AVIRA RESOURCES LIMITED

ANNUAL FINANCIAL REPORT

30 JUNE 2019

ACN 131 715 645

CORPORATE DIRECTORY 2019

DIRECTORS

David Deloub
Executive Director
David Wheeler
Non-Executive Chairman
Maciej Rosiewicz
Non-Executive Director

SHARE REGISTRY

Computershare Investor Services Pty Ltd
GPO Box 52, Melbourne, Victoria 3001
Telephone: 1300 552 270 (within Australia)
+61 3 9415 4000 (outside Australia)

COMPANY SECRETARY

Sonu Cheema

BANKERS

National Australia Bank

PRINCIPAL REGISTERED OFFICE

Avira Resources Limited
Level 9, 330 Churchill Avenue
Subiaco, WA 6008
Telephone: +61 8 6489 1600
Facsimile: +61 8 6489 1601
Email: reception@cicerocorporate.com.au
Web: www.aviraresourcesltd.com.au

SOLICITORS TO THE COMPANY

Steinepries Paganin
Level 4, The Read Buildings,
16 Milligan Street,
Perth WA 6000 Australia

STOCK EXCHANGE LISTING

Avira Resources Limited is listed on the Australian Securities Exchange Limited (ASX) under the code AVW.

AUDITORS

Mazars Risk & Assurance Pty Limited
Level 12, 90 Arthur Street
North Sydney, NSW 2060

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement for Avira Resources Limited can be found at the 'About Us', Corporate Governance.

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OPERATIONS REPORT

Overview

During the year, the Company continued to execute its phased exploration program on the Pyramid gold project locsted in Northern Queensland. The current program commenced in the first half of 2018 with subsequent phases continuing to provide valuable data assisting wih the detemination of drill targets with the ultimate objective of identifying a JORC complient resource. Additional details of this phased program are provided in the Operational activities sections below.

Operational Activities

Project Overview

The Pyramid Gold Project is located approximately 120 km southeast of Charters Towers, northern Queensland, in the Burdekin Dam – Sellheim River region, and comprises EPM 12887, EPM 25154 and EPM 19554 which are close to the north eastern margin of the Drummond Basin, near its contact with the Bulgonunna Block. Basement sequences of the Anakie Inlier are located to the west and within the eastern portion of the project area. The majority of historical exploration work has focused on EPM 12887.

The topography of the EPC 12887 is dominated by the West Pyramid Range and the parallel East Pyramid Range. The West Pyramid Range contains a plus 6km mineralized structure which extends from the Gettysberg and Sellheim prospects in the NNE to the Marrakesh and Pradesh prospects to the SSE. Gold and base metal mineralization, as defined by geological prospecting and surface sampling, occurs along the extent of this structure. The East Pyramid Range is characterized by Late Carboniferous to Permian age intrusive related hydrothermal systems, which are associated with prominent bulk tonnage gold systems in North Queensland. Mt Leyshon, Ravenswood-Mt Wright and Kidston are multi-million ounce examples of this style of mineralization in North Queensland.

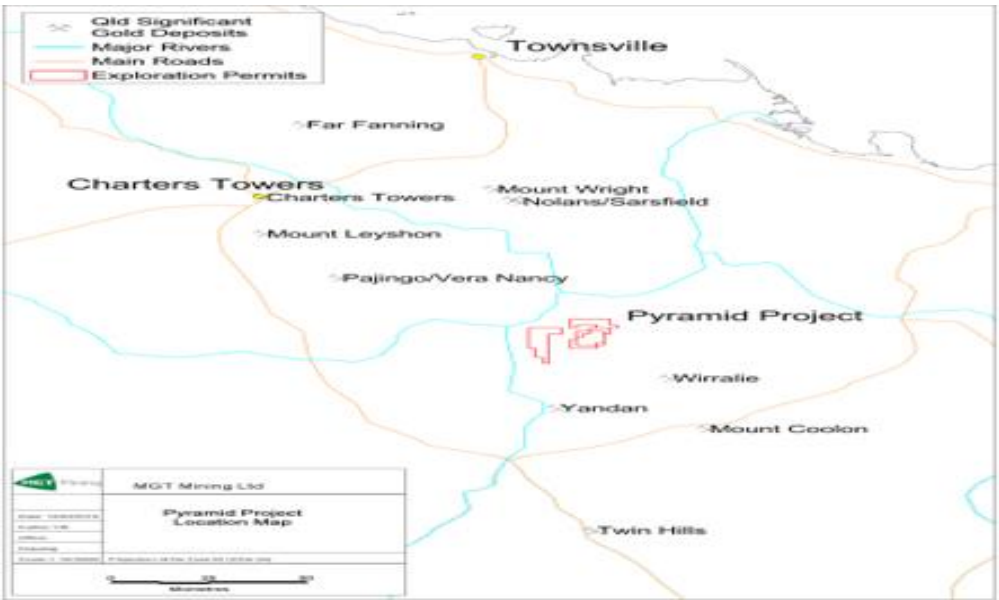

Figure 1. Location of the Pyramid Project in North East Queensland.

Pyramid exploration target

The recently targeted East Pyramid Range locations appear to contain clear cut high level intrusive related gold targets sharing similar surface expressions, mineralisation and alteration settings to the large scale, bulk tonnage gold systems of north Queensland, for example Mt Leyshon, Mt Wright, Kidston.

The structures identified to date appear to be gold bearing, but of a general low tenor, geochemical zoning is evident in wide space sampling undertaken over 20 years ago. More chemical elements and more efficient surveys are now possible because of advances in technology, satellite positioning and instrumentation.

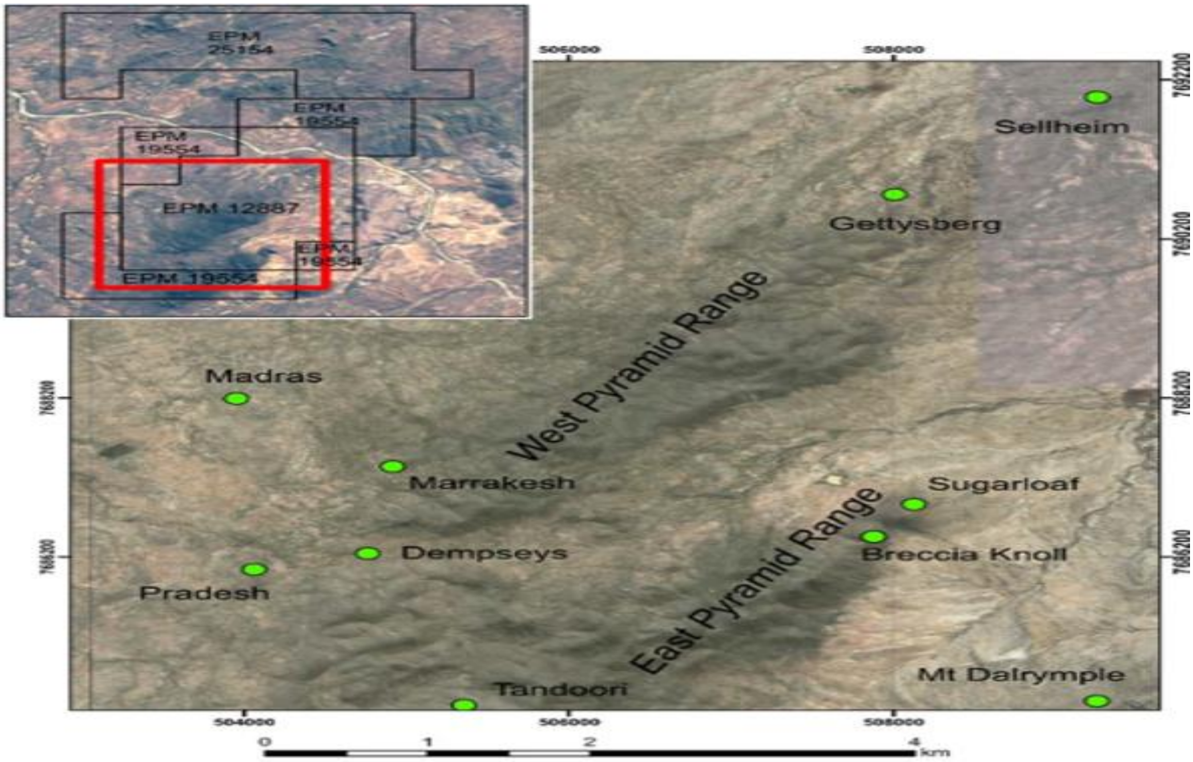

Figure 2. Location East Pyramid Range in relation to Pyramid Project area

East Pyramid Range Exploration program.

