



# 2021

## Consolidated Annual Report

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ABN: 53 644 734 921

## DIRECTORS

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Mr Ian Middlemas  
Chairman

Mr George Merhi  
Technical Director

Mr Peter Woodman  
Non-Executive Director

Mr Mark Pearce  
Non-Executive Director

## COMPANY SECRETARY

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Mr Lachlan Lynch

## REGISTERED AND PRINCIPAL OFFICE

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Level 9, 28 The Esplanade, Perth WA  
6000  
Tel: +61 8 9322 6322  
Fax: +61 8 9322 6558

## AUDITOR

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William Buck Audit (WA) Pty Ltd

## SOLICITORS

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Thomson Geer

## BANKERS

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National Australia Bank Limited

## STOCK EXCHANGE LISTING

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Australian Securities Exchange

Fully Paid Ordinary Shares  
(ASX Code: PGD)

Listed Options  
(ASX Code: PGDO)

## SHARE REGISTER

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Automic Registry Services  
Level 2, 267 St Georges Terrace  
Perth WA 6000  
AUSTRALIA  
Tel: 1300 288 664

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## DIRECTORS' REPORT

The Directors of Peregrine Gold Limited present their report on the Group consisting of Peregrine Gold Limited (the “Company” or “Peregrine”) and the entities it controlled at the end of, or during, the period 30 September 2020 (date of incorporation of the Company) to 30 June 2021 (“Group”).

### DIRECTORS

The names and details of the Group's directors in office at any time during, or since the end of, the financial period are:

#### Current Directors

Mr Ian Middlemas	Chairman
Mr George Merhi	Technical Director (appointed 19 March 2021)
Mr Peter Woodman	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Unless otherwise stated, Directors held their office from 30 September 2020 (date of incorporation of the Company) until the date of this report.

### CURRENT DIRECTORS AND OFFICERS

#### **Mr Ian Middlemas** *B.Com, CA* *Chairman*

Mr Middlemas is a Chartered Accountant and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director of the Company on 30 September 2020. During the three year period to the end of the financial period, Mr Middlemas has held directorships in Apollo Minerals Limited (July 2016 – present), Paringa Resources Limited (October 2013 – present), Berkeley Energia Limited (April 2012 – present), Prairie Mining Limited (August 2011 – present), Salt Lake Potash Limited (January 2010 – present), Equatorial Resources Limited (November 2009 – present), Constellation Resources Limited (November 2017 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Gold Limited (September 2005 – present), Piedmont Lithium Limited (September 2009 – December 2020) and Cradle Resources Limited (May 2016 – July 2019).

#### **Mr George Merhi** *B.AppSc, DipEd, Cert 4 (Workplace Training & Assessment), MAusIMM* *Technical Director*

Mr Merhi is a geologist with over 35 years' of extensive experience and knowledge spent working in the Pilbara region. Mr Merhi previously held the position of Exploration Manager for both the Creasy Group and Novo Resources Limited and was responsible for identifying significant gold and iron ore occurrences throughout his time with both companies across their Pilbara tenements. Most recently, Mr Merhi has been involved in a number of junior exploration mining companies including Thor Mining PLC and Kairos Minerals Limited.

Mr Merhi was appointed Technical Director of the Company on 19 March 2021. During the three year period to the end of the financial period, Mr Merhi has not held any other ASX directorships.

#### **Mr Peter Woodman** *B.Sc. (Geology), MAusIMM* *Non-Executive Director*

Mr Woodman is a geologist with over 25 years' experience in exploration, development and operations in the resource sector. He is a graduate of the Australian National University and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr Woodman has worked for a number of mining companies during his extensive career in the resources sector and has been influential in major project acquisition and discovery. He has a strong background in management, exploration planning and execution, resource development and mining operations both in Australia and overseas.

Mr Woodman is currently Managing Director of Constellation Resources Limited and previously held the position of Chief Geologist at Regis Resources Limited where he oversaw exploration and resource development activities for its WA and NSW Projects. Prior to his role with Regis Resources Limited, he held positions with Papillon Resources Limited, Sovereign Metals Limited, Piedmont Lithium Limited, Samantha Gold NL, Ranger Minerals NL, Hellman & Schofield Pty Ltd, Centamin Egypt Limited and Kingsgate Consolidated Limited.

