ERINBAR LIMITED

ACN 063 389 079

ANNUAL REPORT – 2019

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DIRECTORS' REPORT

The Directors of Erinbar Limited ('the Company') submit their report for the year ended 30 June 2019.

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Directors

JEREMY D SHERVINGTON

B.Juris.LLB – Appointed 16 February 1998, Non-executive Chairman from 23 December 2008.
Mr Shervington is a solicitor specialising in laws regulating companies and the securities industry in Australia.
He is also a director of various unlisted public and private companies.

JOHANN JACOBS

B.Acc, MBL – Non-executive Director. Appointed 18 September 2012.
Mr Jacobs has more than 30 years' experience in the resource sector where he has managed established companies and acquisitions, expansions and start-up mining operations in Australia, South Africa, and Indonesia.
He is also a director of various listed and unlisted public and private companies.

ALAN COULTHARD

Mr Coulthard is a retired accountant, currently residing in the UK. He was most recently employed by American Express in the UK and has also worked in the accounting area in Australia and the USA. He has been a director of a number of public and private companies including ASX listed companies Unitract Ltd, Papillon Resources Ltd, Prairie Mining Ltd and Northern Manganese Ltd. Mr Coulthard was appointed as a director on 28 November 2016.

Company Secretary

GRAHAM SEPPELT

Company Secretary from 6 December 2011.
Mr Seppelt has a wide exposure to a range of industries as a senior manager and contract accountant in corporate advisory roles. He is also company secretary for ASX listed companies BSA Limited.

Principal Activities

During the year the Company continued evaluating a number of opportunities to enable the Company to raise additional capital with the view of relisting the Company on the ASX.

Towards the end of the financial year the Company identified an opportunity in offshore gold tenements. The Company has since then and continues to conduct due diligence on the tenements.

Results and Dividends

The Company made a loss after tax of $12,380 (2018: $62,642).

Corporate Performance

The performance of Erinbar Limited (formerly Australian Zircon NL) over the last five years is:

Year	Net (loss)/profit for the year	(Loss)/profit per share – cents	Shareholders' Equity	Share price at the beginning of the year – cents	Share price at the end of the year - cents
2015	(12,058,910)	(0.8)	(88,114,587)	N/A	N/A
2016	88,391,080	0.6	276,493	N/A	N/A
2017	(193,935)	(0.3)	82,558	N/A	N/A
2018	(62,642)	(0.1)	19,916	N/A	N/A
2019	(12,380)	(0.1)	7,536	N/A	N/A

No dividends were paid in any of the above years. Directors have not recommended the payment of any dividend for the year ended 30 June 2019.

Tenements Held

The Company currently holds no tenement licences.

State of Affairs

During the year the Company issued no fully paid ordinary shares.

Environmental Regulation

No notices of any breaches have been received from any authority.

Significant Events after Balance Date

In the opinion of the Directors there has not arisen in the interval between the end of the financial year and the date of this report, any matter or circumstance that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years, except for:

- Loans to the Company of $40,000 and $55,000 from Messrs Shervington and Jacobs respectively, for the purpose of funding ongoing expenses.

  The loans are repayable on demand once the next equity raising by the Company has occurred and attract an interest rate of 8% per annum accruing and compounding monthly in arrears, with the interest payable at the time of principal repayment. Loan amounts are convertible to equity at the election of the lenders on terms agreed by negotiation with the Company.

- A binding Term Sheet entered into by the Company under which it has the right to earn a 70% ownership interest in a 1,126km^2 gold exploration project ("The Ducie Project") located in the Bole-Nangodi Belt in Upper West Ghana.

Under the farmin arrangement, the Company can earn its interest by expending US$5M on eligible expenditure within 5 years of the Company being admitted to the official list of ASX, with US$3M to be spending within 2 years of listing.

Further information regarding this can be found on the Company's market announcement of 4 October 2019, accessible on the Company's website.

Going Concern

The financial statements have been prepared on the basis that the Company will continue to meet its commitments and can therefore continue normal business activities and realise assets and settle liabilities in the ordinary course of business at the amounts stated in these financial statements.

At 30 June 2019, the net assets of the Company were $7,536 (2018: $19,916).

At the date of signing the financial report, the Directors consider there are reasonable grounds to believe that the Company can meet its debts as and when they fall due.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

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

Director's Meetings

The nature of operations during the financial year ended 30 June 2019 was that of very little activity and minimal expenditure. As a result of this, no formal meetings were held during the year, with the Board communicating informally via telephone and email. Any decision making was effected by Circulating Resolution.

Due to the small size of the Company's Board of Directors, all members of the Board are also members of the Audit Committee. Mr J Jacobs is the chairman of the audit committee.

