures (Pty) Ltd ('Jaquar') under the terms and conditions contained in the Moiyabana Project Heads of Agreement. To date, the Company has not received the outstanding option fee but the Company continues to pursue further legal action to recover the outstanding debt.

Exploration expenditure incurred for the year was \$30,000 (2019 - \$1,907). Net administration expenses and employee benefits for the year totalled \$207,570 (2019 - \$362,086).

Risks

There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Group and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Group and the value of the Company's shares.

All mining ventures are exposed to risks and the Board continues to monitor risks associated with current projects whilst also analysing the risks associated with any new mining opportunities. These risks may cover such areas as:

- **Future capital needs and additional funding**

The Company is seeking to raise sufficient funds to fund the due diligence and acquisition of new projects conducts no other business that is expected to generate available cash flow to fund the Company's activities in the near term. Accordingly, the Company may need to raise additional funds from time to time.

The Company cannot guarantee that it will be successful in any future required fund raising efforts, in particular its ability to raise funds within an acceptable time, in a sufficient amount, or on terms acceptable to it. Any future fund raisings will be subject to both the market's assessment of the Company and its future prospects at the time and factors beyond the control of the Company and its Directors. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations.

- **Title Risk**

This may specifically cover mining tenure whereby country specific mining laws and legislation apply.

Any opportunity in Australia and overseas will be subject to particular risks associated with operating in Australia or the respective foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, exchange control, exploration licensing, export duties, investment into a foreign country and repatriation of income or return of capital, environmental protection, land access and environmental regulation, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits be provided to local residents.

- **Exploration Risk**

The Board realises that mineral exploration and development are high risk undertakings due to the high level of inherent uncertainty. There can be no assurance that exploration of the Group's tenements, or of any other tenements that may be acquired by the Group in the future, will result in the discovery of economic mineralisation. Even if economic mineralisation is discovered there is no guarantee that it can be commercially exploited.

Any future exploration activities of the Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Group.

- **Resources Estimates**

The Group's main projects may contain JORC Code compliant resources. There is no guarantee that a JORC Code compliant resource will be discovered on any of the Group's other tenements. Resource estimates are expressions of

judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Group's operations and the value of the Company's Listed Shares.

- **Access Risks – Cultural Heritage and Native Title**

The Group must comply with various country specific cultural heritage and native title legislation including access agreements which require various commitments, such as base studies and compliant survey work, to be undertaken ahead of the commencement of mining operations.

It is possible that some areas of those tenements may not be available for exploration due to cultural heritage and native title legislation or invalid access agreements. The Group may need to obtain the consent of the holders of such interests before commencing activities on affected areas of the tenements. These consents may be delayed or may be given on conditions which are not satisfactory to the Group.

- **Joint Venture and Contractual Risk**

The Group has and may have additional options where it can increase its holding in the selective assets by achieving or undertaking selected milestones. The Group's ability to achieve its objectives and earn or maintain an interest in these projects is dependent upon it and the registered holders of those tenements complying with their respective contractual obligations under joint venture agreements in respect of those tenements, and the registered holders complying with the terms and conditions of the tenements and any other relevant legislation.

- **Economic**

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's exploration, development and possible production activities, as well as on its ability to fund those activities.

- **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Group's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

- **Volatility in Global Credit and Investment Markets**

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Group and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which Listed Options and Shares may trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

- **Commodity Price Volatility and Exchange Rates Risks**

If the Group achieves success leading to mineral production, the revenue it will derive through the sale of coal or any other minerals it may discover exposes the potential income of the Group to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Group. Such factors include

supply and demand fluctuations for commodities and metals, technological advancements, forward selling activities and other macro-economic factors such as inflation expectations, interest rates and general global economic conditions.

Furthermore, international prices of various commodities are denominated in United States dollars whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Group to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

If the price of commodities declines this could have an adverse effect on the Group's exploration, development and possible production activities, and its ability to fund these activities, which may no longer be profitable.

- **Environmental Risks**

The operations and proposed activities of the Group are subject to each project's jurisdiction, laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Future legislation and regulations governing exploration, development and possible production may impose significant environmental obligations on the Group.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Group from being able to develop potential economically viable mineral deposits. The Group may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals or to obtain them on terms acceptable to the Group may prevent the Group from undertaking its desired activities. The Group is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Group's business, financial condition and results of operations.

- **Sovereign and Political Risks**

The Company had entered into Agreements under which it acquired interests in coal projects located in Botswana.

The Company is subject to the risks associated with operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, exchange control, exploration licensing, export duties, investment into a foreign country and repatriation of income or return of capital, environmental protection, land access and environmental regulation, mine safety, labour relations as well as government control over petroleum properties or government regulations that require the employment of local staff or contractors or require other benefits be provided to local residents.

The Company may also be hindered or prevented from enforcing its rights with respect to government instrumentalities because of the doctrine of sovereign immunity. Any future material adverse changes in government policies or legislation in Botswana that affect ownership, exploration, development or mining activities, may affect the viability and profitability of the Company.

