enova mining limited

ANNUAL REPORT 2020

ENOVA MINING LIMITED

ABN 64 087 595 980 and its controlled entities.

ASX: ENV

www.enovamining.com

Critical metals for a sustainable future

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Board of Directors

Dato' Sia Kiang, *Non-Executive Chairman*
Dato' Sia is Managing Director of the successful Malaysian private mining Company, Malaco Mining Sdn. Bhd. He is a graduate of the University of Malaya in Applied Geology, an economic geologist with more than 30 years world-wide experience. He is an active member of the Malaysian Geological Society and a Council Member of the Malaysian Chamber of Mines. Mr Sia has a solid business reputation throughout Asia, with useful contacts in several Asian countries. He has extensive experience in bulk alluvial mining in Malaysia, including the extraction of the rare earth minerals xenotime and monazite as by- products of tin mining. Mr Sia's experience is very appropriate for Crossland's Charley Creek Alluvial Rare Earth Project, which is also based on the extraction of monazite and xenotime from alluvial material.

Eric Vesel, *Managing Director/Executive Director*
Mr Vesel is a qualified Mining Engineer with 30 years professional experience in the mining industry. His experience spans a range of technical, operations, management and corporate roles. He has worked for both small and large mining companies in Australia, Namibia, Papua New Guinea, Indonesia, CIS and Malaysia. He was formerly Chief Operating Officer for Avocet Mining PLC and has considerable international project experience. He has managed group operations including exploration projects (grassroots through to advanced), feasibility, mine development and operating mines. He also has extensive business evaluation and project acquisition skills. He is a mining consultant, business advisor and investor based in Kuala Lumpur. Eric is an active Council Member of the Malaysian Chamber of Mines and Member of the AusIMM.

Harun Halim Rasip, *Non-Executive Director*
Mr Halim Rasip, is our most recent member of the Board, he joined us on the 31 May 2017. Harun is a businessman who brings extensive financial and corporate governance experience to Crossland. He is a Fellow of the Institute of Chartered Accountants Australia and a member of the Malaysian Institute of Accountants. He was with Price Waterhouse in Perth, Australia and in Kuala Lumpur, Malaysia for 8 years where after he established Halim Rasip Holdings Sdn Bhd ("HRH") Group and served as its Chairman and Managing Director. HRH was responsible for the conceptualization, promotion, development, funding, construction of Lumut Port in the Straits of Malacca (comprising of Lumut Maritime Terminal and Lekir Bulk Terminal). Harun then served as CEO of Integrax Bhd. which had assumed control of Lumut Port in 2000-2001. Harun has also served as a member of the Executive Committee of the Federation of Public Listed Companies Bhd (FPLC) Malaysia in 2004-2010 and of its Technical & Regulatory Committee and Accounting Standards Sub-Committee 2003-2010, served as Chairman of Landmarks Bhd., a Non-Executive Independent Director of iCapital Biz Bhd. and as a Director of several other unlisted Companies in Malaysia. He is currently the President Director of P.T. Tanah Laut Tbk., a Company listed on Bursa Efek Indonesia.

Stan Wassylko, *Non-Executive Director*
Mr Stan Wassylko was appointed to the Board of Directors on 21 March 2016. Stan has extensive experience in the resources sector and has 46 years' experience in businesses servicing the sector, in logistics, shipping, infrastructure, project construction, contract management and marketing. His long and diverse experience will be valuable as Crossland steers the Charley Creek Project towards development.

Andrew Metcalfe, *Company Secretary*
Andrew brings over 20 years Company Secretarial, Governance and CFO experience from a range of ASX & TSX listed and unlisted Public Companies, Government and Not-for-Profit organisations across a broad industry base.

Chairman's Review

Firstly, thank you for your interest and continued support for Enova Mining as we continue with our collective pursuit of developing a world-class rare earth mineral deposit in Northern Australia.

Despite the emergence of COVID and facing ever-changing movement restrictions, the Company made some significant changes in 2020. One of the most obvious was our company name change and improvement in the company's finances. Our corporate health improved, via the elimination of long-standing debt in June 2020 with the conversion to equity; and the consolidation (5:1) of ordinary shares to more manageable numbers. However, our main operational focus for 2020 was on metallurgical investigations for our Charley Creek project. The company's outlook for the rare earth sector and the project remains optimistic for good reason. With additional data, the board identified the project has more to offer by adopting an alternate development strategy and shifted the company's technical focus to pursue economic opportunities worthy of further investigation.

The rare earth sector is witnessing demand and supply pressures, providing an ideal environment for developers and producers. China is estimated to directly control 60% of world rare earth production with such monopoly impacting rare earth exports of raw materials and technology. The world continues to meet sustainability demands, requiring green technologies to phase out 'brown' technology systems; and manufacturers are increasing production to meet the demands for these new high technology products. The rate at which consumer products go from being considered "high tech" to mainstream is accelerating. Rare earth permanent magnets in technology products are commonplace now. High-performance rare earth motors and glass products are needed to meet consumers ever-increasing product demands. Industrial uses include catalytic and optical luminescence applications are also on the rise. The nuclear and medical industries have long relied in rare earth products and components. Efforts to introduce new technology for sustainability has placed further reliance on resources needed to develop these products.

Rare earths are key ingredients to this innovative technology. Manufacturing nations are realizing domestic rare earth supply are a strategic requirement and the military consider rare earth high technology as critical to operational superiority. However, establishing supplies does not happen overnight, and governments are realizing that new operations do not come online quickly. Each rare earth project has its own in situ rare earth composition and technical challenges, so one project blueprint does not fit all. At Cattle Creek in the Northern Territory, mineralization is well endowed with valuable heavy and magnetic rare earth minerals. Enova Mining's project is well poised with low-cost mining conditions and a conductive environment for development. The global outlook for rare earth metals supports our view for continued price strength, which gives us confidence for our long-term business plans. Prices for heavy and magnet rare earth metals have strengthened significantly since the end of 2020. The Charley Creek basket price is estimated to have risen over 40%. As an example, terbium (Tb) prices have sharply risen, so too has gadolinium. Magnetic rare earth metals, such as neodymium (Nd) and praseodymium (Pr) prices continue to modestly strengthen.

The 2020 year was a major turning point for the Charley Creek project. Recent metallurgical and resource technical work identified new opportunities previously unrecognised. The company's 2019 drill programme identified zones of elevated rare earth and scandium grades. The composition of rare earth minerals at Charley Creek are enriched with high proportions of higher value rare earth elements, Dy/Tb, Nd, Pr and Sc. Although not considered a true rare earth metal, scandium alone offers exciting economic and unique strategic benefits, as the future of scandium is of most interest to the hydrogen industry. It is primarily used in the production of scandium stabilized components used in Solid Oxide Fuel Cells (SOFC) to convert hydrogen to energy. Conversely, scandium-based components can be used to produce electrolytic cells, breaking water to hydrogen and oxygen components. Scandium could also be key to the imminent development of the Reversible Solid Oxide Fuel Cell (RSOFC), offering a versatile unit that performs both functions. The world awaits stable supplies of scandium, particularly the hydrogen industry. Scandium enhances component properties with higher high electrical conductivity, stability and added corrosion resistance, especially to electrodes. It can also be alloyed with aluminum, as an alternative to titanium-aluminum alloys. The benefit of scandium-aluminum is higher yield strength and improved casting abilities with finer metal grain structures for intricate geometry. Charley Creek also hosts other industrial metals, such as zircon and titanium minerals, which can also be extractable, however not the company's immediate project focus.

In 2020 the Enova Mining board agreed to defer the current project concept which is based on mining alluvium sands and using gravity concentration methods to recover concentrate monazite and xenotime. The board realised that further potential, for higher grade rare earth and scandium minerals, lay in deeper weathered bedrock and saprolites. In June 2020, Enova Mining commenced metallurgical test work to determine the character and extractability of this material. Once Enova Mining has completed metallurgical test work, assessed the process implications, and apply project economics, the board will report the company's project direction.

Chairman's Review (continued)

Many plant and mining configuration options are being considered, each with a capital versus operating cost trade-off. The board realise that the workload increases exponentially by investigating and developing multiple product streams.

In 2021, we remain focused on completing metallurgical test work, thereby allowing the board to redefine the process plant configuration, economics and project scope. Reaching this milestone, coupled with an updated resource model and mine plan, will allow investors to assess the value of Cattle Creek and the Charley Creek project, and indicate the potential for several other operations to follow the company's flagship operation.