Mr Woodman was appointed a Director of the Company on 30 September 2020. During the three year period to the end of the financial period, Mr Woodman has held directorships in Constellation Resources Limited (April 2018 – present).

**Mr Mark Pearce** *B.Bus, CA, FCIS, FFin*  
*Non-Executive Director*

Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies and has worked for several large international Chartered Accounting firms. Mr Pearce is also a Fellow of the Governance Institute of Australia and a Fellow of the Financial Services Institute of Australasia.

Mr Pearce was appointed a Director of the Company on 30 September 2020. During the three year period to the end of the financial period, Mr Pearce has held directorships in Prairie Mining Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present), Constellation Resources Limited (July 2016 – present), Apollo Minerals Limited (July 2016 – February 2021), Salt Lake Potash Limited (August 2014 – October 2020), Odyssey Gold Limited (September 2005 – August 2020) and Piedmont Lithium Limited (September 2009 – August 2018).

**Mr Lachlan Lynch** *B.Com, CA, AGIA*  
*Company Secretary*

Mr Lynch is a Chartered Accountant who commenced his career at a large international Chartered Accounting firm and is currently a Financial Controller for the Apollo Group which is involved in a number of listed companies that operate in the resources sector. Mr Lynch was appointed as Company Secretary of Peregrine Gold Limited on 30 September 2020.

**PRINCIPAL ACTIVITIES**

The principal activity of the Group during the period consisted of the exploration for minerals, including the Pilbara Gold Project.

**OPERATING AND FINANCIAL REVIEW**

*About the Pilbara Gold Project*

The Group holds a 100% interest in the Pilbara Gold Project consisting of eight granted exploration licences (and six applications) covering a total of 1,547km<sup>2</sup> located on the Sylvania Inlier in the south west of the prolific Pilbara region situated approximately 30km south of Newman and approximately 1,000km north-north east of Perth at the southern edge of the Hammersley area of Western Australia (Figure 1). The tenements are neighbouring Capricorn Metal Limited's Karlawinda Gold Project ("Karlawinda") and are along trend of gold bearing anomalies consistent with those at Karlawinda.

The tenement package comprises a number of early stage tenements prospective for gold that historically have been underexplored and/or have had a focus on other metals such as iron ore. The Group considers that the tenements contain a number of anomalies that have been largely overlooked and warrant further investigation.

