

# Gullewa Limited

ABN 30 007 547 480

Annual Report - 30 June 2021

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## Corporate Directory

<b>Directors</b>	Anthony Howland-Rose - Chairman David Deitz Eddie Lee
<b>Company secretary</b>	David Deitz
<b>Registered office</b>	Suite 1, Level 2 49-51 York Street Sydney NSW 2000 Tel: +61 2 9397 7555 Fax: +61 2 9397 7575
<b>Share register</b>	Computershare Investor Services Pty Limited Level 2, Reserve Bank Building 45 St George's Terrace Perth WA 6000 Tel: 1300 787 272
<b>Solicitors</b>	Cardinals Ground Floor 57 Havelock Street West Perth WA 6872
<b>Bankers</b>	National Australia Bank 255 George Street Sydney NSW 2000
<b>Stock exchange listing</b>	Gullewa Limited shares are listed on the Australian Securities Exchange (ASX code: GUL)  Home exchange is in Perth
<b>Website</b>	<a href="http://www.gullewa.com">www.gullewa.com</a>

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# Directors' Report

30 June 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Gullewa Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

## Directors

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

Anthony Howland-Rose - Chairman  
David Deitz  
Eddie Lee

## Principal activities

The principal activities of the consolidated entity during the financial year were exploration, mining, investments in equities and property.

## Dividends

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

## Review of operations

The Profit for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,435,557 (after income tax of \$665,661). (2020 profit: \$2,096,822, After income tax of \$65,000).

## Gullewa Limited ('Gullewa')

There has been no significant change in trading activities of the group during the financial year.

## Central Iron Ore ('CIO') – Gullewa has 36.1% holding

*South Darlot Gold Project*

## Red 5 Joint Venture

A programme of 5 RC drilling comprising 174 metres was completed on the Endeavour area. The purpose of this drilling is to extend the mineralisation which is open to the West. On M37/632 12 holes for 7.20 metres were drilled to test an anomalous structure. The results are expected in September.

The Company views it had earned in excess of a 70% interest in the Red 5 JV Tenements, but this is disputed by Red 5 Limited. After long negotiations extending over 2 years a commercial resolution is in sight. However, it will only be binding when a Settlement Deed and a new Joint Venture Agreement are signed.

The British King Mine is now owned 100% beneficially by the Company. We are registered at the Department of Mines, Industry Regulation and Safety with an interest of 49%. We have received signed transfer forms from BK Gold Mines Pty Limited to Central Iron Ore Limited for the transfer of 51% as agreed in the Tenement Acquisition Agreement dated 30 October 2014.

Silverstream SE22 a royalty and streaming company which provided funding to BK Gold Mines Pty Limited has refused to remove caveats which prevents registration of the transfers.

We are evaluating our options which may include commencing legal action.

## Shares

The Company now holds 2,095,830 shares in Kingwest Resources Limited.

## Gullewa Limited

### Royalty – Silver Lake Resources 1%

The company has a 1% Royalty on the project called Deflector owned by Silver Lake Resources Limited. Gullewa received royalty payments totalling of \$2,712,640 during the financial year. Silver Lake reported sales of 103,158 ounces gold and 1,724 tonnes copper at an AISC (all-in sustaining cost) of A\$1,221/oz.

### Property

16 lots in Stage II have now been sold. The first and second mortgages totalling \$1,900,000 have been repaid. Stage III Approval was received from Maitland Council to increase the number of lots in Stage III from 26 to 31.

### Significant changes in the state of affairs

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

### Matters subsequent to the end of the financial year

There are no matters or circumstances that have arisen since 30 June 2021 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### Likely developments and expected results of operations

The consolidated entity has currently reduced the field exploration activities until the confidence has picked up in the coal sector and the market price of coal has recovered to a level where further field exploration becomes viable again.

### Environmental regulation

The consolidated entity is subject to and compliant with all aspects of the environmental regulations of its exploration activities. Management are not aware of any environmental law that has not been complied with.

### Information on directors

Name:	Anthony Howland-Rose
Title:	Executive Director and Chairman
Qualifications:	MSc, DIC, FGS, FIMMM, FAusIMM, FAIG, CEng
Experience and expertise:	Appointed to the Board in December 2010, Mr Howland-Rose has over 50 years' experience in exploration, discovery, development and corporate activity worldwide in the junior exploration sector. He has been involved in some dozen discoveries and, most recently, in the Avebury Nickel Project, which was taken over by Zinifex Limited for approximately \$860 million.
Other current directorships:	Director of Central Iron Ore Limited, listed on the Toronto Stock Exchange - Venture (appointed on 3 June 2011)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	35,784,236 ordinary shares
Interests in options:	11,500,000 options over ordinary shares
Name:	David Deitz
Title:	Executive Director and Chief Executive Officer
Qualifications:	B.Com, MAusIMM, CPA
Experience and expertise:	Appointed to the Board in July 1999, Mr Deitz, a financial accountant, has had over 20 years' experience in the mineral exploration industry.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	39,743,760 ordinary shares
Interests in options:	28,500,000 options over ordinary shares
Name:	Eddie Lee
Title:	Non-Executive Director
Qualifications:	BE, BSc, DIP BDG SC

Experience and expertise:	Appointed to the Board in October 1999, Mr Lee has extensive background in corporate management and is the Australia representative of several substantial Asian investment and corporate groups. Mr Lee has wide experience in the fields of civil engineering, finance, corporate management and mining.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	2,420,378 ordinary shares
Interests in options:	3,400,000 options over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary: David Deitz.

David Deitz information is included in the director information.

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Anthony Howland-Rose	12	12
David Deitz	12	12
Eddie Lee	12	12

Held: represents the number of meetings held during the time the director held office.

The roles of the Nomination and Remuneration Committee and Audit Committee were performed by the full Board.

### Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

#### **Principles used to determine the nature and amount of remuneration**

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and conforms with the market best practice for delivery of reward. The Board of Directors ('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

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company. The Nomination and Remuneration Committee may use external remuneration consultants when necessary, see 'Use of remuneration consultants' section in this report.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth and delivering constant or increasing return on assets
- attracts and retains high calibre executives

Alignment to program participants' interests:

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

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

#### *Non-executive directors' remuneration*

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee, where necessary, seeks 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 other 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.

- ASX listing rules requires that the aggregate non-executive directors' remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 16 November 2009, where the shareholders approved an aggregate remuneration of \$300,000.

#### *Executive remuneration*

The consolidated entity and company aim to reward their executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework have been divided into three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration Committee, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

There are no short-term incentives ('STI').

The long-term incentives ('LTI') includes long service leave and share-based payments.

#### *Consolidated entity performance and link to remuneration*

There is no link between the consolidated entity's performance and remuneration.

#### *Use of remuneration consultants*

During the financial year ended 30 June 2021, the company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the short-term incentives ('STI') and long-term incentives ('LTI') programs.