The legal systems operating in Botswana are different to that in Australia and this may result in risks such as:

- Different forms of legal redress in the courts whether in respect of a breach of law or regulation, or in ownership dispute.
- A higher degree of discretion on the part of governmental agencies.
- Differences in political and administrative guidance on implementing applicable rules and regulations including, in particular, as regards local taxation and property rights.
- Different attitudes of the judiciary and court.
- Difficult in enforcing judgments.

The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness and enforcement of such arrangements cannot be assured.

The Company cannot guarantee that the rights, licences and/or tenements in which it has or may acquire an interest, if it completes the acquisition, or any other licences and/or tenements in which it has or may acquire in the future, will be renewed beyond their current expiry date and there is a material risk that, in the event the holder of those licences and/or tenements is unable to renew any of them beyond their current expiry date, all or part of the Company's interests in the corresponding projects may be relinquished.

Further, there is no guarantee that any applications for licences and/or tenements will be granted or granted on conditions satisfactory to the Company.

The Company's future in Botswana may be affected by changing political conditions and changes to laws and mining policies. The effects of these factors cannot be accurately predicted and developments may impede the operation or development of a project or even render it uneconomic.

The above risks are not exhaustive but are the minimum exposure areas observed by the Group. Outside of the above, the Group is continually assessing Industry type risk (covering resources, commercial, commodity prices & volatility, insurance and environmental) and general type risk (economic, share markets, government & legal and global volatility).

Review of Operations

Corporate

The Group continued to require further funding in order to meet day to day obligations and has continued to actively seek financial support from third parties as well as pursuing the possible sale of assets.

The Company changed its name from Hodges Resources Limited to Abyssinian Gold Limited on the annual general meeting held on the 2 April 2020.

Ethiopia - Okote Gold Project

In March 2020, the Company signed an agreement to acquire 100% interest in AME (Projects) Pty Ltd, which had the right to earn a 60% interest in the Okote Gold Project in Ethiopia by upgrading the gold resource to JORC compliance, funding the completion of the feasibility study and making a number of milestone payments. This Acquisition was conditional on a number of items which were not satisfied by the Vendors by the required end date. In July 2020, the Company will no longer be proceeding with this acquisition.

Botswana - Morupule South Coal Project

The 2.45 billion tonne JORC (*) resource of the Morupule South Coal Project ('Project'), of which 380 million tonnes are in the measured and indicated categories. The Project is located to the south of the operational Morupule Colliery in central east Botswana. The project consists of one prospecting licence (PL121/2010), covering a total area of 264.4km² within the eastern central district of Botswana.

On 24 November 2016, Abyssinian signed an agreement with Shumba Energy Limited (Shumba) to sell its 75% interest in the project. The total consideration was US\$2,900,000 plus a 1% royalty on sales revenues generated from the sale of coal from the project. The consideration is to be paid in two instalments:

- US\$1,400,000: the Company received the first instalment on 6 December 2017; and
- US\$1,500,000 is due on the 1st anniversary of the commencement of mining.

Located 10-15km South of Botswana's only operating coal mine and perfectly positioned to road and railway infrastructure, the Project could produce export quality coal for local and regional industrial users. Shumba has commenced a feasibility study and Environmental and Social Impact Study on a 1.5Mtpa coal operation for this Project.

Strategic discussions and negotiations are believed to be ongoing between Shumba and a number of parties for the development of the Morupule South Coal Project.

**JORC Note - This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported to the ASX on 13 November 2012.*

Botswana - Moiyabana Coal Project

As stated in the ASX announcement dated 27 August 2012, the Abyssinian Board decided that it would abandon its option under the Moiyabana Project Heads of Agreement and requested the repayment of the refundable \$US3 million option fee originally paid to the existing Jaquar Ventures (Pty) Ltd shareholders.

Abyssinian is continuing with its legal proceedings over the non-payment of the refundable option fee from the vendors of the Moiyabana project. The next court hearing is scheduled for the second half of 2021.

Ghana - Salman South and Mame Projects

During the year, the Company has elected to wind up the subsidiary (Wells Gold Corporation (International) Pty Ltd) that formally held an interest in the company that owns the Salman South and Mame Gold projects located in the southern extensions of the Ashanti Gold Belt, southern Ghana.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group to the date of this report other than as discussed in the review of operations.

Significant events after balance date

During July 2020, the Company elected to not to pursue the acquisition of an interest in the Okote Gold Project in Ethiopia.

There have been no matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the Group in subsequent financial years, except as detailed below.

Options on Issue

There were no options issued during the financial year. There are 750,000 options (2019: 750,000) outstanding with an exercise price of \$0.20 on or before 30/11/23.

Options forfeited or cancelled

During, or since the end of the financial year, no options were forfeited or cancelled.

Options expired or lapsed

During, or since the end of the financial year, no options had expired or lapsed.

Likely Developments and Expected Results

Exploration activities

The Group is continuing to investigate and conduct due diligence on opportunities to acquire new mineral assets.

Indemnification and Insurance of Officers

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer, or agent of the Group shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. No indemnification has been paid with respect to the Company's auditor.