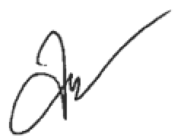
We would like to re-iterate that Charley Creek's long gestation period is not a reflection of the project strength, more so the lack of funding to reach critical mass, as it takes time, money, and expertise to establish a large-scale sustainable project. Fortunately, we have not missed the opportunity. Australia's resource industry supports the development and export of rare earth minerals which will provide Enova Mining a strong platform to create value for the company and its shareholders.

The company's promotion remains low-key, at least until we complete the resource statement. We will inform the market progressively and more so as we achieve milestones significant to the Charley Creek project. The company's immediate objective is to re-establish the business model that will provide the platform to raise funds for feasibility work. The company's foundational work by way of studies and enquiries that we have built over the last few years will allow us to advance the next steps of project development. The Charley Creek project will be developed to incorporate extremely cost-effective systems and more importantly with minimal impact on the environment; two key ingredients for a viable and sustainable business.

We recognize that the company's ambitions can only be realised with additional funding. The company's major shareholder EMMCO provides continued commitment to support the company's ongoing activities. The Company continues to seek new investment partners and finance arrangements for field work and future project work. Any new funding from other parties would be invested in the project and not to be used to service loans. The company's board and management team has worked hard to stretch finances and ensure we continue to meet our objective.

The company's activities for 2020 are further detailed in the Operational Report that follows.

We thank you for your continued support and look forward to sharing the prosperous times ahead.
Best wishes



Dato' Sia Hok Kiang
Chairman
Enova Mining Limited

Review of Operations

Reporting

The Company's operations have been described in detail in our quarterly operations reports to the ASX which are published on the company's website, www.enovamining.com, which is being updated and kept current with the most recent announcements and reports.

Our Concept

The company's metallurgical development work and resource model are key determinants for the company's project going forward. We are investigating the leach properties for higher grade rare earths/scandium zones at Cattle Creek, as feed for a small leach plant. This could substantially reduce the project size and capital requirements. The leach plant concept is also being considered to complement a large scale (+20 Mtpa) gravity separation process plant, akin to the original Scoping Study as announced publicly in 2013. With a technically sound process concept, Enova Mining can then interrogate the resource model and complete mining engineering work to converge on the company's economic base case.

Activities

In September 2019, the Company dispatched four samples (totaling 110 kg), representing the four major material types encountered drilling Cattle Creek, for metallurgical testing. For each sample, mineral deportment by particle size and tabling tests were completed. The gravity recovery indicated higher than expected tails grades, which was inconsistent with prior tests. These tests were subsequently independently reviewed. The problems may be due to small sample sizes, low head grade and the condition of these samples due to storage, also under question was a range of procedural differences. Toward the end of March 2020, bulk gravity separation tests were undertaken using 500 kg of drill samples from five complete drill holes (totaling 119 lineal metres of drilling. This work was completed in early May 2020 by IHC Robbins (IHCR). The test investigated sample properties and gravity recovery performance. Investigations included the following procedures:

- material particle size distribution,
- deportment analysis of screening and desliming of a bulk sample,
- as feed preparation for gravity separation.
- tabling tests (as an indication of gravity separation performance)

Feed preparation testing by IHCR also indicated higher than expected metal losses to slimes and further investigation was needed. Whilst the tests focused on rare earth recovery, deportment analysis results indicated higher than expected scandium levels. Following on from this work, Brisbane Metallurgical Laboratories (BML) commenced leaching 'sighter' test-work. During June 2020, leaching tests explored the extraction of higher-grade zones of rare earth element (REE) and scandium minerals not recoverable by gravity separation. Work focused on leach performance tests using different leachants and temperatures. Leaching has the potential to improve process recovery for REE and potential scandium extraction.

In early July 2020, a further 500 kg bulk sample was dispatched from the Charley Creek project site to BML Brisbane. These samples are specifically from five (5) complete holes (totaling 121 lineal metres of drilling) of shallow depth. Hole depths varying from 16 to 33 metres located in a zone of higher-grade REE and scandium. Hydro-cyclone and spiral classifier deportment tests were completed. Based on results from assays, the calcareous material content was too high due to mixing of the high calcareous upper strata (alluvium, weathered meta sediments) with the low calcareous saprolite material. It was decided to not use this sample for leach tests. Focus was moved to the isolate saprolite for leach testing, as drilling indicated saprolite calcareous mineral content was low.

Due to the emergence of COVID and the recent boom in the resource sector, the company's test process was drawn out awaiting assay turnaround and then adapting tests based on results. Saprolite rock is of most interest due localized areas of higher grade REE/scandium and lower calcareous mineral content. A considerable proportion of metal is contained in the fine size fractions (below 100 micron). Screening and hydro-cyclone sizing upgraded product with low acid consumption for leaching. To obtain uncontaminated saprolite samples, 34 infill and twinned holes that were drilled in 2019 were recovered from the Milton Park site. The samples were received by early November 2020. Groups of samples were selected for assay that represented saprolite zones made up from drill hole intervals passing through the enriched ore zones. Tests aimed to investigate the leach character of specific rock types within the mineralized zone, such as weathered meta-sediments, weathered saprolite variants, clays, and weathered bedrock. By year end Enova Mining had partially received assays for those samples. A total of 185 assay and nine repeat assays were processed.

Review of Operations (continued)

Resource industry consultants, SRK Consultants Perth, have been engaged as competent persons to undertake resource estimation and reporting of mineral resources to JORC standards. Resource model development is on hold whilst the metallurgical work proceeds, mainly due to cashflow constraints. As a requirement of the resource reporting process, the company is preparing information to establish reasonable prospects for eventual economic extraction. Reporting of an updated resource model is expected in the second half of 2021. Further to this work, will be required to commence "proof of concept" plant test work, which is also necessary to complete the Scoping Study.

Finance

Since 2018 Enova Mining has been supported by loans from the company's Malaysian partner EMMCO Sdn. Bhd. (EMMCO) and Australian partner AOS Pty. Ltd. (AOS). The market has been kept advised of all outstanding loans, terms of agreement and roll-overs. On 9th June 2020, the company issued 644,147,133 ordinary shares (pre-consolidation) at an issue price of $0.005 per share to related parties of the company. The issue of shares was approved by shareholders on 11th May 2020 (pursuant to resolutions 4 and 5 respectively of the company's AGM notice dated 6 April 2020). These transactions represent complete extinguishment of loans and accrued interest to the company totaling AUD$3.219M.

More recently two loans were received from Emmco Mining Sdn Bhd (EMMCO) on the 08/10/2020 and 19/10/2020 respectively of AUD50K each, being a four-month term payable by 08/02/2021 and 19/02/2021 respectively, with interest charged at 15% pa. EMMCO has provided assurance that the loan may be rolled over. Non-executive Director of the company, Mr Stan Wassylko, is a related party being Director and Shareholder of AOS. Non-executive Director of the company, Mr Harun Halim Rasip, is a related party being Director and Shareholder of EMMCO and AOS.

Tenements

Two tenements, totaling an area of 435.13 km^2, were relinquished during 2020. The total area of remaining tenements is 515.03 km^2. A list of tenements, as of 31st December 2020, is included at pages 47 of this report.

The market will be kept appraised of developments, as required under ASX Listing Rules and in accord with Continuous Disclosure requirements.

Eric Vesel
CEO and Director
Enova Mining Limited

Directors Report

The directors of Enova Mining Limited (the Company) submit herewith the annual financial report for the financial year ended 31 December 2020. To comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names and positions of the directors and company secretary of the Company during or since the end of the financial year are:

Name	Position
Dato' Sia Hok Kiang	Non-Executive Chairman
Eric Vesel	Executive Director
Stanislaw (Stan) Wassylko	Non-Executive Director
Harun Halim Rasip	Non-Executive Director
Andrew Metcalfe	Company Secretary

Principal Activities

The principal activities of the consolidated entity are the exploration for rare earth elements (REE) in the Northern Territory. There has been no change in the principal activities during the year.

Review of Operations

Information on the operation and financial position of the consolidated entity and its business strategies and prospects are set out in the review of operations. Results The results of the operations of the Company and the consolidated entity during the financial year were as follows:

	Consolidated	
	2020	2019
	$	$
Net loss after income tax	**(277,416)**	(1,695,552)

Significant Changes in The State of Affairs

There was no significant change in the state of affairs of the consolidated entity and parent entity other than that referred to in the financial statements or notes thereto.

Matters subsequent to the end of the financial year

There were at the date of this report no matters or circumstances which have arisen since 31 December 2020 that have significantly affected or may significantly affect:

(i) the operations of the consolidated entity,
(ii) the results of those operations, or
(iii) the state of affairs of the consolidated entity in the financial year subsequent to 31 December 2020.