#### *Voting and comments made at the company's 2020 Annual General Meeting ('AGM')*

At the last AGM 92% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

## Details of remuneration

*Amounts of remuneration*

Details of the remuneration of the directors of Gullewa Limited are set out in the following tables. Other than the directors, there are no other key management personnel, defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity.

2021	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
E Lee	37,091					20,292	57,383
<i>Executive Directors:</i>							
A Howland-Rose	83,000					126,825	209,825
D Deitz	160,000			15,200		177,555	352,755
	280,091			15,200		324,672	619,963

Interest paid to Kevfam PL \$Nil and Waave PL \$31,129

2020	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
E Lee	35,045					14,987	50,032
<i>Executive Directors:</i>							
A Howland-Rose	83,000					89,922	172,922
D Deitz	160,000			15,200		119,896	295,096
	278,045			15,200		224,805	518,050

Interest paid to Kevfam PL \$35,214 and Waave PL \$104,846



The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk – STI		At risk - LTI	
	2021	2020	2021	2020	2021	2020
<i>Non-Executive Directors:</i>						
E Lee	-%	-%	-%	-%	-%	-%
<i>Executive Directors:</i>						
A Howland-Rose	-%	-%	-%	-%	-%	-%
D Deitz	-%	-%	-%	-%	-%	-%

### Service agreements

Key management personnel have no entitlements to the termination of payments in the event of the removal for misconduct.

### Share-based compensation

#### Issue of shares

There were no shares issued to the directors and other key management personnel as part of the compensation during the year ended 30 June 2021.

#### Options

The terms and conditions of each grant of options over the ordinary shares affecting the remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
14 December 2020	14 December 2020	14 December 2025	\$ 0.1220	\$0.0507

Options granted carry no dividend or voting rights.

#### Options

The terms and conditions of each grant of options over the ordinary shares affecting the remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
14 December 2020	14 December 2020	14 December 2025	\$0.1220	\$0.0507

Options granted carry no dividend or voting rights.

The number of options over the ordinary shares that have been granted to and vested by the directors and other key management personnel as part of the compensation during the year ended 30 June 2021 are set out below:

Name	Number of options granted during the year 2021	Number of options granted during the year 2020	Number of options vested during the year 2021	Number of options vested during the year 2020
Anthony Howland-Rose	2,500,000	6,000,000	2,500,000	6,000,000
David Deitz	3,500,000	8,000,000	3,500,000	8,000,000
Eddie Lee	400,000	1,000,000	400,000	1,000,000

Values of options over the ordinary shares that have been granted, exercised and lapsed for the directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Value of options granted during the year \$	Value of options exercised or lapsed during the year \$	Remuneration consisting of options for the year %
Anthony Howland-Rose	126,825	127,000	152.80%
David Deitz	177,555	35,200	110.97%
Eddie Lee	20,292	7,040	54.71%

#### Additional disclosures relating to key management personnel

In accordance with Class Order 14/632, issued by the Australian Securities and Investments Commission, relating to 'Key management personnel equity instrument disclosures', the following disclosure relates only to equity instruments in the company or its subsidiaries.

#### Shareholding

The number of shares in the company held during the financial year by each director and other members of the key management personnel of the consolidated entity, including their personally related parties, are set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Anthony Howland-Rose	21,784,236	-	14,000,000	-	35,784,236
David Deitz	34,982,426	-	7,886,334	3,125,000	39,743,760
Eddie Lee	2,492,378	-	1,000,000	1,072,000	2,420,378
	59,259,040	-	22,886,334	4,197,000	77,948,374

*Option holdings*

The number of options over the ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, are set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ Forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Anthony Howland-Rose	23,000,000	2,500,000	14,000,000	-	11,500,000
David Deitz	30,000,000	3,500,000	5,000,000	-	28,500,000
Eddie Lee	4,000,000	400,000	1,000,000	-	3,400,000
	57,000,000	6,400,000	20,000,000	-	43,400,000

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
<i>Options over ordinary shares</i>			
Anthony Howland-Rose	11,500,000	-	11,500,000
David Deitz	28,500,000	-	28,500,000
Eddie Lee	3,400,000	-	3,400,000
	43,400,000	-	43,400,000

*Loans to key management personnel and their related parties*

There were no loans made to any of the key management personnel and their related parties during the financial year ended 30 June 2021 other than disclosures in note number 28.

*Other transactions with key management personnel and their related parties*

Nil

***This concludes the remuneration report, which has been audited.***

**Shares under option**

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

Grant date	Expiry date	Exercise price	Number under option
22 December 2016	22 December 2021	\$0.0270	1,000,000
24 December 2017	23 December 2022	\$0.0260	9,400,000
30 December 2018	30 December 2023	\$0.0280	12,000,000
29 December 2019	29 December 2024	\$0.0350	15,000,000
14 December 2020	14 December 2025	\$0.1220	6,540,000
			43,940,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

**Shares issued on the exercise of options**

There were 28,250,000 ordinary shares of Gullewa Limited that were issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

**Indemnity and insurance of officers**

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

**Indemnity and insurance of auditor**

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

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

**Proceedings on behalf of the company**

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

**Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

**Officers of the company who are former audit partners of SCS Audit & Corporate Services Pty Ltd**

There are no officers of the company who are former audit partners of SCS Audit & Corporate Services Pty Ltd.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 44.

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

On behalf of the directors



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David Deitz  
Director

30 September 2021  
Sydney

## Corporate governance statement

*Gullewa Ltd is committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) published by the ASX Corporate Governance Council. In accordance with ASX Listing Rule 4.10.3 the Company has elected to disclose its Corporate Governance Policies and its compliance with them during the 2021 financial year on the Company's website rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance Statement is set out on the Company's website at [<http://gullewa.com.au/index.php/2013-11-27-00-35-28/corporate-governance>].*

Please can you prepare a board skills matrix for the current board, which we will need to disclose in the corporate governance statement. An example is set out below.

<b>Skills &amp; Experience</b>	<b>Director 1</b> <b>Tony Howland Rose</b>	<b>Director 2</b> <b>David Deitz</b>	<b>Director 3</b> <b>Eddie Lee</b>
ASX Listed company experience	✓	✓	✓
Corporate governance	✓	✓	✓
Resources, mining and exploration	✓	✓	✓
Project development & management	✓	✓	✓
Financial	✓	✓	✓
Legal/Commercial	✓	✓	✓

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## General information

The financial statements cover Gullewa Limited as a consolidated entity consisting of Gullewa Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is Gullewa Limited's functional and presentation currency.

Gullewa Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 1, Level 2  
49-51 York Street  
Sydney NSW 2000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2021. The directors have the power to amend and reissue the financial statements.