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

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

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Abyssinian Gold Limited with an Independence Declaration in relation to the audit for the full-year financial report. This Independence Declaration is attached to the Directors' Report. No non-audit services were provided by the Company's auditor.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Abyssinian support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Abyssinian is in compliance with those guidelines which are of importance to the commercial operation of a junior listed resource company.

Signed in accordance with a resolution of directors.



Bryan Dixon
Managing Director
Perth, 15 September 2020

Competent Persons Statements

The information in this report that relates to exploration results, coal resources or ore reserves is based on information compiled by Nico J Denner, Pr.Sci.Nat (400060/98), B.Sc Hons (Geology), who is a Fellow of the GSSA and a member of the SEG, and employed as a full time geologist at Gemecs. Mr Denner is a mining geologist with 19 years' experience in the mining industry. Mr Denner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves'. Mr Denner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

In accordance with a resolution of the directors of Abyssinian Gold Limited, the directors of the company declare that:

1. the financial statements and notes, as set out in pages 12 to 36, are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

On behalf of the Directors



Bryan Dixon
Managing Director
Perth, 15 September 2020

	Note	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Continuing Operations			
Revenue	2(i)	45	2,579
Other Income	2(ii)	11,203	161,754
Expenses			
Employee benefits		(200,611)	(214,565)
Occupancy		(24,588)	(43,380)
Depreciation	6	(1,646)	(2,409)
Write down of financial assets at fair value through profit and loss	2(ii)	(420)	(1,034)
Share based compensation		-	-
Exploration and evaluation expenditure written off	7	(30,000)	(1,907)
Compliance and regulatory		(40,690)	(145,198)
Other expenses	2(iii)	(6,959)	(147,521)
Profit /(Loss) before income tax expense		(293,666)	(391,681)
Income tax expense	3	-	-
Profit/(Loss) for the period		(293,666)	(391,681)
Total other comprehensive income for the period		-	-
Total comprehensive loss for the year		(293,666)	(391,681)
Profit/(Loss) for the year attributable to:			
Members of the controlling entity		(293,666)	(391,681)
		(293,666)	(391,681)
Total comprehensive income attributable to:			
Members of the controlling entity		(293,666)	(391,681)
		(293,666)	(391,681)
Basic and diluted loss per share (cents per share)	11	(1.90)	(2.63)

The accompanying notes form part of these financial statements.

As at 30 June 2020

	Note	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Current Assets			
Cash and cash equivalents	13	197,826	150,278
Trade and other receivables	4	656	4,913
Financial assets	5	2,318	2,738
Total Current Assets		200,800	157,929
Non-Current Assets			
Plant and equipment	6	2,889	4,535
Capitalised exploration expenditure	7	-	-
Total Non-Current Assets		2,889	4,535
Total Assets		203,689	162,464
Current Liabilities			
Trade and other payables	8	156,239	29,567
Related party loans	8,18	339	-
Total Current Liabilities		156,578	29,568
Total Liabilities		156,578	29,568
Net Assets		47,111	132,897
Equity			
Issued Capital	9(a)	21,042,942	20,835,062
Reserves	12(b)	156,880	156,880
Accumulated losses	12(a)	(21,152,711)	(20,859,045)
Controlling entity interest		47,111	132,897
Total Equity		47,111	132,897

The accompanying notes form part of these financial statements.

	Note	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Cash flows from operating activities			
Interest Received		45	2,579
Payments to suppliers and employees		(131,855)	(791,741)
Net cash flows used in operating activities	13(b)	(131,810)	(854,622)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(31,162)	(65,460)
Payments for acquisition of Plant & Equipment		-	(3,100)
Payments for financial assets held for trading		-	(2,000)
Net cash flows (used in)/provided by investing activities		(31,162)	(5,100)
Cash flows from financing activities			
Proceeds from the issue of shares		214,000	52,500
Loans received from/(repaid to) related parties		(3,480)	(121,233)
Net cash flows (used in)/ provided by financing activities		210,520	(68,733)
Net increase in cash and cash equivalents		47,548	(928,455)
Cash and cash equivalents at the beginning of the financial year		150,278	1,078,733
Cash and cash equivalents at the end of the financial year	13(a)	197,826	150,278

The accompanying notes form part of these financial statements.

	Issued Capital	Accumulated Losses	Other Reserves	Non- controlling Interest	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2019	20,835,062	(20,859,045)	156,880	-	132,897
Loss for the year	-	(293,666)	-	-	(293,666)
Share issued (net)	207,880	-	-	-	207,880
Shares to be issued	-	-	-	-	-
Options issued	-	-	-	-	-
Options expired	-	-	-	-	-
At 30 June 2020	21,042,942	(21,152,711)	156,880	-	47,111
At 1 July 2018	20,782,562	(20,467,364)	156,880	-	472,078
Loss for the year	-	(391,681)	-	-	(391,681)
Share issued (net)	52,500	-	-	-	52,500
Shares to be issued	-	-	-	-	-
Options issued	-	-	-	-	-
Options expired	-	-	-	-	-
At 30 June 2019	20,835,062	(20,859,045)	156,880	-	132,897

The accompanying notes form part of these financial statements.