Likely Developments and Expected Results of Operations

This report does not include future developments and the expected results of operations as Directors believe it would likely lead to unreasonable prejudice to the consolidated entity. The Company aims to develop future rare earth metals extraction opportunities and assess opportunities which are perceived to offer outstanding value. At this stage, the Company will resume studies and tests to determine the optimum applications of technology and resources needed to realise the Charley Creek REE Project.

Directors' Benefits

During the year no Director received or become entitled to receive a benefit (other than a benefit included in the notes to the accounts) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors Report (continued)

Environmental Regulations

Enova Mining Limited, through its subsidiaries, holds exploration tenements in Australia that are subject to various governmental statutes and guidelines for environmental impacts in relation to exploration activities. These provide for the satisfactory rehabilitation of the areas of exploration.

There have been no known breaches of the licence conditions.

Dividends

No dividends have been paid or declared since the start of the financial year. The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2020.

Share Options

Particulars of options granted over unissued shares:

	2020	2019
Total number of options granted by the Company over unissued ordinary shares	**Nil**	Nil
Options issued during the year (see Remuneration Report below)	**Nil**	50,000,000
Shares issued in the year as the result of the exercise of options	**Nil**	Nil
Options expired during the year	**Nil**	Nil

Full details of options on issue are shown in Note 19.

Indemnification of Officers

The Company has not indemnified the directors and executives of the Company for costs incurred in their capacity as a director or executive for which they may be held personally liable. The Company has not been able to secure Directors and Officers Liability insurance.

Indemnification of Auditors

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceeds on Behalf of the Company

No person has appeared to the Court under Section 237 of the *Corporation Act 2001* for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Directors' Meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director).

	Board of Directors		Audit Committee	
	Held	Attend	Held	Attend
H K Sia	4	4	-	-
E Vesel	4	4	2	2
S Wassylko	4	4	2	2
H H Rasip	4	4	2	2

Auditor

John Shute Chartered Accountant holds office in accordance with section 327 of the *Corporations Act 2001*.

Directors Report (continued)

Non-audit services
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the Consolidated entity are important.

Details of the amounts paid or payable to the company's previous auditor (RSM Australia Partners) for non-audit services provided during the year are set out in Note 25.

The board of directors, in accordance with the advice received from the audit committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not adversely affect the integrity and objectivity of the auditor,
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year no fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms.

Auditors' independence declaration
A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately following this Directors' report.

Remuneration Report (Audited)
The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Service agreements
C. Details of remuneration
D. Share based compensation

The information provided under headings A to D includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited.

A. Principles used to determine the nature and amount of remuneration

The objective of the Consolidated entity's executive reward framework is to ensure reward for performance, being the development of the Enova Mining exploration tenements. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Consolidated entity has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organization.
Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value;

- and attracts and retains high calibre executives.

Alignment to programme executives' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the consolidated entity, the balance of this mix shifts to a higher proportion of ''at risk'' rewards.

Non-executive directors
Fees and payments to non-executive directors reflect the demands, which are made on, and the responsibilities of, the directors. The Board reviews non-executive directors' fees and payments annually. The Board may from time to time seek the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' fees
No Directors fees were awarded for the period of 2020.

Directors are entitled to remuneration out of the funds of the company, but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the company in general meeting for that purpose. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $200,000 per year in aggregate.

For the 2020 year, the Board of Directors decided on a moratorium regarding Directors Fees until the Company's financial position improves.

Executive pay
The executive pays and reward framework has four components:

- base pay and benefits;
- short-term performance incentives;
- long-term incentives through participation in Enova Mining Limited incentive shares, and
- other remuneration such as superannuation.

Base pay
Structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.
Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.
There are no guaranteed base pay increases included in any senior executives' contracts.

B. Service agreements
There are no service agreements in place.

Directors Report (continued)

C. Details of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Enova Mining Limited and the Enova Mining Limited Consolidated entity are set out in the tables on pages 14 and 15.

The key management personnel of Enova Mining Limited and the Consolidated entity includes the Directors. Remuneration paid to key management personnel of Enova Mining and of the Consolidated entity is reported in the following table:

Payment to Directors

2020	Short-term employee benefits			Post-employment benefits		Share-based payments	
Director/ Name	Salary $	Directors' Fees $	Consulting Fees $	Superannuation $	Long Service Leave Payments Accrued $	Options $	Total $
Non-Executive Directors							
H K Sia	-	-	-	-	-	-	-
H Halim Rasip	-	-	-	-	-	-	-
S Wassylko	-	-	-	-	-	-	-
Executive Directors							
E Vesel	-	-	-	-	-	-	-
Totals	**-**	**-**	**-**	**-**	**-**	**-**	**-**

2019	Short-term employee benefits			Post-employment benefits		Share-based payments	
Director/ Name	Salary $	Directors' Fees $	Consulting Fees $	Superannuation $	Long Service Leave Payments Accrued $	Options $	Total $
Non-Executive Directors							
H K Sia	-	-	-	-	-	-	-
H Halim Rasip	-	-	-	-	-	-	-
S Wassylko	-	-	-	-	-	-	-
Executive Directors							
E Vesel	-	-	-	-	-	160,000	160,000
Totals	**-**	**-**	**-**	**-**	**-**	**160,000**	**160,000**

D. Share-based compensation

Options

Options are granted on the recommendation of the Directors. Options are granted for no consideration. Options are granted for a five-year period and are exercisable immediately after the vesting date. Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. The exercise price of options is based on the weighted average price at which the company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted.

Shareholder approval was received for the issue to Mr Eric Vesel of 50,000,000 options, with an exercise price of $0.005 (0.5 cents) per share, expiring 60 months from date of issue (Options). These options are offered, as an incentive for Mr Vesel to continue providing support and invest in the future of the Company. The resolution was passed by shareholders at the AGM on 30th May 2019. The vesting date for these options is 1st July 2019. In June 2020, consolidation (5:1) of ordinary shares & options was complete, the options were consolidated to 10,000,000 with an exercise price of $0.025 (0.25 cents) per share, expiring 60 months from date of issue (Options).

No options over ordinary shares in the company were provided as remuneration to each director of Enova Mining Limited and each of the key management personnel of the Consolidated entity during the financial year.

Shares provided on exercise of remuneration options

No ordinary shares in the company were provided as a result of the exercise of remuneration options to each director of Enova Mining Limited and other key management personnel of the Consolidated entity.

Shares under option

No ordinary shares were allocated as options for the 2020 financial year.

Shares issued on the exercise of options

No ordinary shares of Enova Mining were issued during the year ended 31 December 2019 on the exercise of options granted. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Directors' interests in shares and options

The relevant interest of each Director in the share capital of the Company as at the date of this report is as follows:

2020

Directors	H K Sia	E Vesel	S Wassylko	H Halim Rasip
Ordinary Shares[1]	10,631,563	8,850,411	33,248,313[2]	217,492,031[2]
Options[1]	Nil	10,000,000	Nil	Nil

2019

Ordinary Shares	53,157,817	Nil	662	557,554,961
Options	Nil	50,000,000	Nil	Nil

[1] in June 2020, consolidation (5:1) of ordinary shares & options

[2] includes 29,929,285 shares held indirectly as joint directors of Atlas Offshore Services Pty Ltd

This report is made in accordance with a resolution of the Directors.

Eric Vesel
Director
Kuala Lumpur, 25th March 2020

John Shute
Chartered Accountant

AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of Enova Mining Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Enova Mining Limited for the year ended 31 December 2020 there has been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

John F Shute
Chartered Accountant

Dated this 19th March 2021

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

ABN: 73 118 831 624
Suite 605, Level 6, 321 Pitt Street, Sydney NSW 2000
Postal Address: PO Box A608, Sydney South NSW 1235
Telephone +61 2 8021 2645; Facsimile +61 2 8021 2745

John Shute
Chartered Accountant

INDEPENDENT AUDIT REPORT
TO THE SHAREHOLDERS OF ENOVA MINING LIMITED

We have audited the accompanying Consolidated Financial Statements of Enova Mining Limited (the "Company") and the subsidiaries (together "the Group") set out on pages **18 to 43**, which comprises of the statement of consolidated profit or loss and other comprehensive income, the statement of consolidated financial position as at 31 December 2020, the statement of consolidated changes in equity and the statement of consolidated cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors declaration.