## Statement of comprehensive income

For the year ended 30 June 2021

	Note	Consolidated	
		2021	2020
		\$	\$
<b>Revenue</b>	4	2,812,648	2,418,529
Other income	5	1,059,360	557,994
<b>Expenses</b>			
Administration expenses		(986,841)	(279,669)
Employee benefits expense	6	(357,517)	(524,646)
Depreciation and amortisation expense	6	(9,676)	(8,468)
Write off loan to related entities		(84,983)	(2,085)
Option expenses		(331,774)	-
<b>Profit/(loss) before income tax benefit</b>		2,101,218	2,161,655
Income tax expenses	7	(665,661)	(65,000)
<b>Profit/(loss) after income tax benefit for the year</b>		1,435,557	2,096,655
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		1,435,557	2,096,655
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	(167)
Owners of Gullewa Limited	19	1,435,557	2,096,822
<b>Total comprehensive income for the year</b>		1,435,557	2,096,655
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	34	0.79	1.29
Diluted earnings per share	34	0.79	1.29

\* The above statement of comprehensive income should be read in conjunction with the accompanying notes.

# Statement of financial position

As at 30 June 2021

	Note	Consolidated	
		2021	2020
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	4,142,693	3,663,969
Trade and other receivables	9	981,778	976,286
Other financial assets	10	4,215,552	1,007,244
<b>Total current assets</b>		<b>9,340,023</b>	<b>5,647,499</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	11	4,405,687	4,971,849
Other financial assets	12	2,603	29,603
Plant and equipment	13	24,785	27,846
Exploration, evaluation and development	14	32,780	32,780
<b>Total non-current assets</b>		<b>4,465,855</b>	<b>5,062,078</b>
<b>Total assets</b>		<b>13,805,878</b>	<b>10,709,577</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	189,857	63,548
Provision for income tax	16	730,661	65,000
<b>Total current liabilities</b>		<b>920,518</b>	<b>128,548</b>
<b>Total liabilities</b>		<b>920,518</b>	<b>128,548</b>
<b>Net assets</b>		<b>12,885,360</b>	<b>10,581,029</b>
<b>Equity</b>			
Contributed equity	17	22,018,527	21,481,527
Reserves	18	2,100,434	1,768,660
Accumulated losses	19	(11,131,893)	(12,567,450)
Equity attributable to the owners of Gullewa Limited		12,987,068	10,682,737
Non-controlling interest	20	(101,708)	(101,708)
<b>Total equity</b>		<b>12,885,360</b>	<b>10,581,029</b>

\* The above statement of financial position should be read in conjunction with the accompanying notes.



## Statement of changes in equity

For the year ended 30 June 2021

Consolidated	Contributed equity \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2019	21,372,326	1,540,655	(14,664,272)	(101,541)	8,147,168
Other comprehensive income for the year, net of tax			2,096,822	(167)	2,096,655
<b>Total comprehensive income for the year</b>	<b>21,372,326</b>	<b>1,540,655</b>	<b>(12,567,450)</b>	<b>(101,708)</b>	<b>10,243,823</b>
<i>Transactions with owners in their capacity as owners:</i>					
Issue of shares	109,201				109,201
Issue of options		228,005			228,005
<b>Balance at 30 June 2020</b>	<b>21,481,527</b>	<b>1,768,660</b>	<b>(12,567,450)</b>	<b>(101,708)</b>	<b>10,581,029</b>

Consolidated	Contributed equity \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2020	21,481,527	1,768,660	(12,567,450)	(101,708)	10,581,029
Other comprehensive income for the year, net of tax			1,435,557	-	1,435,557
<b>Total comprehensive income for the year</b>	<b>21,481,527</b>	<b>1,768,660</b>	<b>(11,131,893)</b>	<b>(101,708)</b>	<b>12,016,586</b>
<i>Transactions with owners in their capacity as owners:</i>					
Issue of shares	537,000				537,000
Issue of options		331,774			331,774
<b>Balance at 30 June 2021</b>	<b>22,018,527</b>	<b>2,100,434</b>	<b>(11,131,893)</b>	<b>(101,708)</b>	<b>12,885,360</b>

\* The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Statement of cash flows

For the year ended 30 June 2021

	Note	Consolidated	
		2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(825,964)	(836,216)
Dividends received		21,902	5,431
Interest received		6,045	38,972
Other revenue		3,723,386	2,556,341
Net cash provided by / (used in) operating activities	33	2,925,369	1,764,528
<b>Cash flows from investing activities</b>			
Payments for investments		(3,704,181)	(466,027)
Proceeds from property, plant and equipment		827,357	-
Payments for property, plant and equipment		(6,615)	-
Payments for security deposits		(29)	(694)
Proceeds from other financial assets and deposit		-	-
Net cash (used in) / provided by investing activities		(2,883,468)	(466,721)
<b>Cash flows from financing activities</b>			
Proceeds from loan repayment		-	1,052,831
Loan to other entities		(100,178)	(563)
Proceeds issue securities		537,000	109,201
Net cash (used in) / provided by financing activities		436,822	1,161,469
Net increase/(decrease) in cash and cash equivalents		478,723	2,459,276
Cash and cash equivalents at the beginning of the financial year		3,663,969	1,204,693
Cash and cash equivalents at the end of the financial year	8	4,142,693	3,663,969

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

# Notes to the financial statements

30 June 2021

## Note 1. Significant accounting policies

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

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, interpretations and complies with other requirements of the law. The financial statements cover Gullewa Limited as a consolidated entity consisting of Gullewa Limited and its subsidiaries.

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

The financial report is presented in Australian dollars.

Gullewa Limited is a company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are mineral exploration and investment.

#### Adoption of new and revised standards

In the year ended 30 June 2021, the Directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2021. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to the **Group's accounting policies**.

#### Statement of Compliance

**The financial report was authorised for issue on 30 September 2020.**

**The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).**

#### Going concern

**The consolidated financial statements have been prepared on a going concern basis.**

For the year ended 30 June 2021, the consolidated entity incurred a profit from continuing operations after tax of \$1,435,557 after (income tax of \$665,661) (2020 profit: \$2,096,655, After income tax of \$65,000). In the same period the consolidated entity had operating cash inflows of \$2,925,369 (2020: \$1,764,528) and cash outflows from investing activities of \$2,883,468 (2020 outflow: \$466,721).

A cash flow forecast for the next 12 months prepared by management has indicated that the consolidated entity will have sufficient cash assets to be able to meet its debts as and when they are due.

No adjustments have been made relating to recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 number 2.

### **Loans and receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivable". Loans and receivables are measured at an amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

### **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 number 29.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all the subsidiaries of Gullewa Limited ('company' or 'parent entity') as at 30 June 2021 and the results of all the subsidiaries for the year that has ended. Gullewa Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

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

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

### **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 are responsible for the allocation of resources to operating segments and assessing their performance.

### **Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The company has a 1% royalty in the project called Deflector. The royalty income is recognised when the amount is due and payable

**Interest**

Interest revenue is recognised as interest accrued 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 the estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**Other revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

**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 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 apply 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 profits; 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 reverse 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 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.

**Current and non-current classification**

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

An asset is current when: it is expected to be realised or intended to be sold or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; 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 assets.