The initial phase of exploration undertaken by the Company in the area consisted of additional lag sampling including sub sampling prior to completing Au assays. XRF return pulp analysis and updating of geology map with soil, Lag and rock chip Au and multi element data surface sampling and geological prospecting within the East Pyramid Range area.

Results of the recent surface geochemical sampling and geological prospecting over the East Pyramid Range highlighted prospectively for intrusive related gold mineralisation. (Refer to March 2019 quarterly report).

In summary, the lag geochemical sampling and analysis undertaken in the March 2019 quarter identified a multi-element anomaly in the south east corner of the survey area , where high As, Fe, Pb, S suggest a mineralised potential structure noting that this anomaly was only present in the -80 mesh data and confirming the value of coarse fraction lag sampling. On this basis, follow up exploration activity was planned for the second quarter of 2019.

Planning for the subsequent phase of exploration field work commenced May 2019 with the field work competed in early July 2019. The time delay from original timetable was due to inclement weather conditions in region and a scarcity of available field crews.

The program consisted of extension of the previous soil survey to infill missing lines and extend lines in south east anomaly area including;

1. Ground follow up of high gold zones and points located by soil and lag sampling.
2. Ground follow up of the high As, Fe, Pb, S lag anomaly suggesting a potentially mineralised structure in the south east corner of the survey area.
3. Use of a combination of existing geological mapping, remote sensing and Principal Component Analysis (PCA) to better delineate geological boundaries and potentially mineralising structures.
4. Expansion of the area of coverage with a further soil sampling program.

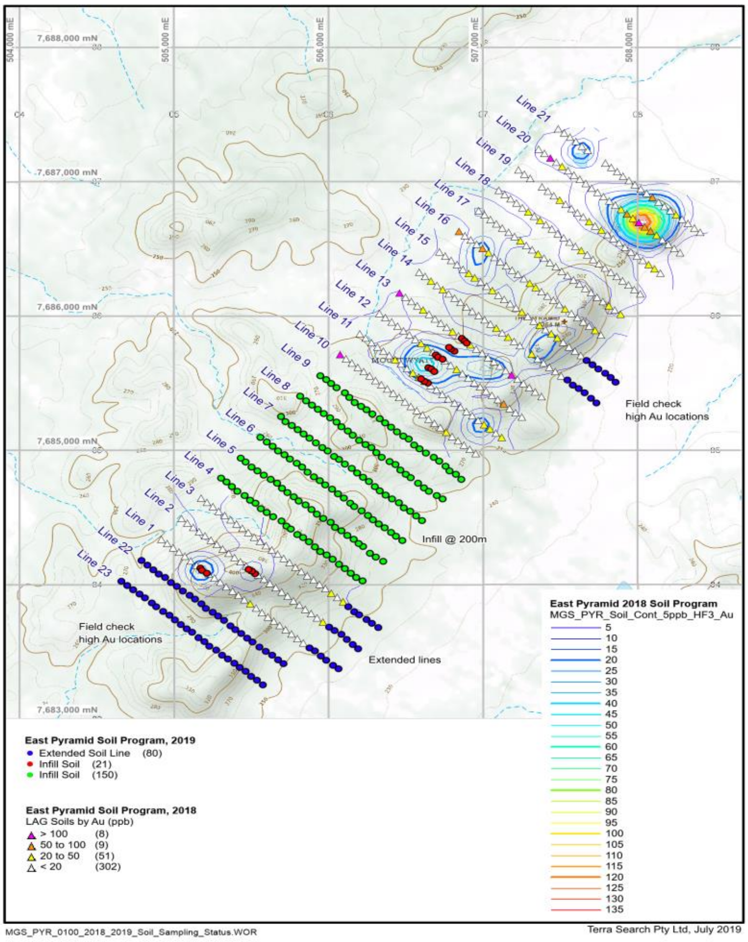

Figure 3. Map of geo-chem surveys conducted at East Pyramid Range.

The program was designed to infill gaps from previous geo-chem exploration undertaken by the company and to extend current coverage to the SE over the breccia, porphyry intrusions and identified surface gold zones from Tandoori to Sugarloaf.

Line spacing of 200m and 50m sample spacing resulting in 540 soil samples being collected including QA/QC to ensure JORC 2012 compliance (Refer to Figure 3.

Breakdown as follows;

I. 270 -80 mesh soil samples.
II. 270 -5mm + 2mm Coarse fraction/Lag samples.
III. 15 Rock chip samples.

Lag samples were delivered to the assay lab along with coarse -1mm soils to be sieved to -80mesh as a number of sites were too damp to collect -80mesh and had to be collected as -1mm.

As at report date, multi element geo-chem with PXRF data collected as part of the campaign is currently being collated and interpreted.

Depending on results received from current assay a Ground, magnetic survey over the East Pyramid Range extension will be considered to undertaken in the third quarter of 2019.

Southern Queensland Projects

No significant exploration work was undertaken on the Southern Queensland Project during the 30 June 2019 financial year.

Tenement Status (As at 30th June 2019)

Lease		Current Area	Area Units	Grant Date	Expiry Date	Holder	EA
Valetta							
ML 20066		1.5	Hectares	30-Jan-92	30-Jun-21	AVIR	EPSL00266113
Pyramid							
EPM12887		16	Sub-Blocks	5-Aug-04	4-Aug-20	MGTM	EPSX00705113
EPM19554		14	Sub-Blocks	16-Dec-14	15-Dec-19	MGTM	EPSX00705113
EPM25154		49	Sub-Blocks	23-Feb-15	22-Feb-20	AVIR	EPSX00899513
Southern Queensland							
EPM12834		4	Sub-Blocks	17-Dec-99	16-Dec-20	MGTM	EPSX00600613
EPM8402		4	Sub-Blocks	13-Nov-91	12-Nov-20	MGTM	EPSX0060071

Abbreviations	
EPMA	Exploration Permit for Minerals Application
EPM	Exploration Permit for Minerals

MLA	Mining Lease Application
ML	Mining Lease
MGS	MGT Resources Limited
MGTM	MGT Mining Limited, an unlisted Australian public company
QLD	Queensland, Australia

Corporate Activities

Annual general meeting

Avira Resources Limited held its annual general meeting on 30 November 2018. All resolutions put to shareholders were passed.

General meeting

Avira Resources Limited held general meeting on 31 August 2018. All resolutions put to shareholders were passed.

Board changes

On the 13 September 2018 the Company announced the resignation of Mr Jonathan Back as Non-Executive Chairman and the appointment of Mr David Wheeler as Non-Executive Chairman of the Company effective immediately. The Company intends to seek shareholder approval for the re-election as a Non-Executive Director that the forthcoming Annual General Meeting.

Funding

Though June 2018 the company entered into a series of Convertible Loan Agreements raising a total of $519,000. On 13 September 2018 the company completed a share placement of 448,666,667 fully paid ordinary shares at an issue price of $.003 for a total consideration of $1,346,000.

Suspension and reinstatement of trading

On 2 February, the Company was suspended from quotation in accordance with Listing Rule 17.3, as ASX has determined that the Company does not have sufficient operations to warrant the continued quotation of its securities. Following the suspension, the Company was subsequently reinstated to official quotation on 19 July 2018.

Conversion of a series of Convertible Loans to ordinary shares

On 13 September 2018 the Company announced that Lenders had converted a series of Loans totalling $519,000 at a conversion price of $0.003 for a total of 173,000,000 fully paid ordinary shares.