Auditor's Independence Declaration

An independence declaration form has been obtained from the Company's auditors Greenwich & Co, a copy of which is on page 9 of this report.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The Directors are satisfied that the services disclosed below did no compromise the external auditor's independence for the following reasons:

i) All non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

ii) The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 100: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

DIRECTORS' REPORT

The following fees were paid or payable to Greenwich & Co for non-audit services provided during the year to 30 June 2019:

	$
Taxation Services	3,100
	3,100

J D Shervington
Chairman
Perth, 22 November 2019

Greenwich & Co

Greenwich & Co Audit Pty Ltd | ABN 51 609 542 458
Level 2, 267 St Georges Terrace, Perth WA 6000
PO Box 983, West Perth WA 6872
T 08 6555 9500 | F 08 6555 9555
www.greenwichco.com

Auditor's Independence Declaration

To those charged with governance of Erinbar Limited

As auditor for the audit of Erinbar Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

- no contraventions of any applicable code of professional conduct in relation to the audit.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens

Managing Director

Perth

22 November 2019

STATEMENT OF PROFIT OR LOSS AND OTHER INCOME
YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Other income	3	3,559	171
Finance expenses	4	-	(156)
Corporate expenses		(15,939)	(62,657)
Loss before income tax		(12,380)	(62,642)
Income tax benefit/(expense)	5	-	-
Loss from continuing operations		(12,380)	(62,642)
Loss for the year		(12,380)	(62,642)
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to shareholders		(12,380)	(62,642)
Earnings per share			
Basic profit/(loss) per share (cents)	12	(0.12)	(0.63)
Diluted profit/(loss) per share (cents)	12	(0.12)	(0.63)

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	6	7,536	21,599
Trade and other receivables	7	-	401
Total current assets		7,536	22,000
Total assets		7,536	22,000
Liabilities			
Current liabilities			
Trade and other payables	8	-	2,084
Total current liabilities		-	2,084
Total liabilities		-	2,084
Net assets		7,536	19,916
Equity			
Issued capital	9	1,999,724	1,999,724
Accumulated Losses		(1,992,188)	(1,979,808)
Equity		7,536	19,916

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

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2019

	Issued capital	Accumulated losses	Share based payments reserve	Total
	$	$	$	$
Balance at 1 July 2017	1,999,724	(1,917,166)	-	82,558
Comprehensive Income				
Loss for the year	-	(62,642)	-	(62,642)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	(62,642)	-	(62,642)
Balance at 30 June 2018	1,999,724	(1,979,808)	-	19,916
Balance at 1 July 2018	1,999,724	(1,979,808)	-	19,916
Comprehensive Income				
Loss for the year	-	(12,380)	-	(12,380)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	(12,380)	-	(12,380)
Balance at 30 June 2019	1,999,724	(1,992,188)	-	7,536

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

STATEMENT OF CASHFLOWS

YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(18,023)	(96,743)
Interest paid		-	(156)
Interest received		59	171
Sundry revenue from other activities		3,901	87,929
Net cash outflow from operating activities	14	(14,063)	(8,799)
Cash flows from financing activities			
Net (decrease) / increase in cash and cash equivalents held		(14,063)	(8,799)
Cash and cash equivalents at the beginning of the financial year		21,599	30,398
Cash and cash equivalents at the end of the financial year	6	7,536	21,599

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

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

These financial statements of Erinbar Limited (or "the Company") for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' Report.

The registered office of the Company is located at 52 Ord Street, West Perth, Western Australia 6005.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial report is presented in Australian dollars.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial liabilities and financial assets.

Going concern

The financial statements have been prepared on the basis that the Company will continue to meet its commitments and can therefore continue normal business activities and realise assets and settle liabilities in the ordinary course of business at the amounts stated in these financial statements.

For the year ended 30 June 2019, the Company incurred an operating loss of $12,380 (2018: $62,642). The Company has recorded net assets of $7,536 as at 30 June 2019. This creates significant uncertainty that may cast doubt as to whether the Company will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial statements.

The Directors recognise that the ability of the Company to continue as a going concern and to pay its debts as and when they fall due is dependent on the ability of the Company to secure additional funding through either the issue of further shares and options, convertible notes, and the continual financial support of entities related to the directors.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

At the date of signing the financial report, the Directors consider there are reasonable grounds to believe that it can meet its debts as and when they fall due.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, or the amounts or classification of liabilities, which might be necessary should the Company not be able to continue as a going concern.

(b) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgements, estimates and assumptions of future events. The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are the going concern assumption (Note 2a).

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

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

(d) Borrowing costs

Borrowing costs, where applicable, will be (also elsewhere as appropriate) recognised as an expense when incurred, except to the extent that they relate to the acquisition of qualifying assets in which case they are capitalised.

(e) Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset as follows: Plant and equipment 3 - 5 years.

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

(f) Exploration and evaluation

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 where 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.