A liability is current when: it is expected to be settled in the 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 liabilities.

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

**Cash and cash equivalents**

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

**Trade and other receivables**

Other receivables are recognised at the amortised cost, less any provision for impairment.

**Associates**

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in the other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of the net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate is equal to or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**Investments and other financial assets**

Investments and other financial assets are initially measured at the fair value. Transaction costs are included as part of the initial measurement, except for financial assets at the fair value through profit or loss. They are subsequently measured at either the amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at the amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

*Impairment of financial assets*

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in the estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at the amortised cost is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment have not been made and is reversed to profit or loss.

**Property, plant and equipment**

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	5 years
Motor vehicles	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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 profit or loss.

**Leases**

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

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

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

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

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

**Exploration and evaluation assets**

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

**Trade and other payables**

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

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on short-term and long-term borrowings

**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 within 12 months of the reporting date are recognised in the current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*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 recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as 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 national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

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

*Share-based payments*

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at the fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less the amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

#### **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at the fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure the fair value, is used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at the fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in the fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

#### **Issued capital**

Ordinary shares are classified as equity.

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



**Business combinations**

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to the former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either the fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date's fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised; recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine the fair value.

**Earnings per share***Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Gullewa 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 the ordinary shares issued during the financial year.

*Diluted earnings per share*

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

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

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

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

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

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

## Note 2. Critical accounting judgements, estimates and assumptions

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

### *Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model considering the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

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

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

### *Exploration and evaluation costs*

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 that permits 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 cost (refer to note number 16).

## Note 3. Operating segments

### *Identification of reportable operating segments*

The consolidated entity is organised into 3 operating segments: exploration and evaluation, property holding and investments. These operating segments are based on the internal reports that are reviewed and used by the executive management team (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The operating segments are identified by management based on the nature of the type of investment. Discrete financial information about each of these operating segments is reported to the CODM on a monthly basis. The reportable segments are based on the similarity of the investments made and the common regulatory environment applicable to each reportable segment. There is a clear designation of responsibility and accountability by the CODM for the management and performance of these reportable segments.

### *Types of products and services*

The principal products and services of each of these operating segments are as follows:

Exploration and evaluation	The consolidated entity is involved in exploration and evaluation for minerals.
Property holding	The consolidated entity acquires investment properties for capital appreciation and derivation of rental income.
Investments	The consolidated entity invests in shares in listed and unlisted entities.

### *Intersegment transactions*

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

*Intersegment receivables, payables and loans*

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to the fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

*Major customers*

The consolidated entity does not generate revenue from customers.

*Operating segment information*

<b>Consolidated – 2021</b>	<b>Exploration and evaluation \$</b>	<b>Property holding \$</b>	<b>Investments \$</b>	<b>Intersegment eliminations/ unallocated \$</b>	<b>Total \$</b>
<b>Revenue</b>					
Royalty revenue	2,712,490				2,712,490
Interest revenue				6,045	6,045
Other revenue		161,017	892,298	100,158	1,153,473
<b>Total revenue</b>	<b>2,712,490</b>	<b>161,017</b>	<b>892,298</b>	<b>106,203</b>	<b>3,872,008</b>
<b>Segment net profit/(losses) before tax from continuing operations</b>	<b>2,712,490</b>	<b>161,017</b>	<b>396,398</b>	<b>(1,168,687)</b>	<b>2,101,218</b>
<b>Assets</b>					
Segment assets	362,084	4,076,383	6,218,155	3,149,256	13,805,878
<b>Total assets</b>	<b>362,084</b>	<b>4,076,383</b>	<b>6,218,155</b>	<b>3,149,256</b>	<b>13,805,878</b>
<b>Liabilities</b>					
Segment liabilities	-	-	-	920,518	920,518
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>920,518</b>	<b>920,518</b>

Consolidated - 2020	Exploration and evaluation \$	Property holding \$	Investments \$	Intersegment eliminations/ unallocated \$	Total \$
<b>Revenue</b>					
Other revenue	2,380,044				2,380,044
Interest revenue			115,994		115,994
Other revenue				480,485	480,485
<b>Total revenue</b>	<b>2,380,044</b>	<b>-</b>	<b>115,994</b>	<b>480,485</b>	<b>2,976,523</b>
<b>Segment net profit/(losses) before tax from continuing operations</b>					
	<b>2,380,044</b>	<b>-</b>	<b>115,994</b>	<b>(399,383)</b>	<b>2,096,655</b>
<b>Assets</b>					
Segment assets	100,889	4,903,740	2,836,847	2,868,101	10,709,577
<b>Total assets</b>	<b>100,889</b>	<b>4,903,740</b>	<b>2,836,847</b>	<b>2,868,101</b>	<b>10,709,577</b>
<b>Liabilities</b>					
Segment liabilities	-	-	-	128,548	128,548
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,548</b>	<b>128,548</b>

#### Note 4. Revenue

	Consolidated	
	2021 \$	2020 \$
Royalties received	2,712,490	2,380,044
Consultant fees	100,158	38,485
Others		-
<b>Revenue</b>	<b>2,812,648</b>	<b>2,418,529</b>

The company has a 1% Royalty on the project called Deflector. Gullewa received royalty payments of \$2,712,640 during the financial year. The life of Mine has been extended to the end of the year 2022. In June 2020, Silver Lake Resources Limited announced an increase in mineral resources to 1.27 million ounces at a grade of 13.5 grams per ton and a record annual gold production of 104,376 ounces of gold and 2,356 tonnes of copper (112,857 ounces of gold equivalent). The discovery cost for the increase in resources was around A\$14 per Ore Reserve ounce.

#### Note 5. Other income

	Consolidated	
	2021 \$	2020 \$
Other income	6,045	115,994
Profit on Share trading	892,298	-
Share of profit of associated accounted for using the equity method	161,017	-
Gain on Loan settlement – Allegiance Coal Limited (note 5)	-	442,000
<b>Other income</b>	<b>1,059,360</b>	<b>557,994</b>

On the 4<sup>th</sup> of March 2020, Allegiance Coal Limited repaid the loan in full plus issued 3.4 million ordinary shares fully paid and 3.4 million shares in 6 months.

	#	Sport Date	Rate	Value (\$)
Initial issue on settlement	3,400,000	20 May 2020	0.0650	\$221,000
Shares in escrow	3,400,000	20 Mary 2020	0.0650	\$221,000
<b>Total</b>				<b>\$442,000</b>

This is due to the options being out of the money at the last reporting date and as such no financial assets were recorded for the option value that was subject to the dispute.

The shares held in escrow should have no impact on the value of the shares held despite them being unable to be transferred and sold. This is due to the underlying asset, being shares quoted on an active market, having a determinable share price. The restriction of the inability to transfer or sell the shares should rather be disclosed in the financial report. This will result in the assets fair value being fairly stated, however the users of the financial report will be altered to the restriction over the use of the financial assets, particularly in the financial instruments analysis.