Directors' responsibilities for the Consolidated Financial Statements

The Directors of the Company are responsible for the preparation of Consolidated Financial Statements that gives a true and fair view in accordance with Australian Accounting Standards, International 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 statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Report are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Consolidated Financial Statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Other Matters

The Group's financial statements for the year ended 31 December 2019 were audited by another auditor, who expressed an unqualified audit opinion on those statements on 17 March 2020.

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

ABN: 73 118 831 624
Suite 605, Level 6, 321 Pitt Street, Sydney NSW 2000
Postal Address: PO Box A608, Sydney South NSW 1235
Telephone +61 2 8021 2645; Facsimile +61 2 8021 2745

Independent Audit Report (continued)

John Shute Chartered Accountant

Key Audit Matters

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

Key Audit Matter	**How our audit addressed this matter**
Impairment of Exploration Assets Refer to Note 14 in the Consolidated Financial Statements	
The Consolidated Entity has capitalised exploration and evaluation expenditure, with a carrying value of $4,336,307.00 as at 31 December 2020. Under AASB 6 Exploration for and Evaluation of Mineral Resources, the Consolidated Entity is required to test the exploration and evaluation asset for impairment when facts and circumstances suggest that the carrying amount may exceed the recoverable amount. We determined this to be a key audit matter due to the significant management judgement involved in assessing the carrying value of the asset.	Our audit procedures in relation to the carrying value of exploration and evaluation expenditure included: • Accepting the opening carrying value of the exploration and evaluation expenditure as audited by the previous auditors at $4,232,741. • Obtaining evidence that the Consolidated Entity has valid rights to ongoing exploration and activities to support the continued capitalisation of these assets • Reviewing with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage where it can be concluded that no commercially viable quantities of mineral resources exist; • Enquiring with management and reviewing budgets to determine that the Consolidated Entity will incur expenditure on further exploration and evaluation of mineral resources in the specific areas of interest; • Testing on a sample basis the exploration costs incurred in the period to ensure that they meet the capitalisation criteria under AASB 6.

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Independent Audit Report (continued)

John Shute Chartered Accountant

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Enova Mining Limited, would be the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

a) the Consolidated Financial Statements of Enova Mining Limited is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the Corporations Act 2001.

Emphasis of Matter

We draw attention to Note 1(b) and Note 14 to the financial statements which describes the basis of evaluation of the Group's mining tenements. The carrying value of these assets is based on the Director's opinion as to the fair market value of the mining tenements.

As stated in Note 14 this valuation, if found to be incorrect, indicates that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Report on the Remuneration Report

We draw attention to Note 23(c) of the financial statements which disclosures that Key Management personnel are the directors of the Group and have received no remuneration during the year ended 31 December 2020.

JOHN F SHUTE
Chartered Accountant

John F Shute

Sydney, 25th March 2021

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ENOVA MINING LIMITIED AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001,* the Accounting Standards, the Corporations Regulation 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will; be able to pay its debts as and when they become due and payable.

The directors have been given the declaration required by Section 295A of the *Corporations Act 2001.*

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

On behalf of the Board of Directors

Harun Halim Rasip,

Kuala Lumpur, 25th March 2021

Statement of Consolidated Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

	Note	Consolidated	
		31 Dec 2020 $	31 Dec 2019 $
Revenue from continuing operations	5	**340**	1,692
Expenses			
Administration expenses		**(125,427)**	(128,493)
Borrowing costs	6	**(139,840)**	(362,183)
Depreciation and amortisation expense	6	**(4,236)**	(4,156)
Employee benefit expenses		**-**	(177,476)
Exploration expenditure written off	6	**-**	(1,010,325)
Occupancy expenses	6	**(612)**	(817)
Other expenses		**(7,641)**	(12,134)
Superannuation payable	6	**-**	(1,660)
Loss before income tax benefit		**(277,416)**	(1,695,552)
Income tax benefit	7	**-**	-
Net loss after related income tax benefit		**(277,416)**	(1,695,552)
Total comprehensive income for the period		**(277,416)**	(1,695,552)
Total comprehensive loss attributable to members of Enova Mining Limited		**(277,416)**	(1,695,552)
		Cents	**Cents**
Basic earnings per share	8	**(0.00082)**	(0.00168)
Diluted earnings per share	8	**(0.00082)**	(0.00168)

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

Statement of Consolidated Financial Position

As at 31 December 2020

	Note	Consolidated 31 Dec 2020 $	31 Dec 2019 $
Assets			
Current Assets			
Cash and cash equivalents	9	**49,080**	22,771
Trade and other receivables	10	**45,235**	46,859
Other current assets	11	**9,511**	9,511
Total current assets		**103,826**	79,140
Non-current assets			
Trade and other payables	12	**27,900**	27,900
Property, plant and equipment	13	**14,030**	18,266
Exploration expenditure	14	**4,336,306**	4,232,741
Total non-current assets		**4,378,237**	4,278,908
Total Assets		**4,482,064**	4,358,048
Liabilities			
Current Liabilities			
Trade and other payables	15	**43,271**	79,926
Interest bearing liabilities	16	**100,171**	3,032,820
Total current liabilities		**143,442**	3,112,746
Non-current Liabilities			
Provisions	17	**20,000**	20,000
Total Non-current Liabilities		**20,000**	20,000
Total Liabilities		**163,442**	3,132,746
Net Assets		**4,318,622**	1,225,301
Equity			
Share capital	18	**26,342,881**	22,972,145
Reserves	20	**160,000**	160,000
Accumulated losses		**(22,184,260)**	(21,906,844)
Total Equity		**4,318,621**	1,225,301

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

Statement of Consolidated Changes in Equity

For the year ended 31 December 2020

	Equity	Reserve	Accumulated Losses	Total Equity
Consolidated				
Balance 1 January 2020	**22,972,145**	**160,000**	**(21,906,843)**	**1,225,302**
Loss after income tax expense for the year	**-**	**-**	**(277,416)**	**(277,416)**
Total comprehensive income for the year	**22,972,145**	**160,000**	**(22,184,259)**	**947,886**
Transactions with owners in the capacity as owners:				
- Share-based payments	**-**	**-**	**-**	**-**
- Shares issued during the year	**3,370,735**	**-**	**-**	**3,370,735**
- Transfer of expired options	**-**	**-**	**-**	**-**
Balance at 31 December 2020	**26,342,880**	**160,000**	**(22,184,259)**	**4,318,621**

	Equity	Reserve	Accumulated Losses	Total Equity
Consolidated				
Balance 1 January 2019	22,972,145	343,790	(20,555,081)	2,760,854
Loss after income tax expense for the period	-	-	(1,695,552)	(1,695,552)
Total comprehensive income for the period	22,972,145	343,790	(22,250,633)	1,065,302
Transactions with owners in the capacity as owners:				
- Share-based payments	-	160,000	-	160,000
- Shares issued during the year	-	-	-	-
- Transfer of expired options	-	(343,790)	343,790	-
Balance at 31 December 2019	22,972,145	160,000	(21,906,843)	1,225,302

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

Statement of Consolidated Cash Flows
For the year ended 31 December2020

	Note	Consolidated 31 Dec 2020 $	31 Dec 2019 $
Cash flows from operating activities			
Receipts from customers		**340**	1,692
GST recovered from ATO		**-**	(2,091)
GST paid to the ATO		**4,614**	-
Payments to suppliers and employees		**(173,325)**	(151,121)
Net cash used in operating activities	28	**(168,371)**	(151,520)
Cash flows from investing activities			
Purchase of E&E assets		**-**	(555,298)
Purchase of PPE		**(103,566)**	(17,646)
Sales of non-financial assets		**-**	8,929
Net cash used in investing activities		**(103,566)**	(564,015)
Cash flows from financing activities			
Proceeds from issue of shares			
Loans received from directors and related parties		**298,247**	211,775
Net cash from financing activities		**298,247**	211,775
Net increase/(decrease) in cash and cash equivalents		**26,310**	(503,760)
Cash and cash equivalents at the beginning of the financial period		**22,770**	526,531
Effects of exchange rate changes on cash and cash equivalents		**-**	-
Cash and cash equivalents at the end of the financial period		**49,080**	22,771

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

Notes to the Consolidated Financial Statements

1. Statement of accounting policies

Statement of compliance
These consolidated financial statements and Notes represents those Enova Mining Limited and its Controlled Entities (the 'Consolidated Entity'). Enova Mining Limited is a for profit Company limited by shares, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Enova Mining Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 25th March 2021 by the directors of the Company.

Significate accounting policies
The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the Consolidated Entity consisting of Enova Mining Limited and its subsidiaries.