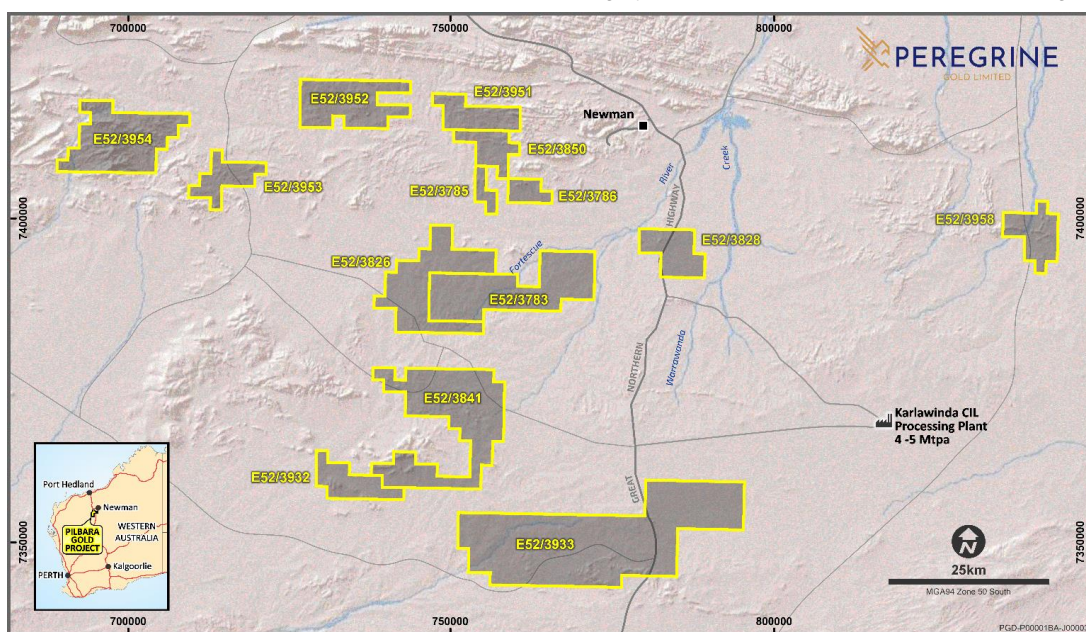


Figure 1: Pilbara Gold Project tenements location.

## EXPLORATION ACTIVITIES

### Reconnaissance exploration activities

During the period, the Group continued reconnaissance exploration activities on its recently acquired Pilbara Gold Project in the Pilbara region of Western Australia with the main intention being to assist in the identification of future potential drill targets. Activities included soil, stream sediment and rock chip sampling over the Group's granted tenement package with a focus on the follow up of specific anomalous creeks identified by previous exploration.

Of particular note, reconnaissance stream sediment sampling identified significant gold colours in pan concentrate (maximum 62 pieces) over a 750 metre strike length. Additionally, metal detecting identified a quartz-ironstone rock with abundant coarse (up to 4mm) and fine gold at one location (Figure 2).



Figure 2: Rock specimens with visible gold.

### Review of Previous Reconnaissance Stream Sediment Sampling – Stoney Creek

In April 2021, the Group acquired a 70% interest in exploration licence, E45/2763 in the Pilbara region of Western Australia. The tenement known as Stoney Creek is considered prospective for gold and base metal mineralisation, covering approximately 44km<sup>2</sup> in the East Pilbara district of Western Australia. The tenement is located approximately 200km south east of Port Hedland and approximately 55km south east of the town of Marble Bar.

Subsequently, the Group completed a review of reconnaissance stream sediment sampling programs undertaken in 2018 and 2019 and identified several high grade gold anomalous drainages with significant gold pieces received in the accompanying pan samples. The anomalous stream sediment gold results are along strike from a fault structure proximal to the historic Invincible Gold Mine located southwest of the Stoney Creek tenement.

The review noted that numerous stream sediment samples returned anomalous gold with a maximum response of 29ppm Au in one sample. Follow up sampling from upstream and downstream of the 29ppm Au sample has defined an 800 metre zone of significant anomalous stream sediment samples which warrant further exploration including trenching, rock sampling and drilling. Several other significant stream sediment gold anomalies are also located in other parts of the tenement, requiring follow up sampling.

## NEW FRONTIER ACQUISITION

On 2 July 2021, the Group announced that it had entered into a share sale agreement to acquire 100% of the issued capital of New Frontier Resources Pty Ltd (NFR), the holder of a number of projects throughout the Pilbara region of Western Australia including the Mallina Gold Project (Mallina).

Mallina comprises four tenements (three granted, one application) covering approximately 1,728km<sup>2</sup> of the Mallina Basin in the Northern Pilbara of Western Australia. De Grey Mining Limited's Hemi deposit is located approximately 120km to the southwest of the NFR tenements with historical geophysical data suggesting that the majority of the tenement package is underlain by the Mallina Formation. Mallina comprises one of the largest tenement holdings assembled within the Mallina Basin, of which three of four tenements were applied for prior to the discovery of Hemi. Hemi is identified as an intrusion hosted gold deposit which is a new style of gold mineralisation in the Pilbara region. These intrusions are hosted in the Mallina Formation within the Mallina Basin, part of the De Grey Superbasin.

There has been limited drilling and historical gold exploration conducted over the Mallina Gold Project. The limited geological understanding of Mallina has been derived through geophysical data with some previous interpretation utilised to obtain an overall understanding of the geology of the area.