**Note 6. Expenses**

	Consolidated	
	2021	2020
	\$	\$
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Motor vehicles	6,658	6,659
Total depreciation	<u>6,658</u>	<u>6,659</u>
<i>Amortisation</i>		
Computer software	3,018	1,809
Total depreciation and amortisation	<u>9,676</u>	<u>8,468</u>
<i>Finance costs</i>		
Interest and finance (credit) paid/payable	-	-
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	<u>31,670</u>	<u>39,040</u>
<i>Non-recovery Loan</i>		
Provision for non-recoverability	-	-
<i>Employee benefits expense</i>		
Contribution superannuation expense	23,817	18,535
Share-based payments expense	331,774	228,005
Other wages and salaries	<u>333,700</u>	<u>278,106</u>
Total employee benefits expense	<u>689,291</u>	<u>524,646</u>

**Note 7. Income tax benefit**

	Consolidated	
	2021	2020
	\$	\$
<i>Income tax expenses</i>		
Current tax expenses	665,661	65,000
Aggregate income tax benefit	665,661	65,000
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Profit before income tax benefit	2,344,169	2,096,655
Tax at the statutory tax rate of 26% (2020 - 27.50%)	609,484	576,580
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non – deductible expenses	98,041	108,768
Non – assessable income	(41,864)	(121,550)
	665,661	563,798
Current year tax losses not recognised		
Tax losses recouped	-	498,798
Income tax expenses	665,661	65,000

**Note 8. Current assets - cash and cash equivalents**

	Consolidated	
	2021	2020
	\$	\$
Cash on hand	100	100
Cash at bank	2,142,593	1,863,869
Cash on deposit	2,000,000	1,800,000
	<u>4,142,693</u>	<u>3,663,969</u>

**Note 9. Current assets - trade and other receivables**

	Consolidated	
	2021	2020
	\$	\$
Royalty income receivable	743,195	724,133
Other receivables and deposits	238,583	252,153
	<u>981,778</u>	<u>976,286</u>

**Note 10. Current assets - other financial assets**

	Consolidated	
	2021	2020
	\$	\$
Shares designated at fair value through profit or loss	2,822,637	907,585
Shares in unlisted corporations – at cost	1,392,915	99,659
	<u>4,215,552</u>	<u>1,007,244</u>

**Note 11. Non-current assets - investments accounted for using the equity method**

	Consolidated	
	2021	2020
	\$	\$
<b>Investment in associates</b>		
Central Iron Ore Limited	168,287	68,109
Hunter Valley Solutions Pty Ltd	4,237,400	4,903,740
	<u>4,405,687</u>	<u>4,971,849</u>
<b>Equity accounted profit</b>		
Central Iron Ore Limited	-	-
Hunter Valley Solutions Pty Ltd	161,017	-
	<u>161,017</u>	<u>-</u>

- The interest in the Hunter Valley Solutions Pty Ltd has been accounted for under equity method, at cost as the company has joint control in the property development, as a result the investment has not been consolidated. Under the shareholder agreement decisions involving more than \$10,000 require Gullewa Limited and ACN 603 114 558 Pty Ltd to reach a joint agreement. Gullewa Limited does not have control of the joint venture.

Refer to note 30 for further information on interests in associates.



**Note 12. Non-current assets - other financial assets**

	Consolidated	
	2021	2020
	\$	\$
Loan – other entities	2,603	29,603
	<b>2,603</b>	<b>29,603</b>

**Note 13. Non-current assets - plant and equipment**

	Consolidated	
	2021	2020
	\$	\$
Plant and equipment - at cost	2,878	4,687
Addition	6,615	-
Disposals	-	-
Less: Accumulated depreciation	(3,018)	(1,809)
	<b>6,475</b>	<b>2,878</b>
Motor vehicles - at cost	24,968	31,627
Addition	-	-
Less: Accumulated depreciation	(6,658)	(6,659)
Disposals	-	-
	<b>18,310</b>	<b>24,968</b>
Total property, plant and equipment	<b>24,785</b>	<b>27,846</b>

**Reconciliations**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment	Motor vehicles	Total
	\$	\$	\$
<b>Consolidated</b>			
Balance at 30 June 2019	4,687	31,627	36,314
Additions			
Disposals			
Depreciation expense	(1,809)	(6,659)	(8,468)
Balance at 30 June 2020	2,878	24,968	27,846
Additions	6,615	-	6,615
Disposals			
Depreciation expense	(3,018)	(6,658)	(9,676)
Balance at 30 June 2021	<b>6,475</b>	<b>18,310</b>	<b>24,785</b>

**Note 14. Non-current assets - exploration, evaluation and development**

	Consolidated	
	2021	2020
	\$	\$
Exploration, evaluation and development assets – at cost	32,780	32,780
	<u>32,780</u>	<u>32,780</u>

**Reconciliations**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration, evaluation and development \$	Total \$
Balance at 1 July 2019	32,780	32,780
Security deposit	-	-
Balance at 30 June 2020	<u>32,780</u>	<u>32,780</u>
Balance at 1 July 2020	32,780	32,780
Security deposit	-	-
Balance at 30 June 2021	<u>32,780</u>	<u>32,780</u>

**Note 15. Current liabilities - trade and other payables**

	Consolidated	
	2021	2020
	\$	\$
Trade payables	189,857	63,548
Accrued expenses	-	-
	<u>189,857</u>	<u>63,548</u>

Refer to note 22 for further information on financial instruments.

**Note 16. Current liabilities – Provision for income tax**

	Consolidated	
	2021	2020
	\$	\$
Provision for income tax	730,661	65,000
	<u>730,661</u>	<u>65,000</u>

**Note 17. Equity - contributed equity**

	Consolidated			
	2021 Shares	2020 Shares	2021 \$	2020 \$
Ordinary shares - fully paid	182,373,100	162,123,100	22,018,527	21,481,527

*Ordinary shares*

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

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

*Share buy-back*

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

*Capital risk management*

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2018 Annual Report.

**Note 18. Equity - reserves**

	Consolidated	
	2021 \$	2020 \$
Capital profits reserve	284,828	284,828
Share-based payments reserve	1,815,606	1,483,832
	<b>2,100,434</b>	<b>1,768,660</b>

*Capital profit reserve*

The capital profits reserve arose historically and is available for distribution.

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

During the year the company issue options, have been treated as share-based payments. The grant date fair value of options is calculated under the Black Scholes model and amortised on a straight-line basis over the vesting period.

The model takes account of factors including the exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends and current market price of the underlying share and the expected life of the security.