Annual Resources Statement

PROJECT	JORC Resource	JORC Category	Date Reported	SG	Cut Off

Yarrol Gold	273 000 tonnes grading 1.5 g/t gold	Indicated	Gallo 1996, Murray 1997	2.5	0.5 and 20 g/t top cut
	877 000 tonnes grading 1.5 g/t gold	Indicated	Gallo 1996, Murray 1997	2.5	0.5 g/t gold
Mount Steadman Gold	1 170 000 tonnes grading 0.95 g/t gold	Indicated	Gallo 1996	2.5	0.5 g/t gold

Table 1 Mineral Resource Estimates at 30 June 2019

Forward looking statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and our management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Ian Prentice. Mr Prentice is a consultant geologist for AVW and a member of the Australian Institute of Mining and Metallurgy. Mr Prentice has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Prentice consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

The Directors of Avira Resources Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names of the Directors in office at any time during or since the end of the financial year are:

The directors of Avira Resources Limited and its controlled entities (the "Group") in office during the full year, and until the date of this Report are set out below. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
David Wheeler	Non-Executive Chairman, appointed on 13 September 2018
David Ross De Loub	Executive Director, appointed on 30 November 2017
Maciej Rosiewicz	Non-Executive Director, appointed on 30 November 2018
Sonu Cheema	Company Secretary, appointed on 28 November 2017
Jonathan Paul Back	Director, resigned 13 September 2018
Gary Kuo	Director, resigned 28 November 2018

PRINCIPAL ACTIVITIES

The principal activities of the company and its consolidated entities during the financial year included exploration and evaluation activities. There were no significant changes in the nature of the principal activities during the year.

DIVIDENDS

There were no dividends paid or declared by the consolidated entity during the financial year.

REVIEW OF OPERATIONS

Please refer to Operations Report located on pages 4 to 8.

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has not been any matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY FUTURE DEVELOPMENTS

Disclosure of information regarding the likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL REGULATIONS

The operations and proposed activities of the consolidated entity are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the consolidated entity's activities are expected to have an impact on the environment. It is the consolidated entity's intention to conduct its activities to the required standard of environmental obligation, including compliance with all applicable environmental laws. Mining operations may have previously been conducted on some of the Company's project areas and old workings including tailings dumps may remain from these operations. There may be a liability to rehabilitate these areas, details in relation to the abandonment and restoration obligation are included in Note 1 (o) of the Notes to the financial statements.

INDEMNIFICATION OF OFFICERS AND AUDITORS

The Company has insured all the Directors of Avira Resources Limited and its controlled entities against liabilities incurred while performing duties as Directors or Officers to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount the amount of the premium paid. The consolidated entity has not indemnified its auditor.

INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT:

Mr David Wheeler – Non-Executive Chairman

Mr Wheeler has more than 30 years of Executive Management, Directorship, and Corporate Advisory experience. He is a foundation Director and Partner of Pathways Corporate a boutique Corporate Advisory firm that undertakes assignments on behalf of family offices, private clients, and ASX listed companies. David has successfully engaged in business projects in the USA, UK, Europe, NZ, China, Malaysia, Singapore and the Middle East. David is a Fellow of the Australian Institute of Company Directors and serves on public and private company boards currently holding a number of Directorships and Advisory positions in Australian ASX listed companies.

The Company advises that Mr Wheeler formally commenced as a director of the Company effective 13 September 2018. As a result, the Company intends to seek shareholder approval for the re-election of Mr Wheeler as director at the forthcoming Annual General Meeting.

Mr David Deloub – Executive Director

Mr Deloub has over 25 years of experience in the finance and corporate sectors and holds a degree in economics and post graduate qualifications in banking and finance. Mr Deloub was a director of Patersons Capital Partners, a boutique advisory firm focusing on strategic and financial advice to ASX listed small cap companies. He has considerable corporate finance, business development, management and operational experience in Australia, the United States and Africa.

Mr Maciej Rosiewicz – Non-Executive Director

Mr Rosiewicz has extensive experience in corporate finance with over a decade working in the sector spanning across stockbroking, corporate advisory and private equity. Over this time, he has gained experience in various industries working on projects in sectors including mining and mining services, energy, real estate and agriculture. In his previous role Mr Rosiewicz was an advisor at Clearwater Capital Partners, a Hong Kong based private equity firm with a credit focus on the Asia Pacific region. His role was to evaluate potential buyside opportunities, in both credit and equity, as well as exit strategies and asset management for Clearwater's portfolio companies. Prior to that he was an investment manager at Alto Capital where he worked in equity capital markets dealing with both retail and corporate clients on portfolio management, raising capital and corporate advisory. Mr Rosiewicz has a Bachelor degree from Edith Cowan University with a double major in Finance and Economics.

Mr Sonu Cheema – Chief Financial Officer and Company Secretary

Mr Cheema is a Certified Practising Accountant and has over 10 years experience as Company Secretary and Director of publicly listed companies within Australia and abroad.

DIRECTORS' MEETINGS

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

Directors	Directors' meeting eligible to attend	Attended
David Ross De Loub	4	4
Jonathan Paul Back	1	1
Gary Kuo	2	1
Maciej Rosiewicz	2	2
David Wheeler	3	3

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Information about the remuneration of directors and key management personnel are set out in the following tables.

Details of key management personnel

The directors and other members of key management personnel of the Group during the year were:

Name	Particulars
David Wheeler	Non-Executive Chairman, appointed on 13 September 2018
David Ross De Loub	Executive Director, appointed on 30 November 2017
Maciej Rosiewicz	Non-Executive Director, appointed on 30 November 2018
Sonu Cheema	Company Secretary, appointed on 28 November 2017
Jonathan Paul Back	Director, resigned 13 September 2018
Gary Kuo	Director, resigned 28 November 2018

(a)Key management personnel compensation

2019	Short-term employee benefit	Post-employment benefit		Long-term benefits	Share-based payments	
	Cash salary and fees	Superannuation	Termination benefit	Long Service Leave	Options	Total
	$	$	$	$	$	$
Directors						
David De Loub	91,731	6,270	-	-	-	98,001
Maciej Rosiewicz	33,727	-	-	-	-	33,727
David Wheeler	46,119	-	-	-	-	46,119
	171,577	6,270	-	-	-	177,847
Other key management personnel						
Sonu Cheema[1]	120,000	-	-	-	-	120,000
	120,000	-	-	-	-	120,000
Total	291,577	6,270	-	-	-	297,847

[1]The Group entered into an agreement with Cicero Corporate Services Pty Ltd (an entity in which Sonu Cheema is shareholder and director) (Cicero) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, book-keeping, company secretarial and administration services to the Company for a monthly fee of $10,000 plus GST.

2018	Short-term employee benefit	Post-employment benefit		Long-term benefits	Share-based payments	
	Cash salary and fees	Superannuation	Termination benefit	Long Service Leave	Options	Total
	$	$	$	$	$	$
Directors						
David De Loub	24,750	4,100	-	-	-	28,850
Jonathan Back	-	-	-	-	-	-
Gary Kuo	12,880	1,132	-	-	-	14,012
Christopher Chen	34,720	2,934	-	-	-	37,654
	72,350	8,166	-	-	-	80,516
Other key management personnel						
Sonu Cheema[1]	-	-	-	-	-	-
Jacqueline Butler	63,264	6,010	-	-	-	69,274
	63,264	6,010	-	-	-	69,274
Total	135,614	14,176	-	-	-	149,790

[1]The Group entered into an agreement with Cicero Corporate Services Pty Ltd (an entity in which Sonu Cheema is shareholder and director) (Cicero) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, book-keeping, company secretarial and administration services to the Company for a monthly fee of $10,000 plus GST.

(b)Executive contracts

Remuneration arrangements for Key Management Personnel are formalised in employment agreements or service contracts. The key terms of the executive's agreements/contracts are:

Name	**Contract duration**	**Notice period from Company**	**Notice period from the employee/contractor**
Executive Directors			
David De Loub	3 year Service Agreement commencing 15th Jan 2018	3 months	3 months

The Group entered into an agreement with Cicero Corporate Services Pty Ltd (an entity in which Sonu Cheema is shareholder and director) (Cicero) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, book-keeping, company secretarial and administration services to the Company for a monthly fee of $10,000 plus GST.

(c)Share-based compensation

a) Issue of shares

There were no shares issued as part of compensation during the year ended 30 June 2019.

All of the share options granted to the directors and other key management personnel have lapsed as at 30 June 2018. No ordinary shares of Avira Resources Limited were issued during the year end 30 June 2019 on the exercise of options granted under the Avira Resources Limited's Employee Option Plan. No further shares have been issued since that date.

c) Key management personnel equity holdings

Fully paid ordinary shares of Avira Resources Limited

None of the directors hold any shareholdings in the group for the year ended 30 June 2019.