(g) Impairment

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(h) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

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

(i) Trade and other receivables

Trade and other receivables are generally receivable within 30-90 day terms, are recognised and carried at original amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are no longer recoverable.

(j) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently recorded with increases for interest charged, less any repayments made to the loan provider.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date.

(k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restoration

Provisions for future environmental restoration are recognised where there is a present obligation as a result of exploration, production, transportation or storage activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning mined strands and restoring the affected areas.

The provision of future restoration costs is the best estimate of the present value of the future expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at the Statement of Financial Position date, with a corresponding change in the cost of the associated asset. The amount of the provision for the future restoration costs are capitalised and depleted as a component of the cost of those activities. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

(l) Employee leave benefits

Wages, salaries and annual leave

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

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the 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 notional government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash flows.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition and are recognised at amortised cost.

(n) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of share proceeds received.

(o) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Statement of Financial Position date.

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

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

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

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

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

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(p) Earnings per share

Basic earnings per share is calculated as net profit / (loss) attributable to members of the Company,

adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares on issue, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit (loss) to members of the Company, adjusted for:

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

(q) Other taxes

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(r) Foreign currency translation

Both the functional and presentation currency of the Company and its joint arrangement is Australian dollars ($). Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the Statement of Financial Position.

(s) Share based payments

From time to time, the Company provides benefits to Senior Executives of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

The fair value is determined by an external valuer using the Black-Scholes or binomial method.

The cost of equity-settled transactions is recognised, together with the corresponding increase in equity, over the period in which the performance and /or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the profit or loss is the product of:

(i) the grant date fair value of the award;

(ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period; and

(iii) the expired portion of the vesting period.

The charge to the profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so.

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

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

(t) Changes to Accounting Policies

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2018, except for *AASB 16 Leases*, which is effective for annual periods beginning on or after 1 January 2019. These new standards and amendments have been applied in preparing these financial statements and none of them have had a significant effect on the financial statements of the Company.

AASB 9 Financial Instruments replaced the previous guidance in *AASB 139 Financial Instruments: Recognition and Measurement*. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from AASB 139.

The Company has adopted the new credit loss model in AASB 9 however there was no impact.

AASB 15 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced previous revenue recognition guidance, including *AASB 118 Revenue*, *AASB 111 Construction Contracts* and *IFRIC 13 Customer Loyalty Programmes*.

The Company has assessed the impact of AASB 15 and determined there was no impact.

AASB 16 Leases removes the lease classification test and required all leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees.

The Company has assessed the impact of AASB 16 and with no leases, has deemed the impact to be nil.

3. Other Income

	2019	2018
	$	$
Interest income	59	171
Other	3,500	-
	3,559	171

4. Loss Before Tax for the Year Includes the Following Expenses:

	2019	2018
	$	$
Interest expense:	-	156

5. Income Tax Expense

Numerical reconciliation between tax expense and pre-tax net loss	2019	2018
	$	$
(Loss) before tax	(12,380)	(62,642)
Income tax (benefit) at 30%	(3,714)	(18,793)
Gains / Losses not recognised	3,714	18,793
Income tax (benefit)/expense on pre-tax net loss	-	-

Deferred tax assets have not been recognised in respect of the following items:

Tax losses (at 30%)	29,151,432	29,139,052
Capital losses	-	-
	29,151,432	29,139,052

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise such benefits.

6. Cash and Cash Equivalents

	2019	2018
	$	$
Cash at bank and in hand	7,536	21,599

Cash at bank earns interest at floating rates based on daily bank deposit rates.

7. Trade and Other Receivables

	2019	2018
	$	$
Other receivables	-	401
	-	401

8. Trade and Other Payables

	2019	2018
Current	$	$
Other receivables	-	2,084
	-	2,084

9. Issued Equity

	2019	2018
	$	$
Share capital		
At the beginning of financial year	1,999,724	1,999,724
At the end of the financial year	1,999,724	1,999,724
	Number	Number
Fully paid ordinary shares		
At the beginning of the financial year	9,998,620	9,998,620
At the end of the financial year	9,998,620	9,998,620

Fully paid ordinary shares have the right to receive dividends as declared in proportion to the number of shares held. Fully paid ordinary shares have the right, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held.

Fully paid ordinary shares entitle their holders to vote, either in person or by proxy, at a meeting of the Company. On a poll, each fully paid ordinary share is entitled to one vote.

10. Auditor's Remuneration

	2019	2018
	$	$
Audit and review of financial reports (Greenwich & Co)	5,009	8,843
Taxation services	3,100	2,000
	8,109	10,843

11. Events Subsequent to Balance Date

In the opinion of the Directors there has not arisen in the interval between the end of the financial year and the date of this report, any matter or circumstance that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years, except for:

- Loans to the Company of $40,000 and $55,000 from Messrs Shervington and Jacobs respectively, for the purpose of funding ongoing expenses.