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Corporate Information

The financial report of Abyssinian Gold Limited ('Abyssinian' or the 'Company') and its controlled entities (the 'Group') for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 4 February 2020. Abyssinian is a company limited by shares, incorporated and domiciled in Australia whose registered address and principal place of business is Level 2, 38 Richardson Street, West Perth, Western Australia, 6005. The principal activity of Abyssinian is the evaluation, exploration and development of mineral resources.

(b) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Abyssinian Gold Ltd and its subsidiaries (the 'Group'). The financial report has also been prepared on an accrual basis and is based on historical costs, where applicable, by the measurement of fair values of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian Dollars, which is the Company's functional currency.

(c) Statement of compliance

The financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Abyssinian Gold Limited ('parent company') and its subsidiaries as at 30 June each year (the 'Group').

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

(e) Going concern

The financial report for the period ended 30 June 2020 has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 30 June 2020 the Group recorded a net loss after tax of \$293,666 (2019: \$391,681) and had a net working capital surplus of \$44,222 (2019: \$128,362).

The Group will require further funding during the 2020 calendar year in order to meet day to day obligations as they fall due and to progress its exploration projects. Based on the Group's cash flow forecast, the Board of Directors is aware of the Group's need to access additional working capital funds in the next 12 months to enable the Group to continue its normal business activities and to ensure the realization of assets and extinguishment of liabilities as and when they fall due. Based on the above, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

In the event that the Group is not successful in raising funds from the issue of new equity and containing operating and exploration expenditures, there exists material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

(f) Critical accounting judgements and key sources of estimation uncertainty

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 costs carried forward

The future recoverability of exploration and evaluation expenditure costs carried forward has been reviewed by the directors. They are dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, sovereign risk, future technological changes, availability of funds, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, results and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable resources. To the extent it is determined in the future that this capitalised expenditure should be written off, results and net assets will be reduced in the period in which this determination is made.

Share-based payment transactions:

The Group 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. The fair value is determined by using a Black and Scholes model, using the assumptions detailed in Note 10. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 10.

(g) 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 Managing Director of Abyssinian.

(h) Foreign currency translation

i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised in other comprehensive income.

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the translation reserve in equity.

(i) Cash and cash equivalents

Cash comprises cash at bank and on 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 change in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above net of any outstanding bank overdrafts.

(j) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when there is objective evidence that the Group will not be able to collect the full debt. Bad debts are written off when identified.

(k) Property, plant and equipment

All classes of property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation

Plant and equipment have limited useful lives and depreciated using the diminishing value method over their estimated useful lives beginning from the date of acquisition. The depreciation rates used for each class of asset ranges between 18% and 40%. The assets residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate at each financial year end.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated on the difference between the net disposal proceeds and the carrying amount of the item) is included in statement of profit or loss and other comprehensive income in the period the item is derecognised.

(l) Exploration and evaluation

Exploration and evaluation expenditures 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:

- the rights to tenure of the area of interest are current; and
- 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 exploration of the area of interest, or alternatively, by its sale; or
 - b) exploration and evaluation activities in the area of interest have not at balance 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 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.

(m) 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 entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Interest revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(n) Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

The rights to receive cash flows from the asset have expired; or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows

(o) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(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.

(r) Income Taxes

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 balance date.

Deferred income tax is provided on all temporary differences at balance 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, 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 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 assets 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 subsidiaries, 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 balance date and reduced to the extent that it is no longer probable that sufficient taxable profit 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 balance 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 balance date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income. 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.

(q) Goods and Services Tax ("GST") and Value Added Tax ("VAT")

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

- where the GST or VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST or VAT 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 are stated with the amount of GST or VAT included.

The net amount of GST or VAT 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 or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the relevant taxation authority are classified as operating cash flows.

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

(r) Leases

New, revised or amending accounting standards and interpretations adopted

In the year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. Those which have a material impact on the Group are set out below.

AASB 16 Leases requires lessees to account for all leases under a single on-balance sheet model. The standard includes two recognition exemptions for lessees namely leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease

payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group has adopted AASB 16 Leases however its current leases fall within either the 'low-value' or 'short-term' recognition exemptions. The adoption of this standard has had no impact on the current or previous reporting period and as such there have been no adjustments to the opening balance of retained earnings.

(s) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(t) Earnings per share ("EPS")

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than 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.

(u) Share-based compensation

Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The only plan in place to provide these benefits is the Employee Share Option Plan (ESOP), which provides benefits to directors (if applicable), senior executives, consultants and employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model, further details of which are given in Note 10.

In valuing equity-settled transactions, no account is taken of any performance conditions. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement

of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 11).

(v) Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and short-term deposits. The Group has various other financial assets such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are cash flow interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks as summarised below. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the Statement of Significant Accounting Policies.

Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's cash and cash equivalents.

Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents and available-for-sale financial assets, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

(w) Parent entity financial information

The financial information for the parent entity, Abyssinian Resources Ltd, disclosed in Note 22 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Abyssinian Gold Ltd. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(x) Fair value measurements

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets held for trading

The Company does not subsequently measure any liabilities at fair value on a non-recurring basis.