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The Consolidated Entity has adopted relevant new and revised accounting standards and pronouncements with no material impact.

New or amended Accounting Standards and Interpretations adopted
The Consolidated Entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

Basis of preparation
These general-purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Consolidated Entity is a for-profit entity for financial reporting purposed under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical account estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Going concern
The financial report has been prepared on a going concern bases which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity recorded a net loss of $277,416 for the year ended 31st December 2020 and the Consolidated Entity's position as of 31st December 2020 was as follows:

Notes to the Consolidated Financial Statements (continued)

1. Statement of accounting policies

Going concern (continued)

- The Consolidated Entity had a negative operating cash flow of $168,371;
- The Consolidated Entity had net current liabilities of $39,616; and
- The Consolidated Entity's main activity is exploration and as such it does not have a source of income, rather it is reliant on debt and/or equity raisings to fund its activities.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

- As of 31st December 2020, the Consolidate Entity owed $103,226 to related parties. The directors of the related parties have agreed to defer settlement of repayment of their loan balance for at least a period of 12 months from the date of this report and have provided an undertaking that they will further support the Consolidated Entity's short-term working capital requirements; and
- The Company will also consider additional capital raising activities through the issue of new share capital to supplement the advances received from related parties.

Accordingly, the Directors believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in Note 4.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Enova Mining Limited's functional and presentation currency.

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

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

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

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Notes to the Consolidated Financial Statements (continued)

1. Statement of accounting policies

Current and non-current classification (continued)
An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting date; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

The following significant accounting policies have been adopted in the preparation and presentation of the financial reports:

a) Borrowings
Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recongised in profit and loss over the period of the borrowing using the effective interest rate method.

b) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period to prepare for their intended use or sale, are added to the cost of those asserts, until such time as the assets are substantially ready for their use or sale.

All other borrowing costs are recognised in income in the periods they are incurred.

c) Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk or changes in value. For the statement of cash flows presentation purposed, cash and cash equivalents also include bank overdrafts, which are shown within the borrowings in current liabilities on the statement of financial position.

d) Earnings per share
<u>*Basic earnings per share*</u>
Basic earnings per share is calculated by dividing the profit attributable to the owners of Enova Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

<u>*Diluted earnings per share*</u>
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

e) Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Notes to the Consolidated Financial Statements (continued)

1. Statement of accounting policies

e) Employee benefits (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expenses

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

f) Exploration for and evaluation of mineral resources

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable are of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to the abandoned area are written off in full against the profit or loss in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine that appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with the local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements, and technology on an undiscounted basis.

Any changes in the estimates for the cost are accounting got on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community

g) Exploration for and evaluation of mineral resources (continued)

Expectations and future legislations. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

h) Functional and presentation currency

Items included in the financial statements of each of the Consolidated Entity's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Enova Mining Limited's functional and presentation currency.

i) Goods and service tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ('ATO').

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

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

Notes to the Consolidated Financial Statements (continued)

1. Statement of accounting policies

j) Impairment of assets

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*).

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

k) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Enova Mining Limited (the 'Company') and its wholly owned Australian subsidiaries have formed an income tax Consolidated Entity under the tax consolidation regime. The Company and each subsidiary in the tax Consolidated Entity continue to account for their own current and deferred tax amounts. The tax Consolidated Entity has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax Consolidated Entity.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax Consolidated Entity.

Notes to the Consolidated Financial Statements (continued)

1. Statement of accounting policies

k) Income tax (continued)

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax Consolidated Entity. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax Consolidated Entity member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the Company.

l) Plant and equipment

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

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

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

The cost of fixed assets constructed within the Consolidated Entity includes the cost of materials, direct labor, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis on all plant and equipment at rates calculated to write off the cost, less estimated residual value at the end of the useful lives of the assets, over those estimated useful lives.

The following estimated useful lives are used in the calculation of depreciation.

Plant and equipment	5-8 years
Motor vehicles	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to the profit or loss. Any revaluation surplus reserve relating to the item disposed of its transferred directly to retained profits.

m) Principles of consolidation

The consolidated financial statements incorporate all the assets, liabilities and results of the parent, Crossland Strategic Metals Limited, and all of its subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability affect those returns through its power over the entity. A list of the subsidiaries is contained in Note 21 to the financial statements.

Notes to the Consolidated Financial Statements (continued)

1. Statement of accounting policies

m) Principles of consolidation (continued)

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Consolidated Entity from the date on which control is obtained by the Consolidated Entity. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Consolidated Entity entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Consolidated Entity.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Consolidated Entity are presented as "non-controlling interests". The Consolidated Entity initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

n) Provisions

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

o) Revenue recognition

The Consolidated Entity recognises revenue as follows:

Interest income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established. All revenue is stated net of the amount of goods and services tax.

p) Trade and other receivables

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

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

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

q) Trade and other payable

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

r) Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Notes to the Consolidated Financial Statements (continued)

2. Financial risk management

The Consolidated Entity's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Consolidated Entity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity.

a) Credit risk
Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. There is negligible credit risk on financial assets of the Consolidated Entity since there is limited exposure to individual customers and the economic entity's exposure is limited to the amount of cash, short-term deposits and receivables which have been recognised in the balance sheet. The parent entity has exposure to credit risk in the amount's receivable from subsidiaries, but this is limited as these amounts have been fully provided for.

b) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed finance facilities.

c) Cash flow and fair value interest rate risk
As the Consolidated Entity has no significant interest-bearing assets, the Consolidated Entity's income and operating cash flows are not materially exposed to changes in market interest rates.

The Consolidated Entity has no interest rate risk as its loans are at fixed rates.

3. Critical accounting estimate judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Consolidated Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The following critical estimates and judgements have been made in respect of the following items:

a) Income taxes
The Consolidated Entity is subject to income taxes in Australia. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Consolidated Entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

b) Exploration and evaluation expenditure
The Consolidated Entity capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $4,336,306.

Notes to the Consolidated Financial Statements (continued)

3. Critical accounting estimate judgement (continued)

c) Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Consolidated Entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Consolidated Entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

d) Estimation of useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

4. Parent company information

The following information has been extracted from the books and records of the parent Company and has been prepared in accordance with Accounting Standards.

	2020	2019
STATEMENT OF FINANCIAL POSITION	$	$
ASSETS		
Current assets	**63,362**	43,249
Non-current assets	**9,052,428**	8,889,152
TOTAL ASSETS	**9,115,790**	8,932,402
LIABILITIES		
Current liabilities	**143,442**	3,057,145
Non-current liabilities	**15,000**	15,000
TOTAL LIABILITIES	**158,442**	3,072,145
NET ASSETS	**8,957,348**	5,860,256
EQUITY		
Issued capital	**26,342,881**	22,972,145
Share based payments reserve	**160,000**	160,000
Accumulated losses	**(17,545,533)**	(17,271,889)
TOTAL EQUITY	**8,957,348**	5,860,257
	-	-
STATEMENT OF COMPREHENSIVE INCOME		
Total loss	**(273,645)**	(681,815)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(273,645)**	(681,815)

Guarantees

Enova Mining Limited has not entered any guarantees, in the current financial period, in relation to the debts of any of its subsidiaries.

Contingent liabilities

At 31st December 2020, Enova Mining Limited had no contingent liabilities.

Notes to the Consolidated Financial Statements (continued)

4. Parent company information (continued)

Contractual commitments

At 31st December 2020, Enova Mining Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment.