**Note 18. Equity – reserves** (continued)*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

<b>Consolidated</b>	<b>Capital profits</b> \$	<b>Share-based payments</b> \$	<b>Total</b> \$
Balance at 30 June 2019	284,828	1,255,827	1,540,655
Deconsolidation subsidiaries			
Issue of options	-	228,005	228,005
Balance at 30 June 2020	284,828	1,483,832	1,768,660
Issue of options		331,774	331,774
Balance at 30 June 2021	284,828	1,815,606	2,100,434

**Note 19. Equity - accumulated losses**

	<b>Consolidated</b> <b>2021</b> \$	<b>2020</b> \$
Accumulated losses at the beginning of the financial year	(12,567,450)	(14,664,272)
Profit/(Loss) after income tax benefit for the year	1,436,557	2,096,822
Accumulated losses at the end of the financial year	11,130,893	(12,567,450)

**Note 20. Equity - non-controlling interest**

	<b>Consolidated</b> <b>2021</b> \$	<b>2020</b> \$
Contributed equity	(101,708)	(101,541)
Accumulated losses for the year	-	(167)
Accumulated losses at the end of the financial year	(101,708)	(101,708)

**Note 21. Equity - dividends**

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

## Note 22. Financial instruments

### Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

### Market risk

#### *Foreign currency risk*

The consolidated entity is not exposed to significant foreign currency risk.

#### *Price risk*

The consolidated entity is exposed to equity securities price risk because of the listed investments held, classified as at fair value through profit or loss. The consolidated entity does not hedge its price risks.

At 30 June 2021, if equity prices had been 10% higher or lower and all other variables were held constant the consolidated entity's net assets would increase/decrease by \$1,288,536 (2020: \$1,058,103) as a result of the change in the value of financial assets held at fair value through profit or loss and available-for-sale investments.

#### *Interest rate risk*

The consolidated entity's main interest rate risk arises from cash and cash equivalents.

The sensitivity analyses have been determined based on the exposure to interest rates and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At reporting date, if interest rates had been 50 basis points (2020: 50 basis points) higher or lower and all other variables were held constant, the consolidated entity's net profit and net assets would increase/decrease by \$10,000 (2020: \$9,000).

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity's maximum exposure to credit risk at the reporting date in relation to each class of recognised financial assets is the carrying amount as disclosed in the statement of financial position and notes to the financial statements.

### Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

**Note 22. Financial instruments (continued)***Remaining contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

<b>Consolidated - 2021</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>	-%	-	-	-	-	-
Trade payables	-%	189,857	-	-	-	189,857
Other payables	-%	-	-	-	-	-
<i>Interest-bearing - variable</i>						
Borrowings	-%	-	-	-	-	-
<b>Total non-derivatives</b>	-%	189,857	-	-	-	189,857

<b>Consolidated - 2020</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>	-%	-	-	-	-	-
Trade payables	-%	63,548	-	-	-	63,548
Other payables	-%	-	-	-	-	-
<i>Interest-bearing - variable</i>						
Borrowings	-%	-	-	-	-	-
<b>Total non-derivatives</b>	-%	63,548	-	-	-	63,548

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 23. Fair value measurement***Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date  
 Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly  
 Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Consolidated - 2021</b>				
<i>Assets</i>				
Financial assets at fair value through profit or loss - marketable securities	2,822,637	-	-	-
<b>Total assets</b>	<b>2,822,637</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Consolidated - 2020</b>				
<i>Assets</i>				
Financial assets at fair value through profit or loss - marketable securities	907,585	-	-	907,585
<b>Total assets</b>	<b>907,585</b>	<b>-</b>	<b>-</b>	<b>907,585</b>

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

**Note 24. Key management personnel disclosures****Directors**

The following persons were directors of Gullewa Limited during the financial year:

- Mr. Anthony Howland-Rose
- Mr. David Deitz
- Mr. Eddie Lee

**Compensation**

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2021 \$	2020 \$
Short-term employee benefits	333,700	278,045
Post-employment benefits	23,817	15,200
Share-based payments	331,774	224,805
	<b>689,291</b>	<b>518,050</b>

**Note 25. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by SCS Audit & Corporate Services Pty Ltd, the auditor of the company:

	Consolidated	
	2021	2020
	\$	\$
Audit services – SCS Audit & Corporate Services Pty Ltd	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

**Note 26. Contingent liabilities**

There were no contingent liabilities at 30 June 2021 or 30 June 2020.

**Note 27. Commitments**

	Consolidated	
	2021	2020
	\$	\$
<i>Capital commitments - exploration and evaluation</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	400,000	800,000
One to five years	100,000	300,000
	<u>500,000</u>	<u>1,100,000</u>
<i>Operating lease</i>		
Within one year	35,000	35,000
One to five years		
	<u>35,000</u>	<u>35,000</u>

An operating lease was entered into as a means of acquiring plant and equipment. The lease was fixed for one year and then moved onto a monthly rolling contract.

**Note 28. Related party transactions***Parent entity*

Gullewa Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 30.

*Associates*

Interests in associates are set out in note 31.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 24 and the remuneration report in the directors' report.



**Note 28. Related party transactions** (continued)

	Consolidated	
	2021	2020
	\$	\$
Other income:		
Management fees from associate, Central Iron Ore Limited	41,893	38,485
Other transactions:		
Consultant fees paid to Jabiru Quill Pty Ltd, director of the company	70,000	39,612
Consultant fees paid to associate of David Deitz	-	-

All payments to related parties are made on normal commercial terms and conditions.

*Receivable from and payable to related parties*

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

*Loans to/from related parties*

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2021	2020
	\$	\$
Interests paid by joint venture party (Hunter Valley Partnership Pty Ltd) to Gullewa Limited	-	-
Interests paid by Central Iron Ore Limited to Gullewa Limited	-	-
Interests paid by joint venture party (Hunter Valley Partnership Pty Ltd) to companies associated with A.W Howland Rose:	31,129	140,060
Current Assets:		
Loan to director, David Deitz	174,028	138,488
<i>Terms and conditions</i>		
All transactions were made on normal commercial terms and conditions and at market rates.		
Transactions with joint venture parties		
Loan to joint venture (Hunter Valley Pty Ltd) from companies associated with: Anthony Howland-Rose	-	960,531

**Note 29. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	Parent	
	2021 \$	2020 \$
Profit/Loss after income tax	1,276,995	2,097,812
Total comprehensive income	1,276,995	2,097,812
Total current assets	9,282,073	5,589,260
Total assets	16,248,651	13,312,532
Total current liabilities	4,527,559	3,737,209
Total liabilities	4,527,559	3,737,209
Equity		
Contributed equity	22,018,527	21,481,527
Capital profits reserve	284,828	284,828
Share-based payments reserve	1,815,606	1,483,832
Accumulated losses	(12,397,869)	(13,674,864)
Total equity	11,721,092	9,575,323

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

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

**Note 30. Interests in subsidiaries**

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
Claymor Resources Pty Limited	Australia	100.00%	100.00%
York Corporate Pty Limited	Australia	100.00%	100.00%
Canton Property Pty Limited	Australia	60.00%	60.00%
Brooklyn Bay Pty Limited	Australia	100.00%	100.00%
Gulprop Pty Limited	Australia	100.00%	100.00%
ACN 603 113 195 Pty Limited	Australia	90.00%	90.00%
Our Field Pty Limited	Australia	50.00%	50.00%
Hunter Valley Solutions Pty Limited	Australia	69.00%	69.00%