2018	Balance at the start of the year No.	Received during the year on exercise of options No.	10:1 share consolidation	Net other change No.	Balance at the end of the year No.
Executive Directors					
David Ross De Loub (Direct)	-	-	-	-	-
Non-Executive Directors					
Jonathan Back (Direct)	6,502,973	-	-	6,502,973	13,005,946
Jonathan Back (Indirect)	30,000	-	-	30,000	60,000
Gary Kuo (Direct)	4,000	-	-	-	4,000
Gary Kuo (Indirect)	1,787,000	-	-	1,773,000	3,560,000

TRADING IN THE COMPANY'S SECURITIES BY DIRECTORS, OFFICERS AND STAFF

Upon listing on the ASX, the Board adopted a share trading policy which applies to all directors, officers and employees of Avira Resources Limited and its subsidiary companies. The policy was set up in order to avoid 'insider trading.' The trading policy restricts employees, directors and officers from trading in AVW securities during certain 'prohibited periods.' A full copy of the policy can be found at www.aviraresourcesltd.com.au

NON-AUDIT SERVICES

During the year, $15,000 exc GST (2018: $15,000 exc GST) of fees were earned by the auditors for non-audit services in relation to taxation compliance.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity or intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or any part of these proceedings. The consolidated entity was not party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 16 of the financial report. This directors' report has been made and signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

David Deloub
Executive Director
Dated: 26 September 2019

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AVIRA RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the year ended 30 June 2019, there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

MAZARS RISK & ASSURANCE PTY LIMITED

R. Megale

Rose Megale
Director
Sydney, 26 September 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Continuing operations			
Other Revenue		3,159	-
Cost of sales		-	-
Gross gain		3,159	-
Investment income	3	-	257,731
Other losses	4	-	(1,053,728)
Employee benefits expense	5	(198,880)	(159,072)
Depreciation and amortisation expense		-	(7,551)
Impairment gain/(losses)	10	(445,373)	(57,654)
Interest expense		(15,189)	(143,126)
Administration expense		(356,554)	(542,983)
Share options expense	24	-	(60,263)
Other expenses	5	(172,825)	(204,789)
Loss before tax		(1,185,660)	(1,971,435)
Income tax expense/(benefit)	6	-	-
Loss for the period from continuing operations			
Discontinued operations			
Loss for the year from discontinued operations	7	-	(98,403)
Loss for the year		**(1,185,660)**	**(2,069,838)**
Loss for the year is attributable to:			
Owners of the parent		(1,047,205)	(2,014,935)
Non-controlling interest		(138,455)	(54,903)
		(1,185,660)	**(2,069,838)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Loss for the period		**(1,185,660)**	**(2,069,838)**
Other comprehensive income/(loss)			
Items that may be reclassified to profit and loss			
Changes in the fair value of available-for-sale financial assets		-	-
Total comprehensive loss for the period		**(1,185,660)**	**(2,069,838)**
Total comprehensive loss for the year is attributable to:			
Owners of the parent		(1,047,205)	(2,014,935)
Non-controlling interest		(138,455)	(54,903)
		(1,185,660)	**(2,069,838)**
Loss per share			
From continuing and discontinued operations			
Basic (cents per share)	20	(0.13)	(0.92)
Diluted (cents per share)	20	(0.13)	(0.80)
From continuing operations			
Basic (cents per share)	20	(0.13)	(0.87)
Diluted (cents per share)	20	(0.13)	(0.76)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Current assets			
Cash and cash equivalents	21(a)	866,565	401,311
Other receivables	8	9,878	25,996
Other financial asset	9	-	8,603
Total current assets		876,443	435,910
Non-current assets			
Other financial assets	9	2,869	2,869
Exploration and evaluation expenditure	10	442,962	883,053
Plant & equipment	11	-	-
Total non-current assets		445,831	885,922
Total assets		1,322,274	1,321,832
Total liabilities			
Trade and other payables	12	100,006	152,110
Unsecured borrowings	13	3,645	519,000
		103,651	671,110
Total current liabilities		103,651	671,110
Total liabilities		103,651	671,110
Net assets/(liabilities)		**1,218,623**	**650,722**
Equity			
Issued capital	15(a)	30,464,114	28,710,553
Reserves	16	2,189,583	2,189,583
Retained earnings/(losses)	17	(30,413,273)	(29,366,068)
Equity attributable to owners of the parent		**2,240,424**	**1,534,068**
Non-controlling interest		(1,021,801)	(883,346)
Total equity		**1,218,623**	**650,722**

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

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

FOR THE FINANCIAL YEAR ENDED 30 June 2019

	Fully paid ordinary shares $	Retained earnings/ (losses) $	Reserves $	Non-controlling interest $	Total $
Balance at 1 July 2018	**28,710,553**	**(29,366,068)**	**2,189,583**	**(883,346)**	**650,722**
(Loss) for the period	-	(1,047,205)	-	(138,455)	(1,185,660)
Issuance for the year	1,346,000				1,346,000
Conversion of loan to equity	519,000	-	-	-	519,000
Issue of ordinary shares	(111,439)	-	-	-	(111,439)
Balance at 30 June 2019	**30,464,114**	**(30,413,273)**	**2,189,583**	**(1,021,801)**	**1,218,623**

	Fully paid ordinary shares $	Retained earnings/ (losses) $	Reserves $	Non-controlling interest $	Total $
Balance at 1 July 2017	**26,089,813**	**(27,440,116)**	**1,164,575**	**(828,443)**	**(1,014,171)**
(Loss) for the period	-	(2,014,935)	-	(54,903)	(2,069,838)
Other comprehensive income –					
Reclassification adjustment for loss included in Profit & Loss	-	-	1,053,728	-	1,053,728
Options issued	-	-	60,263	-	60,263
Equity derivative converted	-	88,983	(88,983)	-	-
Issue of ordinary shares	1,018,735	-	-	-	1,018,735
Capital raising costs	(77,564)	-	-	-	(77,564)
Issue of preference shares	1,679,569	-	-	-	1,679,569
Balance at 30 June 2018	**28,710,553**	**(29,366,068)**	**2,189,583**	**(883,346)**	**650,722**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(770,828)	(993,867)
Interest received		3,159	695
Net cash used in operating activities	21(b)	(767,669)	(993,172)
Cash flows from investing activities			
Payments for exploration costs		(5,283)	(70,286)
Net cash used in investing activities		(5,283)	(70,286)
Cash flows from financing activities			
Proceeds from issues of equity securities		1,346,000	1,098,304
Proceeds from borrowings – unsecured		3,645	519,000
Capital raising cost		(111,439)	(77,564)
Repayment of borrowings		-	(100,000)
Interest paid		-	(113,523)
Net cash provided by financing activities		1,238,206	1,326,217
Net (decrease)/increase in cash and cash equivalents		465,254	262,759
Cash at the beginning of the financial year		401,311	138,552
Cash at the end of the financial year	21(a)	**866,565**	**401,311**

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

1. Summary of significant accounting policies

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

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the group comply with international financial reporting standards.

These financial statements are for the consolidated entity consisting of Avira Resources Limited (the Company) and its subsidiaries (the Group).

(a) Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

Going concern
The full-year financial statements are prepared on a going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and liabilities in the normal course of business.

As at 30 June 2019 the consolidated entity incurred a net loss after tax of $1,185,660 and cash outflows from operating activities of $767,669. The ability of the Group to continue as a going concern and to pay their debts as and when they fall due is dependent in the Group's ability to raise additional funds through either debt financing, capital raising arrangements, refinancing options or asset sale.

The Group has a solid history of obtaining support from investors, including in very difficult financial markets. During the year ended 30 June 2019, the Group has successfully completed the following capital raising and debt extinguishment initiatives:

a) Avira Resources Limited announced the completion of a share placement to sophisticated investors of 448,666,667 fully paid ordinary shares at an issue price of

$0.003 per share, to raise $1,346,000 before costs on 13 September 2018.

b) On 13 September 2018 pursuant to the Convertible Loan aggregating $519,000 issued on 27 June 2018, the Company had issued 173,000,000 fully paid ordinary shares to these lenders at the same issue price as the shares issued under the Placement. The funds raised from the Convertible Loan and the Placement have been applied to operational activities and working capital.

Having regard to the above, the Directors have a reasonable expectation that the entity will have adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparation of the accounts.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are:

<u>Estimated useful lives of assets</u>

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties. In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

<u>Impairment of capitalised exploration expenditure</u>

The Group continues to monitor the capitalised exploration expenditure for indicators of impairment by comparing the assets' carrying value to their estimated fair values. The fair values are determined by independent professional valuers using recognised valuation techniques, including the yield method and the discounted cash flow method. The determination of the fair values require the use of estimates such as future cash flows from the assets and discount rates applicable to those assets. The estimates are based on local market conditions existing as at the reporting date. Refer to Note11.