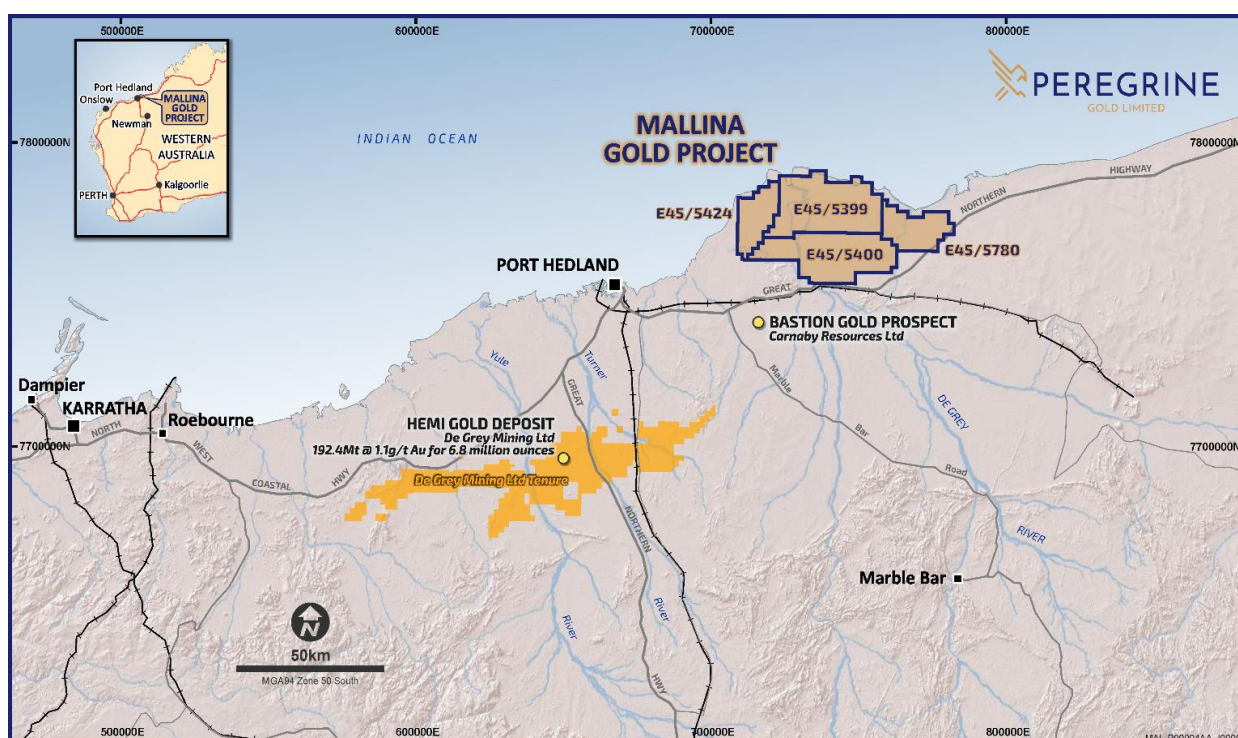


Figure 3: Location of Mallina Gold Project tenements.

## Corporate

The Company was incorporated on 30 September 2020.

### ASX Listing

Peregrine was successfully admitted to the ASX on 29 March 2021, following the completion of the Group's initial public offering. The initial public offering received strong support and closed oversubscribed with \$2.5 million raised (before costs) by way of the issue of 12,500,000 ordinary shares (with a 1 for 3 free attaching \$0.20 option). The Group previously raised \$3,275,304 via the issue of 16,376,523 ordinary shares (with a 1 for 3 free attaching \$0.20 option) as part of the in-specie distribution from its former parent entity, Odyssey Gold Limited (ASX: ODY).

### Completion of Acquisition of Pilbara Gold Exploration Pty Ltd

The Group completed the acquisition of 100% of the shares in Pilbara Gold Exploration Pty Ltd which holds the Pilbara Gold Project. As part of the completion of the acquisition of the Pilbara Gold Project, the Company appointed Mr George Merhi as a Technical Director. Mr Merhi is a geologist with over 35 years' of extensive experience and knowledge spent working in the Pilbara region.

### **Business Development**

Several additional opportunities have been reviewed during the period, and the Group will continue in its efforts to identify and acquire suitable new business opportunities in the resources sector, both domestically and overseas. However, no agreements have been reached or licences granted and the Directors are not able to assess the likelihood or timing of a successful acquisition or grant of any opportunities.