5. Revenue

	Consolidated 2020 $	Consolidated 2019 $
Other income		
Interest - other entities	**20**	1,692
Other income	**320**	-
	340	1,692

6. Loss from ordinary activities

Loss from ordinary activities before income tax includes the following items of expense:

	Consolidated 2020 $	Consolidated 2019 $
Expenses		
Depreciation	**4,236**	4,156
Exploration expenditure written off	**-**	1,010,325
Interest paid	**139,840**	362,183
Office rent	**612**	817
Superannuation	**-**	1,660
	144,688	**1,379,141**

7. Income tax

(a) The prima facie income tax benefits on pre-tax accounting loss reconciles to the income tax benefit in the financial statements as follows:

	Consolidated 2020 $	Consolidated 2019 $
Loss for year before income tax benefit	**(277,416)**	(1,695,552)
Income tax benefit calculated at 27.5%	**(76,289)**	(466,277)
Temporary differences and tax losses not recognised	**76,289**	466,277
Other permanent differences		
- Non-deductible expenses	**-**	-
Income tax benefit attributable to loss	**-**	-

(b) Tax losses

	Consolidated 2020 $	Consolidated 2019 $
Unused tax losses for which no deferred tax has been recognised	**(13,696,122)**	(13,418,706)

Notes to the Consolidated Financial Statements (continued)

8. Loss per share

	Consolidated 2020 Cents	Consolidated 2019 Cents
Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the Company	(0.00082)	(0.00168)

	2020 $	2019 $
(b) Reconciliation of loss used in calculating loss per share		
Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	(277,416)	(1,695,552)

	Consolidated 2020 Number	Consolidated 2019 Number
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share.	338,658,844	1,011,646,449

9. Cash and cash equivalents

	Consolidated 2020 $	Consolidated 2019 $
Cash at bank and on hand	**49,080**	**22,771**

10. Trade and other receivables

	Consolidated 2020 $	Consolidated 2019 $
GST receivable	**4,790**	9,404
Other debtors	**40,445**	37,455
	45,235	46,859

11. Other current assets

	Consolidated 2020 $	Consolidated 2019 $
Prepayments	**9,511**	9,511

Notes to the Consolidated Financial Statements (continued)

12. Other non-current assets

	Consolidated 2020 $	Consolidated 2019 $
Security deposits	**27,900**	27,900

13. Plant and equipment

	Consolidated 2020 $	Consolidated 2019 $
Plant & Equipment	**414,873**	414,873
Less accumulated depreciation	**(411,220)**	(409,432)
Net Plant & Equipment	**3,653**	5,441
Motor Vehicles	**-**	-
Less accumulated depreciation	**-**	-
Net Motor Vehicles	**-**	-
	Consolidated	
Buildings	**16,334**	16,334
Less accumulated depreciation	**(5,957)**	(3,509)
Total Plant & Equipment	**10,377**	12,825
	14,030	18,266

Reconciliations of the carrying amount of each class of plant and equipment at the beginning and end of the current financial year are set out below:

	Plant & Equipment $	Motor Vehicles $	Total $
Gross Carrying Amount			
Balance at 31 December 2019	**431,206**	**280,691**	**711,897**
Additions	**-**	**-**	**-**
Balance at 31 December 2020	**431,206**	**280,691**	**711,897**
Accumulated Depreciation			
Balance at 31 December 2019	**412,940**	**280,691**	**693,631**
Depreciation Expense	**4,236**	**-**	**4,236**
	417,176	**280,691**	**697,867**
Net Book Value			
Balance at 31 December 2019	18,266	-	18,266
Balance at 31 December 2020	**14,030**	**-**	**14,030**

	Consolidated 2020 $	Consolidated 2019 $
Aggregate depreciation allocation during the year:		
- Plant and equipment	**4,236**	4,156
	4,236	4,156

Notes to the Consolidated Financial Statements (continued)

14. Deferred exploration and evaluation expenditure

	Consolidated	
	2020	**2019**
	$	**$**
Deferred exploration expenditure	**4,336,307**	4,232,741
Movement		
Balance at 1 January	**4,232,741**	4,687,767
Additions	**103,566**	555,298
Amounts written off	**-**	(1,010,325)
Balance at 31 December	**4,336,307**	4,232,741

15. Current trade and other payables

	Consolidated	
	2020	**2019**
	$	**$**
Unsecured:		
Trade payables	**627**	30,782
Other payables and accruals	**19,320**	25,820
GST payable	**23,324**	23,324
	43,271	79,925

16. Current interest-bearing payables

	Consolidated	
	2020	**2019**
	$	**$**
Loans from associates of directors	**103,226**	3,033,802
Other payables	**(3,055)**	(982)
	100,171	3,032,820

17. Provisions

	Consolidated	
	2020	**2019**
	$	**$**
Non-current provisions		
Site restoration	**20,000**	20,000
	20,000	20,000

Provision for site restoration

A provision has been recognised for the costs to be incurred for the restoration of the sites used for exploration of minerals. It is anticipated that the sites will require restoration within 10 years. The carrying amounts of the Consolidated Entity's current and non-current provisions are a reasonable approximation of their fair values.

Notes to the Consolidated Financial Statements (continued)

18. Equity – issued capital

	2020 Shares	2019 Shares	2020 $	2019 $
Ordinary Shares - Fully Paid	338,658,844	1,011,646,449	26,342,881	22,972,145
Movements in share capital				
	Date	**Shares**	**Issued Price $**	**$**
Balance at beginning of financial year		1,011,646,449	-	22,972,145
Asia One Corp Ltd	04-Jun-20	37,500,000	0.004	150,000
EMMCO Mining Sdn Bhd	05-Jun-20	422,591,122	0.005	2,112,956
Atlas Offshore Service Pty Ltd	05-Jun-20	149,646,423	0.005	748,232
Stanislaw (Stan) Wassylko	05-Jun-20	16,594,520	0.005	82,973
Eric Vesel	05-Jun-20	44,252,055	0.005	221,260
Dewi Retno	05-Jun-20	11,063,015	0.005	55,315
Consolidation (5:1)		338,658,844		
		338,658,844		**26,342,881**

On May 11, 2020, the shareholders approved the issue of ordinary shares on conversion of debt for Eric Vesel, Emmco Mining Sdn Bhd, Atlas Offshore Services Pty Ltd and Stanislaw Wassylko. Following this announcement, on June 22, 2020, the shareholders approved a 5:1 consolidation of options and ordinary shares.

Ordinary Shares

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

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

Share buy-back

There is no current on market share buyback. Capital risk management the Consolidated Entity's objectives when managing capital is to safeguard its ability to continue you as a going concern, so that it can provide returns for its shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

19. Options

The options were subject to a consolidation in accordance with the resolution consolidating shares as at 22 June 2020 on 5:1.

Shares under options

Unissued ordinary shares of the Company under option as at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number of options granted
31/05/2019	31/05/2024	$0.025	10,000,000

These options are adjusted for the 5:1 consolidation.

Notes to the Consolidated Financial Statements (continued)

20. Reserve

	Consolidated 2020 $	Consolidated 2019 $
Share based payments reserve	**160,000**	160,000
	160,000	160,000
Share based payments reserve		
Balance at beginning of financial year	**160,000**	343,790
Value of options expenses during year	-	160,000
Transfer of expired options	-	(343,790)
Balance at end of financial year	**160,000**	160,000

Nature and purpose of reserve

The share-based payments reserve records the value of options issued to employees, consultants and Directors, as part of the remuneration of their services.

21. Particulars relating to controlled entities

	Country of Incorporation	Ownership Interest 2020 %	Ownership Interest 2019 %
Crossland Diamonds Pty Ltd	Australia	100	100
Crossland Mines Pty Ltd	Australia	100	100
Crossland Nickel Pty Ltd	Australia	100	100
Paradigm Mexico Pty Ltd	Australia	100	100
Essential Mining Resources Pty Ltd	Australia	100	100

22. Commitments for expenditure

(a) Exploration tenement expenditure requirements

In order to maintain the Consolidated Entity's tenements in good standing condition with Australian mining authorise, the Consolidated Entity will be required to incur exploration expenditure under the terms of each claim.

	Consolidated 2020 $	Consolidated 2019 $
Payable not later than one year	**586,225**	586,225
Payable later than one year, but not later than two	**116,870**	116,870
	703,095	703,095

It is likely that variations to the terms of the current and future tenement holdings, the granting of new tenements and changes in tenement areas at renewal or expiry, will change the expenditure commitment to the Consolidated Entity from time to time.

If funds are not available to meet required expenditure on a tenement the relevant Australian mining authority would be contacted to negotiate a reduction of expenditure. Should the negotiations not be satisfactory then the Consolidated Entity would withdraw from the tenement.

Notes to the Consolidated Financial Statements (continued)

23. Key management personnel disclosure

(a) The directors of Enova Mining Limited during the year were:

- Sia Hok Kiang (Chairman)
- Eric Vesel (Executive Director)
- Stanislow (Stan) Wassylko (Non-Executive Director)
- Harun Halim Rasip (Non-Executive Director)

(b) Other key management personnel

All directors are identified as key management personnel under AASB 124 "Related Party Disclosures".

There are no other staff that meet the definition of key management personnel.

(c) Key management personnel compensation

There was no fee paid or payable to any key management personnel in the year

(d) Equity instrument disclosure relating to key management personnel

i. Shareholding

The number of shares in the company held at the end of the financial year by each Director of the consolidated entities and other key management personnel of the consolidated entity, including their personally related parties, are set out below.