<u>Allowance for amounts due from subsidiary</u>

The provision policy for doubtful debts of the Group is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of the subsidiary. If the financial conditions of the subsidiary were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

<u>Fair value of convertible notes</u>

Convertible notes are measured at fair value at the initial recognition. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. In respect of the liability component of convertible bonds, the market rate of interest is determined with reference to similar liabilities that do not have a conversion option. Where the terms of the conversion option are such that the conversion feature offers the shares at a price equivalent to market price, the conversion options do not meet the definition of an embedded derivative and bifurcation is not necessary.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Avira Resources Limited (''company'' or ''parent entity'') as at 30 June 2017 and entities controlled by the company for the year then ended. Avira Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability 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 Group. They are de-consolidated from the date that control ceases.

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group that are recorded in the statement of comprehensive income. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies 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 Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively. Investments in subsidiaries are accounted for at cost in the individual financial statements of the Company.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

<u>Interest income</u>
Interest revenue is accrued on a time basis, by reference to the principal outstanding and

at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(d) Income tax

Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax
Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period
Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

(f) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

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 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 Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(g) Financial liabilities

Compound instruments

The component parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Management and the Directors have assessed the terms and conditions of the convertible notes and have determined the conversion options are equity derivatives.

Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date (Refer to Note 14).

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

(h) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(i) Exploration and evaluation of assets

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

(i) The rights to tenure of the area of interest are current; and

(ii) At least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and

(b) Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource. General and administrative costs are allocated to, and included in, the cost of an exploration and evaluation asset, but only to the extent that those costs can be related directly to operational activities in the area of interest to which the exploration and evaluation asset relates. (Refer to Note 1(j)).

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation of asset may exceed its recoverable amount. Indicators of impairment on the capitalised exploration and avaluation assets include, but are not limited to:

- The period for which the entity has the right to explore in the specific areas has expired durng the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure of further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resource in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue suche activities in the specific area; and,
- Sufficient data exist to indicate that, although a development in the specific area is like;y to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(j) Trade and other payables

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

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Site Restoration
A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration and development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The Group records the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, dismantling operating facilities, closure of plant and restoration, reclamation and revegetation of affected areas.

Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The provision for future restoration costs is the best estimate of the expenditure required to settle the restoration obligation at the reporting date based on current legal and other requirements and technology. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. The carrying amount capitalised is amortised over the life of the related asset.

(m) Employee benefits

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

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Termination benefit
A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(n) Share-based payments arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 26.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) Where the amount of GST incurred is not recoverable from the taxation authority. It is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Or

(ii) For receivables and payables which are recognised inclusive of GST.

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

All cash outflows in respect of GST, including payments to suppliers and employees, payments for exploration and evaluation, property, plant and equipment, and payments for exploration inventory are included in payments to suppliers and employees from operation activities.

All cash inflows in respect of GST, including receipts from customers and receipts of GST paid by the company and subsequently refunded by taxation authorities are included in receipts from customers from operating activities.

All cash flows from investing activities and from financing activities are net of GST as all associated GST cash flows are included in operating activities.

(q) New accounting standards and interpretations

The accounting policies adopted are consistent with those of the previous financial years except the following which the Group adopted from 1 July 2018:

- AASB 9 Financial Instruments
- AASB 15 Revenue Contracts with Customers
- AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions

The adoption of this standard did not have any impact on the current period or any prior period and is not likely to affect future periods.

(r) New accounting standards and interpretations issued but not yet effective

- AASB 16 Leases.
  AASB 16 will be applied as of 1 July 2019, using what is known as the "modified retrospective" transition method, under which a liability is recognized at the transition date for an amount equal to the present value of the residual lease payments alone, offset against a right- of- use asset adjusted for the amount of prepaid lease payments or within accrued expenses; all the impacts of the transition will be deducted from equity. The standard provides for various simplification measures during the transition phase such as measures allowing the Group to exclude leases with a residual term of less than twelve months, exclude leases of low- value assets, continue applying the same treatment to leases that qualify as finance leases under AASB 17, and not capitalize costs directly related to signing leases.

  Management does not expect the adoption of the above standard to have an impact to the Group.

- Narrow scope amendments to AASB 9 and IAS 28 (AASB 2017 – 7)
- AASB Interpretation 23, Uncertainty over Income Tax Treatments
- Annual Improvements 2015 – 2017 Cycle (AASB 2018 – 1)
- Amendments to AASB 19 – Plan amendment, curtailment or settlement (AASB 2018 – 2)

(v) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

2. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk, currency risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on the financial performance of the Group.

The Group hold the following financial instruments:

	Consolidated 2019 $	Consolidated 2018 $
Financial assets		
Cash and cash equivalents	866,565	401,311
Other receivables	-	25,996
	866,565	427,307

	Consolidated 2019 $	Consolidated 2018 $
Financial liabilities		
Trade and other payables	100,006	152,110
Unsecured borrowings (Note 13)	3,645	519,000
	103,651	671,110

(a) Market risk

i. Foreign exchange risk

Group sensitivity – foreign exchange risk

The consolidated entity has no foreign currency exposure risk as at reporting date.

ii. Interest rate risk

The Group's exposure to interest rate risk is summarised in the table below:

	Weighted average effective interest rate	Non interest bearing	Floating interest	Fixed interest rate	Total
	2019 %	**2019 $**	**2019 $**	**2019 $**	**2019 $**
Financial assets					
Bank	1.6%	865,565	-	-	**865,565**
Financial liabilities					
Borrowings	11.3%	-	-	3,645	**3,645**

	Weighted average effective interest rate	Non interest bearing	Floating interest	Fixed interest rate	Total
	2018 %	**2018 $**	**2018 $**	**2018 $**	**2018 $**
Financial assets					
Bank	1.6%	401,311	-	-	**401,311**
Financial liabilities					
Borrowings	11.3%	-	-	519,000	**519,000**

Group sensitivity – interest rate risk

The Group has no material exposure to interest rate sensitivity for financial years ended 2019 and 2018.

(b) Credit risk

Credit risk is managed on a group basis and reviewed regularly. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, including outstanding receivables and committed transactions. As at 30 June 2019 there were no trade receivable balances.

Credit risk from balances with banks and financial institutions is regularly monitored and reviewed by The Board. No material exposure is considered to exist as the Group's policy is to invest its cash and cash equivalents with financial institutions having a credit rating of at least AA.

	Consolidated 2019 $	Consolidated 2018 $
Cash and bank balances:		
- Continuing operations	866,565	401,311
	866,565	401,311

(c) Foreign currency risk

During the period and prior period, the Group was not exposed to any foreign currency risk.

(d) Liquidity risk

Liquidity risk arises from the possibility that there will be sufficient funds available to make payment as and when required. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows.

Maturities of financial liabilities

The tables below analyses the Group's and the parent entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 June **2019**	**Less than 6 months $**	**6-12 months $**	**Between 1 & 2 years $**	**Between 2 & 5 years $**	**Over 5 years $**	**Total $**
Non interest bearing						
Trade and other payables	100,006	-	-	-	-	**100,006**
Fixed rate						
Borrowings - unsecured	3,645	-	-	-	-	**3,645**

30 June 2018	Less than 6 months $	6-12 months $	Between 1 & 2 years $	Between 2 & 5 years $	Over 5 years $	Total $
Non interest bearing						
Trade and other payables	152,110	-	-	-	-	**152,110**
Fixed rate						
Borrowings - unsecured	-	519,000	-	-	-	**519,000**

(e) Fair value of financial instruments

The directors have determined the fair value of its available-for-sale equity securities held using quoted prices on an active market.

The fair value of convertible notes is classified as Level 3 under the accounting standards due to there being one or more unobservable inputs (see Note 14).

	Consolidated 2019 $	Consolidated 2018 $
3. Investment income		
Interest revenue	3,159	866
Gain on extinguishment of loans (Note 8)	-	178,063
Loan forgiveness	-	62,131
Others	-	16,671
	3,159	257,731

4. Other gains and losses	Consolidated 2018 $	Consolidated 2018 $
Loss for the year has been arrived at after crediting the following gains and losses:		
Recyling of other comprehensive income to profit or loss	-	(1,053,728)
	-	(1,053,728)

On 26 September 2017, it was approved that the 16,949,176 shares held in Cauldron Energy Ltd (CXU) with a book value of $576,272 as at that date be used to settle the loan from Joseph Capital amounting to $500,000. Consequently, the revaluation reserve attached to the available-for-sale financial assets were recycled to profit or loss at the date of transfer.