(i) Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

(ii) Valuation techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation technique selected by the Company is:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

30 June 2020					
Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	
Recurring fair value measurements					
Financial assets at fair value through profit or loss:					
- held-for-trading Australian listed shares	2,318	-	-	2,318	
30 June 2019					
Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	
Recurring fair value measurements					
Financial assets at fair value through profit or loss:					
- held-for-trading Australian listed shares	2,738	-	-	2,738	

2 REVENUE, OTHER INCOME AND EXPENSES

Loss before income tax expense includes the following revenues, other income and expenses whose disclosure is relevant in explaining the performance of the Group:

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
(i) Revenue		
<u>Finance income</u>		
Bank interest receivable	45	2,579
(ii) Other Income		
Other	11,203	161,754
	<u>11,248</u>	<u>164,333</u>
(ii) Write Down of Financial Assets at Fair Value Through Profit and Loss		
Fair valuation of shares held for investment	<u>(420)</u>	<u>(1,034)</u>
(iii) Other Expenses		
Other expenses	(3,917)	(12,814)
Consultants	(910)	(131,340)
Insurance	(1,522)	(1,567)
Public relations (including travel & accommodation and seminars)	<u>(610)</u>	<u>(1,798)</u>
	<u>(6,959)</u>	<u>(147,519)</u>

3 INCOME TAX

(a) Income tax expense

The major components of income tax expense are:

Income tax expense in statement of profit or loss and other comprehensive income

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The reconciliation of income tax expense applicable to accounting loss before income tax and the statutory income tax rate to income tax expense at the company's effective income tax rate for the year ended 30 June 2020 is as follows:

Accounting profit / (loss) before income tax	<u>(293,668)</u>	<u>(391,681)</u>
Prima facie tax payable at 27.5% (2019-30%)	(80,759)	(117,504)

Increase in taxable income due to:

Non-deductible expenses	-	458
Effect of current year tax losses not recognised	50,833	210,891
Effect of lower tax rate ¹	-	-

Decrease in income tax expense due to:

Tax deductible equity raising costs	-	-
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Effect of current year temporary differences not recognised	29,926	(93,845)
Aggregate income tax expense/(benefit)	-	-

¹ The corporate tax rate in the following countries were applied: Botswana 22% and Mauritius 15%

(b) Current tax assets and liabilities

Current tax liability	-	-
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(c) Unrecognised deferred tax assets and liabilities

<i>(i) Deferred tax liabilities</i>		
Foreign exchange gains	-	-
<i>(ii) Deferred tax assets</i>		
Accruals and provisions	37,473	6,434
Exploration and development expenditure	-	-
Black hole deductions	4,948	-
Tax losses carried forward	2,251,016	2,200,183
Total deferred tax assets – not recognised	2,293,436	2,206,617

Net deferred tax assets are not recognised as it is not considered probable that future taxable profits will be available against which the net deferred tax assets can be utilised. The ability of the Group to realise its unused tax losses in future depends on its ability to meet the requirements of the relevant tax legislation then prevailing.

4 TRADE AND OTHER RECEIVABLES

GST/VAT recoverable	656	-
Other Receivables (refer to Note 18)	-	4,913
	656	4,913

5 FINANCIAL ASSETS

Listed shares – at fair value through profit and loss	2,318	2,738
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6 PLANT AND EQUIPMENT

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
<u>Plant and equipment</u>		
At cost	23,278	23,278
Accumulated depreciation	(21,882)	(20,950)
	1,396	2,328
<u>Office furniture and equipment</u>		

At cost	8,929	8,929
Accumulated depreciation	(8,288)	(8,142)
	641	787
<u>Software</u>		
At cost	51,828	51,828
Accumulated depreciation	(50,976)	(50,408)
	852	1,420
	2,889	4,535

Movements in the carrying amounts for each class of plant and equipment between the beginning and end of the current financial year for the Group as set out below.

	<u>Plant and Equipment</u>	<u>Office Furniture</u>	<u>Software</u>	<u>Total</u>
Balance at 1 July 2018	514	968	2,362	3,844
Additions	3,100	-	-	3,100
Depreciation	(1,286)	(181)	(942)	(2,409)
Carrying amount at 30 June 2019	2,328	787	1,420	4,535
Additions	-	-	-	-
Depreciation	(932)	(146)	(568)	(1,646)
Carrying amount 30 June 2020	1,396	641	852	2,889

7 CAPITALISED EXPLORATION EXPENDITURE

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Costs carried forward in respect of:		
<u>Exploration & evaluation phase – at cost</u>		
Balance at beginning of year	-	-
Exploration assets acquired	-	-
Exploration expenditure incurred	30,000	1,907
	30,000	1,907
Exploration expenditure written off	(30,000)	(1,907)
Total Exploration Expenditure	-	-

Additional expenditure incurred relating to tenements investigated during the year that were not pursued, were written off. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

8 TRADE AND OTHER PAYABLES

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Trade creditors (ii)	19,858	8,120
Other payables (i)	136,382	21,448
Related party loans (refer to Note 18)	339	-
	156,579	29,568

- (i) Within this balance includes \$25,339 (2019: \$339) owing to Nathan McMahon, \$77,125 (2019: NIL) owing to Bryan Dixon and \$25,000 (2019: NIL) to Terry Gardiner.
- (ii) Within this balance includes \$17,890 (2019: \$3,977) owing to Cazaly Resources Limited. Both Nathan McMahon and Terry Gardiner are directors of Cazaly Resources Limited.