Ordinary Shares
Directors of Enova Mining Limited

2020 Name	Balance at the start of the year	Received during the year as conversion of debt shares	Other changes during the year	Balance at the end of the year (consolidation 5:1)
Sia Hok Kiang	53,151,817	-	-	10,630,363
Stanislaw Wassylko	622	16,594,520	-	3,319,028
Eric Vesel	-	44,252,055	-	8,850,411
Harun Halim Rasip	557,554,961	-	-	111,510,992

2019	Balance at the start of the year	Received during the year as incentive shares	Other changes during the year	Balance at the end of the year
Sia Hok Kiang	53,151,817	-	-	53,151,817
Stanislaw Wassylko	622	-	-	622
Eric Vesel	-	-	-	-
Harun Halim Rasip	557,554,961	-	-	557,554,961

ii. Options provided as remuneration and shares issued on exercise such options

No options were provided as remuneration and no shares were issued on the exercise of such options.

24. Related party disclosure

(a) Directors

The directors of Enova Mining Limited during the year were:

- Sia Hok Kiang (Chairman)
- Eric Vesel (Executive Director)
- Stanislaw (Stan) Wassylko (Non-Executive Director)
- Harun Halim Rasip (Non-Executive Director)

Company Secretary

- Andrew Metcalfe

Notes to the Consolidated Financial Statements (continued)

24. Related party disclosure (continued)

(b) Remuneration of directors and key management personnel

Details of remuneration of directors are disclosed in Note 23 to the financial statements.

At 31 December 2020 there were no key management personnel other than directors.

(c) Directors interests

Interest in shares and options of the consolidated entity held by current directors and their director related entities are shown in Note 23.

(d) Associates of directors

No Director Fees were paid to Directors for 2020

Directors	**Associated Company**
Sia Hok Kiang	HK Rare Earth Sdn Bhd
Stanislaw Wassylko	Atlas Offshore Services Pty Limited
Harun Halim Rasip	EMMCO Mining Sdn Bhd
	Essential Mining Resources Pty Limited

(e) Loans from associates of directors as at 31 December

	Consolidated	
	2020	**2019**
	$	**$**
Atlas Offshore Services Pty Ltd (Stanislaw Wassylko) (15% interest per annum)	**-**	1,057,114
EMMCO Mining Sdn Bhd (Harun Halim Rasip) (15% interest per annum)	**103,226**	1,976,687

(f) Interest accrued on loans from associates of directors as at 31 December

Atlas Offshore Services Pty Ltd (Stanislaw Wassylko) *	**407,780**	357,114
EMMCO Mining Sdn Bhd (Harun Halim Rasip) *	**402,909**	313,735
	810,689	670,489

(g) Additional loans received from directors and associates as at 31 December

EMMCO Mining Sdn Bhd (Harun Halim Rasip) *	**150,000**	200,000
	150,000	200,000

*All transactions were made on normal commercial terms and conditions and at market rate.

25. Auditors remuneration

	Consolidated	
	2020	**2019**
	$	**$**
Remuneration of auditors' fees for:		
- Audit and review of the financial report	**13,500**	35,000
Total auditors' remuneration	**13,500**	35,000

26. Financial instrument disclosure

(a) Capital management

The consolidated entity considers its capital to comprise its ordinary share capital and accumulated retained earnings.

In managing its capital, the consolidated entity's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the consolidated entity seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the consolidated entity to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or reduction of debt, the consolidated entity considers not only its short-term position but also its long-term operational and strategic objectives.

It is the consolidated entity's policy to maintain its gearing ratio within the range of 0-25%. The consolidated entity's gearing ratio at the end of the financial year is shown below:

	Consolidated	
	2020 **$**	**2019** **$**
Cash and cash equivalents	**49,080**	22,771
Loans	**(100,171)**	(3,032,820)
Net debt	**(51,091)**	(3,010,049)
Share capital	**26,342,881**	22,972,145
Reserves	**160,000**	160,000
Accumulated losses	**(22,184,260)**	(21,906,844)
Total capital	**4,318,621**	1,225,301
Gearing ratio	**1.18%**	245.66%

(b) Financial instrument risk exposure and management

In common with all other businesses, the consolidated entity is exposed to risks that arise from its use of financial instruments. This note describes the consolidated entity's objectives, policies and processes for managing those risks and the methods used to measure them.

Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the consolidated entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(c) Principal financial instruments

The principal financial instruments used by the consolidated entity, from which financial instrument risk arises, are as follows:

- Other receivables;
- Cash at bank;
- Trade and other payable; and
- Loans.

(d) General objectives, policies and processes

The Board has overall responsibility for the determination of the consolidated entity's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the consolidated entity's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

Notes to the Consolidated Financial Statements (continued)

26. Financial instrument disclosure (continued)

(d) General objectives, policies and processes (continued)

The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the consolidated entity's competitiveness and flexibility. Further details regarding these policies are set out below:

i. Credit risk

Credit risk arises principally from the consolidated entity's trade receivables and investments in corporate bonds. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

Other receivables

Other receivables comprise GST receivable.

The maximum exposure to credit risk at balance date is as follows:

	Consolidated	
	2020	**2019**
	$	**$**
Deposits	**27,900**	27,900
Other receivables	**40,445**	37,455
GST receivables	**4,790**	9,404
	73,136	74,759

ii. Liquidity risk

Liquidity risk arises from the consolidated entity's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the consolidated entity will encounter difficulty in meeting its financial obligations as they fall due.

The consolidated entity's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected to meet expected requirements for a period of at least 45 days. The Board receives cash flow projections in a monthly basis as well as information regarding cash balances. At the balance sheet date, these projections indicated that the consolidated entity expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The Board noted the intention of directors and other related parties not to require payment for the next twelve months or until a capital raising of sufficient funds is made.

The consolidated entity does not have any financing facilities in place and does not have a bank overdraft.

Maturity analysis of financial assets and liability based on contractual obligations.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital (e.g., trade receivables). These assets are considered in the consolidated entity's overall liquidity risk.

Notes to the Consolidated Financial Statements (continued)

26. Financial instrument disclosure (continued)

ii. Liquidity risk (continued)

Maturity Analysis - Consolidated	Weighted Average	Carrying Amount	Contractual Cash Flows			
2020	Interest Rate		1 Year or Less	Between 1 and 2 Years	Between 2 and 5 years	Remaining Contractual Maturities
	%	$	$	$	$	$
Financial Liabilities						
Trade payables	**0.00**	**627**	**627**	**-**	**-**	**-**
Other payables and accruals	**0.00**	**42,644**	**-**	**-**	**-**	**42,644**
Loans	**15.00**	**100,171**	**-**	**-**	**-**	**100,171**
TOTAL		**143,442**	**627**	**-**	**-**	**142,815**
2019						
Financial Liabilities						
Trade payables	0.00	30,782	30,782	-	-	-
Other payables and accruals	0.00	49,144	-	-	-	49,144
Loans	15.00	3,032,820	-	-	-	3,032,820
TOTAL		3,112,746	30,782	-	-	3,081,964

iii. Market risk

Market risk does not arise as the consolidated entity does not use interest bearing, tradable and foreign currency financial instruments.

iv. Interest rate risk

a. The Company receives inters on its cash balance and at balance date was exposed to a floating weird average interest rate on cash balances of 1.00% (2017 – 1.00%). As surplus funds become available, they are deposited in its cash management account and are exposed to receiving a floating rate, which varies according to the amount of funds deposited. All other financial asserts are non-interest bearing.

b. Net fair value of financial assets and liabilities: the net fair value of cash and cash equivalents and non-interest-bearing financial assets and financial liabilities approximates their carrying value.

c. The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

Sensitivity Analysis

Consolidated -2020	Carrying Amount	+1% interest rate Profit & Loss	-1% interest rate Profit & Loss
Cash at bank	**49,080**	**491**	**(491)**
	49,080	**491**	**(491)**
Tax charge of 27.5%		**(135)**	**135**
Post tax profit increase / (decrease)		**356**	**(356)**

Consolidated -2019	Carrying Amount	+1% interest rate Profit & Loss	-1% interest rate Profit & Loss
Cash at bank	22,771	228	(228)
	22,771	228	(228)
Tax charge of 27.5%		(63)	63
Post tax profit increase / (decrease)		165	(165)

Notes to the Consolidated Financial Statements (continued)

26. Financial instrument disclosure (continued)

(e) Currency risk

The consolidated entity's policy is, where possible, to allow consolidated entity entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where consolidated entity entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere within the consolidated entity.

The consolidated entity's exposure to foreign currency risk is nil.