5. Other expenses	Consolidated 2019 $	Consolidated 2018 $
Vehicle and freight costs	-	-
Travel expense	295	8,463
Legal and professional expense	160,815	177,409
Directors fees	-	18,917
Other expenses	11,715	-
	172,825	204,789

	Consolidated 2019 $	Consolidated 2018 $
6. Income taxes		
Tax expense/(income) comprises:		
Current tax expense/(income) in respect of the current year	-	-

(a) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Loss before income tax	(1,185,660)	(2,069,838)
Income tax expense calculated at 30%	(355,698)	(620,951)
Effect of amounts that are not deductible (taxable) in determining taxable profit:		
Non-deductible/(taxable) items	133,612	20,161
	(222,086)	(600,790)
Tax losses and temporary difference not recognised	222,086	600,790
	-	-

	Consolidated 2019 $	Consolidated 2018 $
(b) Unused tax losses for which no deferred tax assets has been recognised	31,424,418	30,065,428
Potential tax benefit at 30%	9,427,325	9,019,628

7. Discontinued operations

7.1 Plan to dispose of the Mount Garnet mine site

On 22 August 2017, Niflheim Resources Pte Ltd signed a deed of termination and a transfer agreement agreeing to extinguish the $1,800,000 conditional secured converting note, via the transfer of the tin tenements and property, plant and equipment held at the Mount Garnet mine, to MGT Minerals Pty Ltd, an associated entity of Niflheim Resources Pte Ltd.

In 2017, an impairment loss of $172,360 has been recognised in MGT Mining Limited in respect of the transfer of tin assets and property, plant and equipment to Niflheim Resources Pte Ltd to extinguish the $1,800,000 conditional secured converting note. During the year, an additional $98,403 impairment loss was recognised because capitalised expenses incurred in relation to the maintenance tin assets are not recoverable from Niflheim Resources Pte Ltd.

	Consolidated 2019 $	Consolidated 2018 $
Loss for the year from discontinued operations		
Revenue	-	-
Other gains	-	-
Expenses	-	98,403
Loss before tax	-	98,403
Attributable income tax expense	-	-
Post-tax loss for the financial year	-	98,403

8. Other receivables	Consolidated 2019 $	Consolidated 2018 $
Current		
Prepayments and deposits	9,878	-
GST refund	-	25,996
	9,878	25,996

9. Other financial assets	Consolidated 2019 $	Consolidated 2018 $
Current		
Fair Value through profit or loss financial asset:		
Quoted Shares	-	8,603
Non-Current		
Available for sale investments carried at fair value:		
Quoted shares	2,869	2,869

	Consolidated 2019 $	Consolidated 2018 $
10. Exploration and evaluation expenditure		
Balance at the beginning of the year	883,053	870,421
Tenement write-back/ (impairment)	(445,373)	(57,654)
Expenditure incurred during the year	5,282	70,286
Reclassifed as held for sale (Note 8)	-	-
Balance at the end of the year	442,962	883,053

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The ultimate recoverability of exploration and evaluation expenditure is dependent upon the maintenance of minimum spend requirements to ensure that the exploration licences remain in good standing, the successful development and exploitation of the area of interest, or alternatively, by its sale.

During the year, the Group has recognised impairment loss of $445,373 based on management's best estimate of the recoverable value of tenements using market comparison approach.

11. Plant and Equipment

	Office equipment $	Mine infrastructure $	Motor vehicle $	Total $
At 30 June 2019				
Cost	528,846	-	-	528,846
Accumulated depreciation	(466,304)	-	-	(466,304)
Disposal of assets	-	-	-	-
Reclassified as held for sale (Note 8)	(62,542)	-	-	(62,542)
Net book value	-	-	-	-
Year ended 30 June 2018				
Balance at the beginning of the financial year:	93,215	-	-	93,215
Disposals	-	-	-	-
Depreciation expense	(30,673)	-	-	(30,673)
Reclassified as held for sale	(62,542)	-	-	(62,542)
Balance at the end of the financial year	-	-	-	-

	Consolidated 2019 $	Consolidated 2018 $
12.Trade and other payables		
Trade and other payables	84,277	112,786
Accrued expenses	15,729	39,324
	100,006	152,110

		Consolidated 2019 $	Consolidated 2018 $
13. Unsecured borrowings			
Current			
Unsecured loan	(i)	3,645	519,000
		3,645	519,000

(i) In June 2018, Avira Resources Limited has issued convertible notes aggregating $519,000 to several lenders. The salient terms of the convertible loans follow:

- Nominal interest rate is 12%;
- The loans mature on 31 August 2019;
- The loans are convertible to ordinary shares of Avira Energy Limited at a conversion price of the shares issued purusuant to the company's Capital Raising;

On 13 September 2018, the amount of $519,000 was converted to equity through the issuance of 173,000,000 shares at $0.003 per share. The remaining balance represents amount owing to MGT Mining Minerals Pty Ltd.

	Consolidated 2019 $	Consolidated 2018 $
14.Secured borrowings		
Current		
Opening balance	-	200,000
Secured loan repayment (i)	-	(200,000)
	-	-

(i) On 17 May 2017, Avira Resources Limited signed a $200,000 secured loan agreement with Niflheim Resources Pte Ltd, secured against the 95,638,256 shares that Avira Resources Limited holds in MGT Mining Limited. The secured loan expires within 3 months of issue. On 14 August 2017 Niflheim Resources Pte Ltd granted an extension to 22 August 2017. On 22 August 2017 a further extension was granted until 30 October 2017. The loan was paid back in full in January 2018, partly in cash and through the issue of 33,333,333 Shares (issued pursuant to resolution 3 as approved by shareholders at the general meeting held on 22 December 2017).

15. Issued capital	Consolidated 2019 $	Consolidated 2018 $
(a) Share capital		
1,000,000,000 fully paid ordinary shares (2018: 378,333,333)	30,464,114	28,710,553
	30,464,114	28,710,553

	No. of shares	No. of shares
(b) Movements in ordinary share capital		
Opening balance	378,333,333	48,306,640
Issuance of shares at $0.003/ share (2018: $0.003/share)	448,666,667	269,671,705
Conversion of loan to equity at $0.003/share (2018: $0.003/share)	173,000,000	33,333,333
Conversion of preference shares to equity (2018: $0.033/share and $0.19/share)	-	27,021,655
Total	1,000,000,000	378,333,333

	Consolidated 2019	Consolidated 2018
	No. of shares	Share Capital
(c) Movements in convertible preference shares		$
Opening balance	-	18,181,820
Issuance of preference shares (i)	-	8,839,835
Conversion of preference shares to equity (2018: $0.033/share and $0.19/share) (ii)	-	(27,021,655)
Total	-	-

(i) 8,839,835 Fully Paid Preference Shares issued to Armstrong Industries HK Limited following shareholder approval at a general meeting held on 26th September 2017. These shares are then converted to ordinary shares at a conversion price of $0.19 per share.

(ii) On 11 October 2017, the Group has converted the full outstanding preference shares to ordinary shares at an issue price of $0.33 and $01.19 per share. These shares were issued to Cloud Adventurer Limited, Marvel Network Limited and Armstrong Industries HK Limited.

Capital risk management

The group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' and 'trade and other payables' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position (including non –controlling interests) plus net debt.