  The loans are repayable on demand once the next equity raising by the Company has occurred and attract an interest rate of 8% per annum accruing and compounding monthly in arrears, with the interest payable at the time of principal repayment. Loan amounts are convertible to equity at the election of the lenders on terms agreed by negotiation with the Company.

- A binding Term Sheet entered into by the Company under which it has the right to earn a 70% ownership interest in a 1,126km² gold exploration project ("The Ducie Project") located in the Bole-Nangodi Belt in Upper West Ghana.

  Under the farming arrangement, the Company can earn its interest by expending US$5M on eligible expenditure within 5 years of the Company being admitted to the official list of ASX, with US$3M to be spending within 2 years of listing.

Further information regarding this can be found on the Company's market announcement of 4 October 2019, accessible on the Company's website.

12. Earnings per Share

	2019	2018
	$	$
Earnings used to calculate basic and diluted earnings per share	(12,380)	(62,642)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	9,998,620	9,998,620

The calculation of diluted earnings per share does not include weighted potential ordinary shares on issue as they were not in the money at any time during the financial period.

13. Financial Instruments and Financial Risk Management Objectives and Policies

It is, and has been throughout previous years, the Company's policy that no speculative trading in derivatives shall be undertaken.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial liability and equity instrument are disclosed in Note 2 to the financial statements.

The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are cash flow risk, and liquidity risk. Management reviews and agrees policies for managing each of these risks which are summarized below.

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable. The sensitivity analysis has been prepared for the period ended 30 June 2019 using the amounts of debt and other financial assets and liabilities held as at the Statement of Financial Position date.

Foreign currency risk

There were no foreign currency loans outstanding at 30 June 2019.

Fair values

The fair values and carrying amounts for all of the financial assets of the Company as at 30 June 2018 and Company as at 30 June 2019 are the same.

Interest rate risk

The Company is not subject to any interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages this risk by monitoring its working capital position on a regular basis.

Capital Management

In order to maintain a solid capital base it is the Board's policy to maintain market, creditor, and investor confidence and meet growth demands of the Company. The board is currently reviewing its strategy for the future of the Company which will maximise return for shareholders. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

14. Reconciliation of Loss after Tax to Cash Flows from Operations

	2019	2018
	$	$
Operating (loss) after income tax	(12,380)	(62,642)
Adjustment for non-cash items:		
Depreciation - Plant & equipment	-	-
Loss on sale of Plant and Equipment	-	-
Changes in operating assets and liabilities relating to operating activities:		
Decrease/(Increase) in trade and other receivables	401	87,929
(Decrease) in trade and other payables	(2,084)	(34,086)
Net cash outflow from operating activities	(14,063)	(8,799)

15. Key Management Personnel

There are no remuneration paid to Key Management Personnel at 30 June 2018 and 30 June 2019.

During the year ended 30 June 2019, no Performance Rights were issued. The balance of Performance Rights at 30 June 2019 can be seen in the following table.

	Balance at 1 July 2018	Issued during the year	Lapsed during the year	Balance at 30 June 2019
Key management personnel	11,000,000	-	-	11,000,000
Other personnel	-	-	-	-
	11,000,000	-	-	11,000,000

16. Related Party Transactions

There were no other related party transactions during the year, except for the loans referred to in Note 11.

17. Segment Reporting

The Company operates the exploration and mining industry in Australia.

The Company operates predominantly in one geographical area. On this basis, the entire operations are considered to be those of only one segment for financial reporting purposes.

18. Commitments

a) Exploration commitments

There were no exploration commitments at 30 June 2019.

b) Lease commitments

There were no commitments at 30 June 2019.

DIRECTOR'S DECLARATION

In accordance with a resolution of the Directors of Erinbar Limited, I state that:

In the opinion of the Directors:

(a) The financial statements, notes and the additional disclosures included in the Directors' report are in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2019 and of the Company's performance for the year ended on that date;

(ii) Complying with Accounting Standards and *Corporations Regulations 2001,*

which as stated in Note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards.

(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.

On behalf of the Board.

J D Shervington
Chairman
Perth, 22 November 2019

Greenwich & Co

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Independent Audit Report to the members of Erinbar Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Erinbar Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; 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 as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter – Inherent uncertainty regarding continuation as a going concern

Without modifying our conclusion, we draw attention to Note 2 to the financial report, which describes that the ability of the company to continue as a going concern is dependent on its ability to raise additional capital to fund its business plans.

As a result, there is material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Other Information

The directors are responsible for the other information. The other information obtained at the date if this auditor's report is included in Directors' Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so,

consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens.

Nicholas Hollens
Managing Director
Perth
22 November 2019

CORPORATE DIRECTORY

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