9 ISSUED CAPITAL

			Consolidated 30 June 2020 Number	Consolidated 30 June 2019 Number	
(a) Issued and paid up capital					
Ordinary fully paid shares			17,903,858	15,228,858	
	Date	30 June 2020 No. of Shares	30 June 2020 \$	30 June 2019 No. of Shares	30 June 2019 \$
Balance at	1 Jul 19	15,228,858	21,042,942	144,788,576	20,782,562
Share Issue (Net)	4 Jun 20	2,675,000	207,880	7,500,000	52,500
Total shares on issue				152,288,576	-
10:1 Share Consolidation				(137,059,718)	-
Balance at	30 Jun 20	17,903,858	21,042,942	15,228,858	20,835,062

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of a winding-up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holders to one vote, either in person or by proxy, at a general meeting of the Company.

There were 7,500,000 ordinary shares issued in the 2019 financial year at a placement price of \$0.007 per share, pre share consolidation. During the year the company raised 2,675,000 shares issued at 8 cents per share totalling \$214,000.

Share Consolidation

At the Annual General Meeting held on 20 December 2018, the Company proposed to undertake a share consolidation to consolidate the number of Shares on issue on a ten (10) for one (1) basis.

(b) Movements in Options over ordinary shares

Exercise Period	Exercise Price	Number on issue at 30 June 2019	Issued during the year	Exercised/ Expired/ Consolidated	Number on issue at 30 June 2020
On or before 30 November 2023	\$0.20	750,000	-	-	750,000

10 SHARE BASED PAYMENTS

Shares are issued to directors and employees as part of their remuneration as disclosed in the remuneration report.

Options are issued to vendors as part of purchase consideration and also to directors, employees and consultants as part of their remuneration as disclosed in the Directors Report. The options issued may be subject to performance criteria, and are issued to directors and employees of the Company to increase goal congruence between executives, directors and shareholders. Options granted carry no dividend or voting rights.

The following table illustrates the number and weighted average exercise prices (WAEP) of and movements in share options issued under the Share Based Payment Scheme during the year:

	2020		2019	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
At beginning of reporting period	750,000	0.20	750,000	0.85
Granted during the period:	-		-	
- Consultant and employees	-		-	
- Directors	-		-	
- Others	-		7,500,000	0.20
- 10:1 Share consolidation	-		(6,750,000)	0.20
Expired during the period	-		(750,000)	0.85
Balance the end of reporting period	750,000	0.20	750,000	0.20
Exercisable at end of reporting period	750,000	0.20	750,000	0.20

The unlisted options outstanding at 30 June 2020 had a weighted average remaining life of 3.4 years (2019 – 4.4 years).

11 EARNINGS PER SHARE

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
The following reflects the loss and share data used in the calculations of basic earnings per share:		
Net Loss	(293,666)	(391,681)
	Number	Number
Weighted average number of ordinary shares	15,419,406	14,879,543
Basic and diluted loss per share (cents per share)	(1.90)	(2.63)

On 8th January 2019, the Company undertook a share consolidation of 10:1. The weighted average number of shares calculated have been adjusted to reflect the share consolidation throughout the entire period.

Shares issuable upon the exercise of options are not considered dilutive as considered to be out of the money.

30 June 2020	30 June 2019
\$	\$

12 ACCUMULATED LOSSES AND RESERVES

(a) Accumulated losses

Balance at beginning of the year	(20,859,045)	(20,467,364)
Net losses attributable to members	(293,666)	(391,681)
Balance at end of the year	<u>(21,152,711)</u>	<u>(20,859,045)</u>

The transfer from the option reserve reflects options expired or cancelled during the years ended 30 June 2020 and 30 June 2019.

(b) Reserves

	Option Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Opening balance – 1 July 2019	141,301	15,579	156,880
Options issued	-	-	-
Closing balance - 30 June 2020	<u>141,301</u>	<u>15,579</u>	<u>156,880</u>
Opening balance – 1 July 2018	141,301	15,579	156,880
Options issued	-	-	-
Closing balance - 30 June 2019	<u>141,301</u>	<u>15,579</u>	<u>156,880</u>

Option Reserve

The option reserve is used to record the value of options provided to directors, employees, consultants and suppliers (if applicable).

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in note 1 (h). The reserve is recognised in profit and loss when the net investment is disposed of.

13 STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash and Cash Equivalents

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Cash at Bank and in hand	197,826	150,278
Short term deposits	-	-
	<u>197,826</u>	<u>150,278</u>

Cash at Bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term bank deposit rates.