The gearing ratios at 30 June 2019 and 30 June 2018 were as follows:

	Consolidated 2019 $	Consolidated 2018 $
Total borrowings, excluding provisions	3,645	671,111
Total secured and non-secured liabilities directly associated with assets classified as held for sale	-	-
Total borrowings	3,645	671,111
Cash and cash equivalents	(866,565)	(401,311)
Net debt	862,919	269,800
Total equity	1,218,623	650,722
Total capital	2,081,542	920,522
Net debt to equity ratio	41%	29%

16. Reserves

	Consolidated 2019 $	Consolidated 2018 $
Revaluation reserves on available for sale securities (a)	(8,862)	(8,862)
Share options reserve (b)	2,198,445	2,198,445
Embedded derivative on equity components (c)	-	-
	2,189,583	2,189,583

(a) Revaluation Reserve		
Balance at beginning of financial year	(8,862)	(1,062,690)
Revaluation decrements	-	-
Recylcing to profit or loss (Note 4)	-	1,053,728
	(8,862)	(8,862)
(b) Share options reserve		
Balance at beginning of financial year	2,198,445	2,138,182
Options expired during the year	-	-
Share options issued and vested	-	60,263
	2,198,445	2,198,445
(c) Equity derivative		
Balance at beginning of financial year	-	88,983
Equity derivative derecognized on expiry of convertible note or cpnverted	-	(88,983)
	-	-

The following reconciles the share options outstanding at the beginning and end of the year:

	2019		2018	
	No. of options	Weighted average exercise price $	No. of options	Weighted average exercise price $
Balance at beginning of year	57,727,728	0.010	7,727,728	0.010
Granted during the year (i)	-	-	50,000,000	0.010
Exercised during the year	-	-	-	-
Expired or cancelled during the year	-	-	-	-
Balance at end of the year	57,727,728		57,727,728	
Exercisable at end of year	57,727,728		57,727,728	

(i) On 16 September 2016, Cloud Adventurer Limited were issued with 36,363,637 unquoted options and Marvel Network Limited were issued with 36,363,637 unquoted options, all at nil consideration, exercisable at $0.001 each, into one ordinary share per option, on or before 16 September 2021, as approved by shareholders at a general meeting on 16 September 2016.

One fifth of options will vest cumulatively each year in the following manner:

(a) /5 of the options vested on 16 September 2016 and are exercisable from that date up until and including 16 September 2021.
(b) A further 1/5 of the options vest on 16 September 2017 and are exercisable from that date up until and including 16 September 2021.
(c) A further 1/5 of the options vest on 16 September 2018 and are exercisable from that date up until and including 16 September 2021.
(d) A further 1/5 of the options vest on 16 September 2019 and are exercisable from that date up until and including 16 September 2021.
(e) A further 1/5 of the options vest on 16 September 2020 and are exercisable from that date up until and including 16 September 2021.

Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
16 Sep 2016	16 Sep 2021	$0.001	$0.0294	-1/5 vest on 16 Sept 2016 -1/5 vest on 16 Sept 2017 -1/5 vest on 16 Sept 2018 -1/5 vest on 16 Sept 2019 -1/5 vest on 16 Sept 2020

The options were valued at $2,138,182 using the Black-Scholes pricing model. The key assumptions applied are set out below:

Volatility	116%
Risk free rate	2.01%
Exercise price	$0.001

17. Retained Earnings

Balance at beginning of financial year	(29,366,068)	(27,440,116)
Transfer to retained earnings	-	88,983
Net loss attributed to members of the parent entity	(1,047,205)	(2,104,935)
	(30,413,273)	(29,366,068)

18. Earnings per share	Consolidated 2019 Cents per share	Consolidated 2018 Cents per share
Basic earning per share		
From continuing operations	(0.12)	(0.87)
From discontinued operations	-	(0.005)
Total basis earnings per share	(0.12)	(0.92)
	Cents per share	Cents per share
Diluted earnings per share		
From continuing operations	(0.13)	(0.76)
From discontinued operations	-	(0.004)
Total diluted earnings per share	(0.13)	(0.80)

	Consolidated 2019 $	Consolidated 2018 $
Basic earning per share		
The earning and weighted average number of ordinary shares used in the calculation of basis earning per share are as follows:		
Net loss for the year	1,047,205	1,966,645
Earning used in the calculation of basic earning per share	1,047,205	1,966,645
Loss for the year from discontinued operations used in the calculation of basis earnings per share from discontinued operations	-	-
Earnings used in the calculation of basic earnings per share from continuing operations	1,047,205	(1,966,645)
	No.	**No.**
Weighted average number of ordinary shares for the purpose of basic earnings per share	872,260,274	219,300,649
Diluted earnings per share	**$**	**$**
The earning and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:		
Net loss for the year	1,185,660	2,069,838
Interest on convertible notes	-	-
Earning used in the calculation of diluted earnings per share	1,185,660	2,059,838
Loss for the year from discontinued operations used in the calculation of diluted earnings per share from discontinued operations	**-**	**-**
Earnings used in the calculation of diluted earnings per share from continuing operations	1,185,660	2,069,838
	No.	**No.**
Weighted average number of ordinary shares for the purpose of diluted earnings per share	872,260,274	251,093,925

Options attached to converting financial instruments were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

*The prior year weighted average number of ordinary shares has been adjusted for the 10:1 share consolidation which completed on 5 December 2016 in order to be consistent with current year presentation (Refer to Note 1).

19. Commitments

(a) Future exploration

MGT Mining Limited has certain uncontracted obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations.

The uncontracted commitments to be undertaken are as follows:

	Consolidated 2019 $	Consolidated 2018 $
No later than 1 year	490,000	418,025
Later than 1 year and not later than 5 years	295,000	370,000
Later than five years	-	105,000
	785,000	893,025

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, MGT Mining Limited has the option to negotiate new terms or relinquish the tenements. MGT Mining Limited also has the ability to meet expenditure requirements by joint venture or farm-in agreements.

20. Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

		Proportion of ownership interest and voting power held by the Group	
Name of subsidiary	**Country of incorporation**	**2018 %**	**2017 %**
MGT Mining Limited	Australia	89.48%	89.48%
Garimperos Pty Limited (i)	Australia	100.00%	100.00%
Avira Australia Pty Ltd (ii)	Australia	100%	-

(i) Garimperos Pty Limited is 100% owned by MGT Mining Limited.

(ii) MGT Resources Pty Ltd was registered as a wholly owned subsidiary of Avira Resources Limited on 2 September 2016. On 31 January 2017, MGT Resources Pty Ltd changed its name to Avira Australia Pty Ltd.

20.1 Non-controlling interests (NCI)

Set out below is summarised financial information for MGT Mining Limited that has non-controlling interests that are material to the group. The amounts disclosed for MGT Mining Limited are before inter-company eliminations.

MGT Mining Limited **Summarised balance sheet**	2019 $	2018 $
Assets		
Current assets	5,680	28,681
Non-current assets classified as held for sale	-	-
Total current assets	5,680	28,681
Non-current assets	384,086	811,264
Total assets	389,765	839,945
Liabilities		
Current liabilities	(10,108,515)	(9,236,765)
Non-current liabilities	-	-
Total liabilities	(10,108,515)	(9,236,765)
Net (liabilities)	(9,718,750)	(8,396,820)
Accumulated NCI	(1,021,801)	(883,346)
Summarised statement of comprehensive income		
Loss for the year	(1,318,617)	(521,894)
Loss for the year from discontinued operations	-	-
Total loss for the year	(1,318,617)	(521,894)
Other comprehensive income	-	-
Total comprehensive income	(1,318,617)	(521,894)
Loss allocated to NCI	(138,455)	(54,903)
Summarised cash flows		
Cash flow from operating activities	(6,894)	(606,315)
Cash flow from investing activities	-	-
Cash flow from financing activities	-	622,123
Net increase/(decrease) in cash and cash equivalents	(6,894)	15,808

21. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents included cash on hand and in bank. Cash and cash equivalents at the end of the financial year follows:

	Consolidated 2019 $	Consolidated 2018 $
Cash and cash equivalents	866,565	401,311
	866,565	401,311

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end for the financial year:

(b) Reconciliation of loss for the period to net cash flows from operating activities

	Consolidated 2019 $	Consolidated 2018 $
Loss for the year	(1,185,660)	(521)
Interest expense	-	143,126
Non-cash flow items:		
Impairment (gain)/loss	445,373	(289,388)
Related to discontinued operations	-	(98,403)
Depreciation expense	-	7,551
Issue of share options	-	1,025,008
(Increase)/decrease in other current assets	24,722	91,139
Increase/(decrease) in trade and other payables	(52,104)	197,122
Net cash from operating activities	(767,669)	1,075,534

(c) Non-cash Transactions

Non- cash transactions as at 30 June 2019 pertain to conversion of loan to equity amounting to $519,000.