**Note 31. Interests in associates**

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entities are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
Central Iron Ore Limited	Mineral extraction	36.10%	36.10%
Hunter Valley Solutions Pty Ltd (note 11)	Property development	69.00%	69.00%

<b>Summarised financial information</b>	2021 \$	2020 \$
<i>Summarised statement of financial position</i>		
Current assets	234,076	94,264
Non-current assets	3,768,628	5,117,476
<b>Total assets</b>	<b>4,002,704</b>	<b>5,211,740</b>
Current liabilities	219,553	119,634
<b>Total liabilities</b>	<b>3,194,370</b>	<b>4,461,622</b>
<b>Net assets</b>	<b>808,334</b>	<b>750,118</b>
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Revenue	237,275	43,498
Expenses	(175,260)	(20,941)
Profit/(Loss) before income tax	62,015	22,557
Income tax benefit		
<b>Profit/(Loss) after income tax</b>	<b>62,015</b>	<b>22,557</b>
Other comprehensive income		
<b>Total comprehensive income/(loss)</b>	<b>62,015</b>	<b>22,557</b>

The summarised financial information above relates to the consolidated entity's share of the associate.

**Note 32. Events after the reporting period**

No matters or circumstances have arisen since 30 June 2021 that have significantly affected or may significantly affect the circumstances entities operations the results of those operations or the consolidated entities state of affairs.

**Note 33. Reconciliation of profit/(loss) after income tax to net cash used in operating activities**

	Consolidated	
	2021	2020
	\$	\$
Profit/(loss) after income tax benefit for the year	1,435,557	2,096,655
Adjustments for:		
Depreciation and amortization	9,676	8,468
Gain on loan settlement	-	(442,000)
Share investment revaluation	495,901	(155,482)
Share (profit)/loss from associated entities from using equity method	(161,017)	-
Share-based payments	331,774	228,005
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(74,592)	30,538
(Increase)/decrease accrued (income)/expenses	85,078	(1,164)
(Decrease)/increase in trade and other payables	802,992	(492)
Net cash provided by / (used in) operating activities	2,925,369	1,764,528

**Note 34. Earnings per share**

	Consolidated	
	2021	2020
	\$	\$
Profit/(loss) after income tax	1,435,557	2,096,822
Non-controlling interest	-	(167)
Profit/Loss after income tax attributable to the owners of Gullewa Limited	1,435,557	2,096,655
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	182,373,100	162,123,100
Weighted average number of ordinary shares used in calculating diluted earnings per share	182,373,100	162,123,100
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.79	1.29
Diluted earnings per share	0.79	1.29

43,940,000 (2019: 57,650,000) options are excluded from the above calculation as they would be anti-dilutive for the period.

**Note 35. Share-based payments***Employee option plan*

Gullewa Limited has no formal employee option plan. At the discretion of the directors, the directors grant options over ordinary shares in the parent entity to employees of the consolidated entity. The options are issued for nil consideration and Options are granted with the exercise price, as listed below, payable on exercise of the options. When exercisable, each option is convertible into one ordinary share. Options granted carry no dividend or voting rights.

**Note 35. Share-based payments** (continued)

Set out below are summaries of options granted

**2021**

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
22/12/2016	23/12/2021	\$0.0270	12,000,000	-	11,000,000	-	1,000,000
22/12/2017	23/12/2022	\$0.0260	15,400,000	-	6,000,000	-	9,400,000
30/12/2018	30/12/2023	\$0.0280	15,000,000	-	3,000,000	-	12,000,000
29/12/2019	29/12/2024	\$0.0350	15,000,000	-	-	-	15,000,000
14/12/2020	14/12/2025	\$0.1220	6,540,000	-	-	-	6,540,000
			63,940,000	-	20,000,000	-	43,940,000
Weighted average exercise price							0.0441

**2020**

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
29/11/2015	29/11/2020	\$0.0156	7,250,000	-	7,000,000	-	250,000
22/12/2016	23/12/2021	\$0.0270	12,000,000	-	-	-	12,000,000
22/12/2017	23/12/2022	\$0.0260	15,400,000	-	-	-	15,400,000
30/12/2018	30/12/2023	\$0.0280	15,000,000	-	-	-	15,000,000
29/12/2019	29/12/2024	\$0.0350	-	15,000,000	-	-	15,000,000
			49,650,000	15,000,000	7,000,000	-	57,650,000
Weighted average exercise price							0.029

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.10 years (2020: 2.56 years).

The weighted average share price during the year was \$0.096 (2020: \$0.009).

**Note 36. Retirement benefits***Superannuation commitments*

During the year, the consolidated entity provided employees with access to external contribution superannuation plans that provide benefits on retirement, resignation, disability or death.

## Director's Declaration

30 June 2021

1. In the opinion of the directors of Gullewa Limited (the 'Company'):
  - a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
    - i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
    - ii) complying with Australian Accounting Standards the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements,
  - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of Corporations Act 2001 for the financial year ended 30 June 2021.

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



David Deitz  
Director

30 September 2021  
Sydney



## Auditor's independence declaration

### LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO: The Directors of Gullewa Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence.

As Audit Director for the audit of the financial statements of Gullewa Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contravention of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional; conduct in relation to the audit.

Yours faithfully

**SCS Audit & Corporate Services Pty Ltd**  
**(An Authorised Audit Company)**

A handwritten signature in black ink, appearing to read 'Didarul Khan', written over a horizontal line.

Didarul Khan  
Director  
30 September 2021

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## Independent Auditor's report

30 June 2021

### Independent Auditor's Report to the shareholders of Gullewa Limited

#### **Opinion**

We have audited the financial report of Gullewa Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a statement of accounting policies and selected explanatory notes and the directors' declaration.

In our opinion:

the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### **Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team.

These matters were addressed in the context of our audit on the financial statements as a whole, and in forming our opinions thereon, and we do not provide separate opinions on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.