(b) Reconciliation of the net loss after tax to the net cash flows from operations

Net loss	(293,666)	(391,681)
Add/(less) non-cash items:		
Depreciation	1,646	2,409
Fair value adjustment of financial assets	420	1,034
Exploration expenditure written off	30,000	-
Other	1,162	-
Decrease/(Increase) in other receivables	4,257	3,453
Increase/(Decrease) in payables	124,371	(469,837)
Net cash flow from operating activities	(131,810)	(854,622)

14 EXPENDITURE COMMITMENTS

Tenement expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the relevant mining legislation and its joint venture agreements. These obligations include rates to local authorities. These obligations are not provided for in the financial report and may be payable as follows:

	30 June 2020	30 June 2019
	\$	\$
Not longer than one year	-	-
Longer than one year, but not longer than five years	-	-
Longer than five years	-	-
	-	-

15 CONTINGENT LIABILITIES AND ASSETS

The following material contingent assets and liabilities are disclosed:

Jaquar Refundable Option Fee (Asset)

The Abyssinian Board decided under the Moiyabana Project Heads of Agreement, to request the repayment of the refundable US\$3 million option fee originally paid to the existing Jaquar Ventures (Pty) Ltd shareholders. Abyssinian is continuing with its legal proceedings over the non-payment of the refundable option fee from the vendors of the Moiyabana project and is expecting some direction from the relevant courts on this matter during 2021.

Morupule South Consideration (Asset)

On 24 November 2016, Abyssinian signed an agreement with Shumba Energy Limited to sell its 75% interest in the Morupule South project. The total consideration was US\$2,900,000 plus a 1% royalty on sales revenues generated from the sale of coal from the project. The consideration is to be paid in two instalments:

- US\$1,400,000 - the Company received this first instalment on 6 December 2017.; and
- US\$1,500,000 on the 1st anniversary of the commencement of mining.

Shumba has commenced the feasibility study on this Project. As at the date of this report, the second consideration payment (US\$1.5m) and the 1% royalty on coal sales revenues are outstanding.

Deed of Settlement and Release (Liability)

On 15 May 2018, the Managing Director (Mark Major) resigned from the Company and its relevant subsidiaries. Under a Deed of Settlement and Release ('Deed'), Mr Major remains entitled to the following contingent payments:

- i) Within 5 days of any one of the following occurring, the Company will pay Mr Major, or his nominee, \$100,000:
- A. the Company receiving a judgement in its favour and receiving a payment of at least USD\$800,000 (eight hundred United States Dollars) in respect of the Jaquar case in Botswana; or
 - B. the Company reaches any out of court settlement in the Jaquar case; or
 - C. the Company receiving the second consideration payment of the Shumba sale; being 12 months after commencing mining operations at the Morupule South Project; and
 - D. The Company receiving a royalty payment in excess of USD\$1,000,000 (one million United States Dollars) for the product mined and sold by the Shumba from the Project.

	Consolidated 30 June 2020	Consolidated 30 June 2019
	\$	\$
16 AUDITOR'S REMUNERATION		
Amounts received or due and receivable by Bentleys for:		
- an audit or review of the financial report	6,500	6,000
Total remuneration	6,500	6,000

17 RELATED PARTY DISCLOSURE

Transactions with directors and director-related entities are disclosed in Note 18 and in the remuneration report. No other related party transactions were entered into during the year.

Subsidiaries

The consolidated financial statements include the financial statements of Abyssinian Gold Limited (the ultimate Australian parent entity and ultimate parent of the Group) and the subsidiaries listed in the following table.

	<u>Country of Incorporation</u>	<u>% of Equity Interest</u>		<u>Investment \$</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Hodges Resources (Moiyabana) (Pty) Ltd	Botswana	100	100	13	13

18 KEY MANAGEMENT PERSONNEL DISCLOSURES

Details of Key Management Personnel ('KMP')

Apart from the Directors, there are no other persons within the Company who are classified as key management personnel. Details of the nature and amount of emoluments of each director are as follows:

	2020 \$	2019 \$
Short-term employee benefits	200,611	214,565
Post-employment benefits	-	-
Equity based payments	-	-
	200,611	214,565

Total loan from Nathan McMahon as at balance date is \$339 (2019: \$339). There was also an amount due from Nathan McMahon in respect of a refund of reimbursed travel expenses (subsequently repaid).

19 FINANCIAL INSTRUMENTS

Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. 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 Group through regular reviews of the risks.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash balances and loans to associates.

(i) Exposure to credit risk

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

	Consolidated 30 June 2020	Consolidated 30 June 2019
	\$	\$
Assets classified as held for sale	2,318	2,738
Cash and cash equivalents	197,826	150,278
	<u>200,144</u>	<u>153,016</u>

(b) Liquidity risk

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

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. If the Group anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities, then the decision on how the Company will raise future capital will depend on market conditions existing at that time. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are contractual maturities at the end of the reporting period for financial liabilities:

2020

	<u>Carrying Amount</u>	<u>Total</u>	<u>Contractual Cash Flows</u> <u>2 months or less</u>	<u>2-12 months</u>
Trade and other payables	156,239	156,239	156,239	-
Total	<u>156,239</u>	<u>156,239</u>	<u>156,239</u>	<u>-</u>

2019

	<u>Carrying Amount</u>	<u>Total</u>	<u>Contractual Cash Flows</u> <u>2 months or less</u>	<u>2-12 months</u>
Trade and other payables	29,568	29,568	29,568	-
Total	<u>29,568</u>	<u>29,568</u>	<u>29,568</u>	<u>-</u>

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currencies, but currently has no exposures to exchange rate fluctuations arise.