22. Parent entity disclosure

(a) Financial position

	2019 $	2018 $
Assets		
Current assets	10,962,080	9,626,983
Less provision for bad debt (Intercompany)	(8,958,695)	(8,571,642)
Non-current assets	11,639,552	11,652,463
Less provision for impairment of MGT Mining Ltd	(10,940,564)	(10,940,564)
Total assets	2,702,373	1,767,240
Liabilities		
Current liabilities	(86,454)	(654,101)
Non-current liabilities	-	-
Total liabilities	(86,454)	(654,101)
Equity		
Issued equity	30,464,215	(28,710,551)
Retained earnings	(30,047,404)	29,796,520
Reserves	2,199,108	(2,199,108)
Total equ(ity	(2,615,919)	(1,113,139)

(b) Financial performance	Consolidated 2019 $	Consolidated 2018 $
Interest income	688,230	355,807
Other losses	-	(1,053,728)
Bad debt provision (Intercompany)	(387,053)	-
Administrative expenses	(552,061)	(782,801)
Share options issued	-	(60,263)
Total comprehensive income	(250,884)	(1,540,985)

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities during the current or prior periods.

(d) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has not entered into any guarantees in relation to the the debts of its subsidiaries.

23. Auditors remuneration	Consolidated 2019 $	Consolidated 2018 $
Audit services		
Audit and review of financial reports	38,000	53,000
Non-audit services	15,000	15,000
Total auditor's remuneration	52,000	68,000

24. Share-based payments

(a) Employee share option plan

The Group has an ownership-based compensation scheme for executives and senior employees. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees may be granted options to purchase ordinary shares at various exercise prices.

Each employee share option converts into one ordinary share of Avira Resources Limited (formerly MGT Resources Ltd) on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

25. Key management personnel compensation

The aggregate compensation made to directors and key management personnel of the company and the Group is set out below:

	Consolidated 2019 $	Consolidated 2018 $
Short-term employee benefits	291,577	149,790
Other long-term benefits	6,270	-
	297,847	149,790

26.Related party transactions

(i) Avira Resources Limited provided key management personnel services to MGT Mining Limited, the 89.48% subsidiary of Avira Resources Limited for a total value of $38,240 during the period to 30 June 2019.

(ii) The Group entered into an agreement with Cicero Corporate Services Pty Ltd (an entity in which Sonu Cheema is shareholder and director) (Cicero) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, book-keeping, company secretarial and administration services to the Company for a monthly fee of $10,000 plus GST.

27. Events occurring after the reporting period

There has not been any other matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTOR'S DECLARATION

The directors declare that:

(a) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity;

(c) In the directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

(d) The directors' have been given the declarations required by s.295A of the Corporations Act 2001.

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

On behalf of the Directors

David De Loub
Executive Director
Dated: 26 September 2019

MAZARS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVIRA RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Avira Resources Limited and its controlled entities (the "Group"), which comprises the statement of financial position as at 30 June 2019 and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, other 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 Group's financial position as at 30 June 2019 and of its financial performance for the year ended; and
(ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis of 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) to the financial statements which describe the uncertainty related to going concern. As at 30 June 2019 the consolidated entity incurred a net loss after tax of $1,185,660 and cash outflows from operating activities of $767,779.

The ability of the Group to continue as a going concern is dependent upon the Group's ability to generate sufficient working capital and successfully realise planned capital raising initiatives. Should the group fail to raise sufficient funds a material uncertainty exists which may cast significant doubt as to the Group's ability to continue as a going concern and therefore, the Group

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may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Emphasis of Matter Relating to Exploration and Evaluation Expenditure Assets

We draw attention to Note 10 to the financial statements which states that the recoverability of the Exploration and Evaluation expenditure asset is dependent upon the maintenance of minimum spend requirements, ensuring that the exploration licences remain in good standing, the successful development and exploitation of the area of interest, or alternatively, by sale. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the matter
Impairment assessment of capitalised exploration costs	
A substantial amount of the Group's total assets (34%) relate to identifiable intangible assets which are subject to impairment assessment in accordance with AASB 136, Impairment of Assets. These assets pertain to mining tenements and capitalised exploration and evaluation costs totalling approximately $0.44million. Management's impairment assessment of these assets are considered as key audit matter as they involve a high degree of management judgment as well as reliance on third party valuation experts.	Our audit procedures included: • Testing the reasonableness of the carrying value through the use of alternative valuation methods to support the directors assess-ments. • Testing the reasonableness of sales market transactions used in assessment of impair-ment;

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, 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 we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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EMAIL: audit@mazars.com.au

MAZARS RISK & ASSURANCE PTY LIMITED – ABN: 39 151 805 275
Liability limited by a scheme approved under Professional Standards Legislation

Report on the Remuneration Report

We have audited the Remuneration Report for the year ended 30 June 2019 as outlined on pages 12 to 14 of the financial report. 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.

Auditor's Opinion

In our opinion, the Remuneration Report of Avira Resources Limited for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

MAZARS RISK & ASSURANCE PTY LTD

R. Megale

Rose Megale
Director
Sydney, 26 September 2019

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ADDITIONAL STOCK EXCHANGE INFORMATION

The shareholder information set out below was applicable as at 26 September 2019.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security			
	Ordinary shares		Redeemable preference shares	Convertible notes
Holding	**Shares**	**Options**		
1 – 1,000	64	-	-	-
1,001 – 5,000	159	-	-	-
5,001 – 10,000	45	-	-	-
10,001 – 100,000	113	-	-	-
100,001 and over	164	5	-	-
	545	5	-	-

B. Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary Shares	
Name	**Number held**	**Percentage of issued shares (%)**
GREAT SOUTHERN FLOUR MILLS PTY LTD	135,000,000	13.50
SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	67,000,000	6.70
MR GAVIN JEREMY DUNHILL	49,000,000	4.90
MS LORAINE VON DER WEID-DE WECK	30,000,000	3.00
GEMELLI NOMINEES PTY LTD <GEMELLI FAMILY A/C>	25,000,000	2.50
SABRELINE PTY LTD <JPR INVESTMENT A/C>	25,000,000	2.50
MR ANTONY WILLIAM PAUL SAGE + MS LUCY FERNANDES SAGE <EGAS SUPER FUND A/C>	25,000,000	2.50
SCINTILLA STRATEGIC INVESTMENTS LTD	25,000,000	2.50
STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	25,000,000	2.50
SURF COAST CAPITAL PTY LTD <MINNIE P/F A/C>	25,000,000	2.50
MR JONATHAN MARK WILD	25,000,000	2.50
RANCHLAND HOLDINGS PTY LTD	24,666,667	2.47
HONG KONG JINGAOFENGDA BUSINESS CO LIMITED	23,520,000	2.35
JOSEPH ENERGY (HONG KONG) LTD	19,190,909	1.92
ZAMBEZI ENTERPRISES PTY LTD	17,500,000	1.75
RAVENHILL INVESTMENTS PTY LTD <HOUSE OF EQUITY A/C>	17,000,000	1.70
SAYERS INVESTMENTS	16,666,667	1.67
MR IAN ALASTAIR LEETE + MRS HELEN LEETE <THE LEETE FAMILY S/F A/C>	16,577,986	1.66
WIMALEX PTY LTD <TRIO S/F A/C>	15,000,000	1.50
JONATHAN PAUL BACK	13,005,946	1.30

C. Substantial Shareholders

The names of shareholders with relevant interests of 5% or more (of the voting power of those shares) are listed below:

	Ordinary Shares	
Name	**Number held**	**Percentage of issued shares (%)**
GREAT SOUTHERN FLOUR MILLS PTY LTD	135,000,000	13.50
SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	67,000,000	6.70

D. Unquoted Securities (Options)

	Unlisted Options	
	Number of Holders	**Number on Issue** (26 September 2019)
Options over ordinary shares issued	2	7,727,728
Options over ordinary shares issued	3	50,000,000

E. Schedule of Mineral Tenements

Lease		Current Area	Area Units	Grant Date	Expiry Date	Holder	EA
Valetta							
ML 20066		1.5	Hectares	30-Jan-92	30-Jun-21	AVIR	EPSL00266113
Pyramid							
EPM12887		16	Sub-Blocks	5-Aug-04	4-Aug-20	MGTM	EPSX00705113
EPM19554		14	Sub-Blocks	16-Dec-14	15-Dec-19	MGTM	EPSX00705113
EPM25154		49	Sub-Blocks	23-Feb-15	22-Feb-20	AVIR	EPSX00899513
Southern Queensland							
EPM12834		4	Sub-Blocks	17-Dec-99	16-Dec-20	MGTM	EPSX00600613
EPM8402		4	Sub-Blocks	13-Nov-91	12-Nov-20	MGTM	EPSX0060071