**Independent Auditor's Report to the shareholders of Gullewa Limited (continued)**

We have fulfilled the responsibilities described in Section titled *Auditors' Responsibilities for the Audit of the financial statements* of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

**1 Recovery of loan given to Central Iron Ore Ltd**

Why significant	How our audit addressed the key audit matter
<p>Gullewa Pty Ltd has provided loans to the value of \$168,287 to Central Iron Ore Ltd. We focused on this balance because there has been a history of losses in Central Iron Ore Ltd. The recoverability of the loan is particularly sensitive to expectations about the future profitability and cash flow of Central Iron Ore Ltd.'s current and future prospects.</p> <p>Significant judgement is required over the recoverability of the loan as at 30 June 2021.</p>	<ul style="list-style-type: none"><li>• Evaluated the progress made by Central Iron Ore Ltd.'s management in improving the profitability of the business in recent periods.</li><li>• Reviewed the Central Iron Ore Ltd.'s cash flow forecasts prepared by the management for the 12 months from the date of signing the financial statements;</li><li>• Reviewed the correspondence relating to negotiation on the projects - Eureka and British King and the viability of earning of the proposed project negotiations.</li><li>• Assessed the Group's going concern disclosures</li></ul>

**2 impairment assessment for Gullewa's equity accounted investment in Hunter Valley Solutions Pty Ltd**

Why significant	How our audit addressed the key audit matter
<p>Gullewa's equity accounted investment in Hunter Valley Solutions Pty Ltd (\$4.200 million) is a material amount in the Gullewa's consolidated financial statements.</p> <p>We therefore focused on the assessment which was performed by Gullewa to determine whether there was any objective evidence that the equity accounted investment in Hunter Valley Solutions Pty Ltd could be impaired as at 30 June 2021.</p>	<ul style="list-style-type: none"><li>• Obtained an understanding of process by which the impairment indicator assessment was conducted.</li><li>• Evaluated the Hunter Valley Solutions Pty Ltd.'s computation of Net Present Value of projected profitability forecasts that could indicate that the investment may be impaired.</li><li>• Assessed the consolidated entity's disclosures of the quantitative and qualitative considerations in relation to the Investment, by comparing these disclosures to our understanding of the matter and the requirements of the accounting standards.</li></ul>



Independent Auditor's Report to the shareholders of Gullewa Limited (continued)

3 Recognition of revenue

Why significant	How our audit addressed the key audit matter
A substantial amount of the Group's revenue is derived from royalties and in particular the Royalty Amended Deed involving Deflector Gold mining Pty Ltd. We focussed on the agreement due to the high level of reliance, the company is placing upon it going forward and complex and judgemental revenue recognition from agreement.	<ul style="list-style-type: none"><li>• Evaluated group management's process regarding accounting for royalty received from Deflector Gold mining contracts.</li><li>• Evaluated the Group's assessment related to profitability of the contracts and the computation of royalty income.</li><li>• Evaluated the ASX announcement released by the Doray Minerals Ltd in terms of duration of the ounces payable gold and tonnes of copper,</li></ul>

**Information other than the financial statements and auditor's report**

The directors of the Company are responsible for the other information. The other information included in the Group's annual report for the year ended 30 June 2021 comprises the Director's Report (but does not include the financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

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

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

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

**Responsibilities of the directors of the Company for the financial report**

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

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



**Independent Auditor's Report to the shareholders of Gullewa Limited (continued)**

***Auditor's responsibilities for the audit of the financial report***

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement that exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

***Opinion on the Remuneration Report***

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Gullewa Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

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

**SCS Audit & Corporate Services Pty Ltd  
(An Authorised Audit Company)**

A handwritten signature in black ink, appearing to read 'Didarul Khan'.

Didarul Khan  
Director  
Sydney

Dated 30 September, 2021

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## Shareholder information

30 June 2021

The shareholder information set out below was applicable as at 30 September 2021.

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Units	% of Issued Capital
1 – 1,000	187	87,610	0.05
1,001 – 5,000	380	1,075,626	0.57
5,001 – 10,000	255	2,011,199	1.06
10,001 – 100,000	408	14,300,414	7.51
100,001 – 9,999,999,999	114	172,898,251	90.82
<b>Rounding</b>			<b>0.00</b>
<b>Total</b>	<b>1,344</b>	<b>190,373,100</b>	<b>100.00</b>

### Equity security holders

*Twenty largest quoted equity security holders*

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

	Ordinary shares Number held	% of total shares issued
MR DAVID DEITZ	22,138,219	11.63
MR ANTHONY WILLIAM HOWLAND-ROSE	19,785,758	10.39
RAINIDAYS PTY LTD <RAINIDAYS SUPER FUND A/C>	14,904,817	7.83
MR ANTHONY HOWLAND-ROSE	11,421,233	6.00
ALITON PTY LTD <BELL FAMILY SUPER FUND A/C>	11,110,966	5.84
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	8,427,152	4.43
BULINE PTY LTD <SUPERANNUATION FUND A/C>	6,000,000	3.15
RAINIDAYS PTY LTD <RAINIDAYS SUPER FUND A/C>	5,770,000	3.03
MRS MINA RUTH DEITZ	5,050,371	2.65
JUDITH KRASNJANSKI	4,285,714	2.25
HOWLANDROSE HOLDINGS PTY LIMITED <HOWLANDROSE FAMILY A/C>	4,182,227	2.20
YECHI HAMELECH PTY LTD	3,732,499	1.96
SANDOR NOMINEES PTY LTD <ROS SANDOR SUPER FUND A/C>	2,857,143	1.50
HOWLANDROSE HOLDINGS PTY LTD	2,845,018	1.49
MR RALF PELZ	2,641,000	1.39
MRS KAY PELZ	2,500,000	1.31
AYLWORTH HOLDINGS PTY LTD <J & RD BORSHOFF FAMILY A/C>	2,300,000	1.21
MR DAVID DEITZ	2,214,022	1.16
TALFRESH PTY LTD	2,094,289	1.10
CITICORP NOMINEES PTY LIMITED	1,882,228	0.99
<b>Totals: Top 20 holders of ORDINARY SHARES (UNGROUPED)</b>	<b>136,142,656</b>	<b>71.51</b>
<b>Total Remaining Holders Balance</b>	<b>54,230,444</b>	<b>28.49</b>

*Unquoted equity securities*

There are no unquoted equity securities.

**Substantial holders**

Substantial shareholder notices received by the company are set out below.

<b>Name</b>	<b>No. of Shares</b>	<b>Percentage</b>
David Deitz	44,740,760	24%
A W Howland Rose	39,165,236	21%
Aliton Pty Limited	11,405,359	7%

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*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.

There are no other classes of equity securities.

**Tenements**

<b>Description</b>	<b>Tenement number</b>	<b>Interest owned</b>
<i>WESTERN AUSTRALIA – Central Iron Ore P/L</i>		
Red 5 Joint Venture	M37/421	25%
Red 5 Joint Venture	M37/552	25%
Red 5 Joint Venture	M37/631	25%
Red 5 Joint Venture	M37/632	25%
Red 5 Joint Venture	M37/709	25%
Red 5 Joint Venture	M37/1045	25%
British King Gold Mine	M37/30	18%
British King Gold Mine	L37/162	18%
British King Gold Mine	L37/191	18%

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**Summary of Mining Royalties**

*Gullewa Limited is entitled to a 1% royalty from its joint venture partner  
Silver Lake Resources Limited which relates to the following tenements:*

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Western Australia

L59/50  
M59/50  
M59/50  
M59/68  
M59/132  
M59/294  
M59/335  
M59/336  
M59/356  
M59/391  
M59/442  
M59/522  
M59/530  
M59/531  
L59/35  
L59/49  
E59/1241 (part)  
E59/1242 (part)

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