(ii) Interest rate risk

The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's cash and cash equivalents. Interest rate risk is managed by obtaining competitive commercial deposit interest rates available in the market by the major Australian Financial Institutions. At the reporting date the interest rate profile of the Company's and the Group's interest-bearing financial instruments:

	Weighted Average Interest Rate	Floating Interest Rate \$	Fixed Interest Bearing \$	Maturing in 1 Year or Less Non – Interest Bearing \$	Total \$
2020					
<i>Financial assets</i>					
Cash and cash equivalents	0.86%	197,826	-	-	197,826
Trade and other receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	2,318	2,318
<i>Financial liabilities</i>					
Trade and other payables	-	-	-	156,239	156,239
	Weighted Average Interest Rate	Floating Interest Rate \$	Fixed Interest Bearing \$	Maturing in 1 Year or Less Non – Interest Bearing \$	Total \$
2019					
<i>Financial assets</i>					
Cash and cash equivalents	0.42%	150,278	-	-	150,278
Financial assets held for trading	-	-	-	2,738	2,738
<i>Financial liabilities</i>					
Trade and other payables	-	-	-	29,567	29,567

The following table summarises the impact of reasonably possible changes on interest rates for the Group at 30 June 2020. The sensitivity analysis is based on the assumption that interest rate changes by 2% with all other variables remaining constant. The 2% sensitivity is based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding 5 year period and management's expectation of the short term future interest rate.

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Impact on post-tax gain/(loss):		
2% increase	3,006	3,006
2% decrease	(2,947)	(2,947)

There is no impact on other reserves in equity for the Group.

(d) Net fair values

Methods and assumptions used in determining net fair value.

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form except for shares in listed entities. The Group has no financial assets where their carrying amount exceeds the net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

(e) Capital Management

Management controls the capital of the Group in order to provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's cash projections up to 18 months in the future and any associated financial risks. Management will adjust the Group's capital structure in response to changes in these risks and in the market. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

(f) Fair value of financial instruments

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

As at 30 June 2020, the Group only has Level 1 financial instruments. These are classified as Investments in Listed Entities \$2,318 (2019 - \$2,378).

20 SUBSEQUENT EVENTS

During July 2020, the Company elected to not to pursue the acquisition of an interest in the Okote Gold Project in Ethiopia.

There have been no matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the Group in subsequent financial years, except as disclosed below.

21 SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director and his management team in assessing performance and in determining the allocation of resources. The Group had operations and/or interests in Australia involved in mineral exploration and development.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

There is only one segment being the Australian project. The balances are reflected in the Statement of Profit or loss and other comprehensive income and Statement of Financial Position on pages 12 & 13, respectively.

22 PARENT ENTITY DISCLOSURES

22.1 Financial Position

	30 June 2020	30 June 2019
	\$	\$
Assets		
Current Assets	200,800	157,929
Non-Current Assets	2,889	4,535
Total Assets	<u>203,689</u>	<u>162,464</u>
Liabilities		
Current Liabilities	156,578	29,567
Total Liabilities	<u>156,578</u>	<u>29,567</u>
Equity		
Issued Capital	21,042,942	20,835,062
Accumulated Losses	(21,035,142)	(20,741,476)
Reserves	39,311	39,311
Total Equity	<u>47,111</u>	<u>132,897</u>

22.2 Financial Performance

Loss for the Year		
Loss for the Year	(293,666)	(391,565)
Total Comprehensive Loss	<u>(293,666)</u>	<u>(391,565)</u>

22.3 Contingent Liabilities of the Parent Company

Apart from the contingent liabilities that exist under the Deed of Settlement and Release between the Company and Mark Major (see Note 15), there are no other Parent Company contingent liabilities.

Independent Auditor's Report

To the Members of Abyssinian Gold Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Abyssinian Gold Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the statement of consolidated 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:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1 (c).

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 Consolidated Entity 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.



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Material Uncertainty Related to Going Concern

We draw attention to Note 1(e) in the financial report which indicates that the Consolidated Entity incurred a net loss of \$293,666 during the year ended 30 June 2020. As stated in Note 1(e), these events or conditions, along with other matters as set forth in Note 1(e), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity'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 Note 1 (c), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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.

Independent Auditor's Report

To the Members of Abyssinian Gold Limited *(Continued)*



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.

A handwritten signature in blue ink that reads "Bentleys".

BENTLEYS
Chartered Accountants

A handwritten signature in blue ink that reads "Mark DeLaurentis".

MARK DELAURENTIS CA
Partner

Dated at Perth this 15th day of September 2020.

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To the Board of Directors

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

As lead audit Partner for the audit of the financial statements of Abyssinian Gold Limited for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Partner

Dated at Perth this 15th day of September 2020