(f) Sovereign risk

Country or sovereign risk relates to the likelihood that changes in the business environment will occur that reduce the profitability of doing business in a country. These changes can adversely affect operating profits as well as the value of assets. Types of country risk include:

- *Political changes*
  Governments may change economic policies. Changes in the ruling party in Australia (brought about by elections, coups or wars) may results in major policy changes. This could result in expropriation of the consolidated entity's exploration leases, inability to repatriate future profits, higher taxes, higher tariffs and import costs

- *Macroeconomics mismanagement*
  The Australian government may pursue unsound monetary and fiscal policies which may lead to inflation, higher interest rates, recession and hard currency shortage.

The consolidated entity has maintained a working policy of keeping all relevant Government offices informed and updated on activities to allow clear avenues of communication with Government authorities and an understanding of any policy changes and any affects that they may have on the consolidated entity's work.

(g) Accounting policies

i. Financial assets

The consolidated entity's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. The consolidated entity does not use derivative financial instruments in economic hedges of currency or interest rate risk. The consolidated entity has not classified any of its financial assets as held to maturity.

Unless otherwise indicated, the carrying amounts of the consolidated entity's financial assets are a reasonable approximation of their fair values.

ii. Other receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the sale of assets and GST receivable. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the consolidated entity will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be.

iii. Financial liabilities

The consolidated entity classifies its financial liabilities as measured at amortised cost. The consolidated entity does not use derivative financial instruments in economic hedges of currency or interest rate risk.

Notes to the Consolidated Financial Statements (continued)

26. Financial instrument disclosure (continued)

iii. Financial liabilities (continued)

Unless otherwise indicated, the carrying amounts of the consolidated entity's financial liabilities are a reasonable approximation of their fair values.

These financial liabilities include trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

iv. Share capital

Financial instruments issued by the consolidated entity are treated as equity only to the extent that they do not meet the definition of a financial liability. The consolidated entity's ordinary shares are classified as equity instruments.

For the purposes of these disclosures, the consolidated entity considers its capital to comprise its ordinary share capital and accumulated retained earnings. Neither the available for sale reserve nor the translation reserve is considered as capital. There have been no changes in what the consolidated entity considers to be capital since the previous period.

The consolidated entity is not subject to any externally imposed capital requirements.

27. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

28. Reconciliation of loss after income tax to net cash from operating activities

	Consolidated	
	2020	**2019**
	$	**$**

Reconciliation of loss from ordinary activities after income tax to net cash outflows from operating activities as follows:

Operating (loss) after income tax	**(277,416)**	(1,695,552)
Depreciation	**4,236**	4,156
Exploration expenditure written off	**-**	1,010,325
Share based payment	**-**	160,000
Change in operating assets and liabilities:		
- Increase / (decrease) in interest payable	**139,840**	362,183
- Increase / (decrease) in receivables	**1,624**	(3,977)
- Increase / (decrease) in other assets	**-**	(2,091)
- Increase / (decrease) in accounts payable	**(36,655)**	13,436
Net cash outflow from operating activities	**(168,371)**	(151,520)

Corporate Register

Company Secretary

Andrew Metcalfe
Accosec & Associates
PO Box 255, Seddon
VIC 3011, Australia
Tel: +61 3 9867 7199

Registered Office

Level 26, 360 Collins Street
Melbourne VIC 3000, Australia
Tel: +61 3 9867 7199
Fax: +61 3 9867 8597

Mail

PO Box 783, Berwick,
VIC 3806, Australia
General Email: contact@enovamining.com
Accounts: accounts@enovamining.com

Banking

NAB Business Banking
71 Smith Street
Darwin NT 0880, Australia

Company Website

www.enovamining.com

Share Registry

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000, Australia
Postal: GPO Box 3993, Sydney
NSW 2001, Australia
Tel: +61 2 9290 9600
Fax: + 61 2 9279 0664
Email: enquires@boardroomlimited.com.au
Website: www.boardroomlimited.com.au

Stock Exchange Listing

Australian Stock Exchange (ASX)
Website: www.asx.com.au

ASX Code; ENV

Accountants

A E Soliman & Associates
5B/8 Station Street
Moorabbin VIC 3189, Australia
Tel: +61 3 9555 5944
Email: info@aesoliman.com.au
Website: www.aesoliman.com.au

Australian Legal

HWL Ebsworth Lawyers
Level 14, Australia Square
264-278 George Street
Sydney NSW 2000, AUSTRALIA
Postal: GPO Box 5408, Sydney
NSW 2000, Australia
Tel: + 61 2 9334 8555
Fax: + 1300 369 656
Website: www.hwlebsworth.com.au

Auditor

John. F. Shute
Suite 605, Level 6, 321 Pitt Street
Sydney NSW 2000 , Australia
Postal: PO Box A605,
Sydney South NSW 1235 , Australia
Tel: +61 2 8021 2645
Fax: +61 2 8021 2745
Website: www.jsag.com.au

Notice of Annual General Meeting

Refer to website (in April)

Enova Mining Limited Shareholder Information

The shareholder information set out below was applicable as at 23rd March 2021

A. Distribution of Ordinary Shareholders – Analysis of Holdings

Class of equity security

	Number of shareholders	Number of shares
1 – 1,000	236	111,918
1,001 – 5,000	348	944,445
5,001 – 10,000	121	929,611
10,001 – 100,000	288	9,792,212
100,001 and over	102	326,880,658
	1,095	338,658,844

B. Top 20 Holdings of Ordinary Shares (ENV)

	Ordinary shares number held	**Percentage of issued shares**
EMMCO Mining Sdn Bhd	187,562,746	55.40%
Atlas Offshore Services Pty Ltd	29,929,285	8.84%
Asia One Corp Ltd	17,500,000	5.17%
Asia Infra Partners Ltd	11,514,286	3.40%
HK Tin Sdn Bhd	10,630,364	3.14%
Eric Vesel	8,850,411	2.61%
Huzair Onn Harun Rasip	8,466,471	2.50%
M & K Korkidas Pty Ltd	5,800,823	1.71%
Amburla Nominees Pty Ltd	4,655,547	1.38%
Hock Hee Sia	4,000,000	1.18%
HSBC Custody Nominees Ltd	3,778,608	1.12%
Stainslaw Wassylko	3,319,029	0.98%
Chris Connellan	3,000,000	0.89%
Dewi Retno Andiani	2,212,603	0.65%
Gaden Nominees Pty Ltd	1,424,959	0.42%
Geoffrey Samuel Eupene	1,155,319	0.34%
Excess Pty Ltd	1,091,690	0.32%
Bruce Jazie Ozimek	1,000,000	0.30%
ACN 108 884 779 Pty Ltd	778,466	0.23%
Madisions Pty Ltd	740,000	0.22%
	307,410,607	90.78%
Total amount of securities not listed	31,248,237	9.23%
Total securities	338,568,844	100.00%

Enova Mining Limited Shareholder Information (continued)

C. Substantial Shareholders

	Number of shares held	Shareholder percentage
EMMCO Mining Sdn Bhd	187,562,746	55.40%
Atlas Offshore Services Pty Ltd	29,929,285	8.84%
Asia One Corp Ltd	17,500,000	5.17%

D. Voting Rights

Ordinary shares

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

Options

There are no voting rights attached to the options.

Schedule 1 Tenements at 31st December 2020

The consolidated entity held the following tenements at 31st December 2020:

Project Area: Charley Creek Project Group 1
Tenements held by Crossland Nickel Pty Ltd 100%

Tenement	Name / Location	Granted Date	Renewal Date	Area (Sub-blocks)	Area (km2)
EL 24281	Charley Creek	7/02/2005	6/02/2022	37	116.6
EL 25230	Cockroach Dam	9/11/2006	8/11/2021	102	289
EL 27358	Hamilton Downs	17/11/2009	16/11/2021	8	25.17
EL 31947	Cloughs Dam	29/01/2019	28/01/2025	20	59.57
		TOTAL OF CHARLEY CREEK 1		**167**	**490.34**

Project Area: Charley Creek Project Group 2
Tenements held by Crossland Nickel Pty Ltd 56.28% / Essential Mining Resources Pty Ltd 43.72%

Tenement	Name / Location	Granted Date	Renewal Date	Area (Sub-blocks)	Area (km2)
EL 28434	Hamilton Homestead	28/07/2011	27/07/2021	4	12.08
EL 29789	Mulga Bore	25/07/2013	24/07/2021	4	12.61
		TOTAL OF CHARLEY CREEK 2		**8**	**24.69**