### **Business Strategies and Prospects for Future Financial Years**

The objective of the Group is to create long-term shareholder value through the discovery, development and acquisition of technically and economically viable mineral deposits.

To date, the Group has not commenced production of any minerals, nor has it identified a Mineral Resource in accordance with the JORC Code. To achieve its objective, the Group currently intends over the medium term to conduct further exploration activities including field work to follow up targets identified at the Pilbara Gold Project.

These activities are inherently risky and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely developments will be achieved. The material business risks faced by the Group that could have an effect on the Group's future prospects, and how the Group manages these risks include:

- **The Group's exploration programmes may not identify an economic deposit** - The Pilbara Gold Project Tenements are at an early stage of exploration and current/potential investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. The success of the Group depends, among other things, on successful exploration and/or acquisition of reserves, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining activities may also be hampered by force majeure circumstances, land claims and unforeseen mining problems. There is no assurance that exploration and development of the mineral interests owned by the Group, or any other projects that may be acquired in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. If such commercial viability is never attained, the Group may seek to transfer its property interests or otherwise realise value, or the Group may even be required to abandon its business and fail as a "going concern";
- **The Group's operations may be adversely affected by the COVID-19 pandemic** – The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange. To date, the COVID-19 pandemic has not had any material impact on the Group's operations, however, any infections occurring on site at the Group's projects could result in the Group's operations being suspended and otherwise disrupted for an unknown period of time, which may have an adverse impact on the Group's operations as well as adverse implications on the Group's future cash flows, profitability and financial condition. Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Group's operations, financial position and prospects. Governmental or industry measures taken in response to COVID-19 may materially adversely impact the Group's operations and are likely to be beyond the control of the Group. Whilst the measures imposed by Government or industry have not yet had a material adverse impact on the Group's operations future measures imposed by Government or industry may affect the Group's ability to freely move people and equipment to and from exploration projects, which may cause delays or cost increases;
- **The Group's exploration activities being delayed due to lack of available equipment and services** - The exploration activities of the Group require the involvement of a number of third parties, including drilling contractors, assay laboratories, consultants, other contractors and suppliers. Demand for drilling equipment and exploration related services in Western Australia is currently very high and has resulted in higher exploration costs, delays in completing the Group's exploration activities, and delays in the assessment and reporting of the results. The continued high demand for, and delays in undertaking exploration activities, is expected to result in increased exploration costs and increased working capital requirements for the Group and may have a material impact on the Group's operations and performance;

- **The Group's activities will require further capital** – the exploration and any development of the Group's exploration properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying, or the indefinite postponement of, exploration and any development of the Group's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Group;
- **The Group may be adversely affected by fluctuations in commodity prices** – the price of commodities fluctuate widely and are affected by numerous factors beyond the control of the Group. Future production, if any, from the Group's mineral properties will be dependent upon the price of commodities being adequate to make these properties economic. The Group currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Group's operations change, this policy will be reviewed periodically going forward; and
- **Global financial conditions may adversely affect the Group's growth and profitability** – many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Due to the current nature of the Group's activities, a slowdown in the financial markets or other economic conditions may adversely affect the Group's growth and ability to finance its activities.

## Results of Operations

The net loss of the Group for the period ended 30 September 2020 to 30 June 2021 was \$1,217,430. This loss is predominately comprised of \$687,879 of exploration and evaluation expenditure, attributable to the Group's accounting policy of expensing exploration and evaluation expenditure (other than expenditures incurred in the acquisition of the rights to explore) incurred by the Group and business development expenses (including amounts relating to the Group's ASX listing) of \$127,543. In the current period, the net loss also includes share based payments expenses totalling \$201,718 relating to incentive options. The fair value of the incentive options is recognised over the vesting period of the option.

## Financial Position

As at 30 June 2021, the Group had a net current asset surplus of \$4,545,757. At 30 June 2021, the Group had cash reserves of \$4,826,594 and borrowings of nil. At 30 June 2021, the Group had net assets of \$6,471,463.

## Dividends

No dividends were paid or declared since the start of the period. No recommendation for payment of dividends has been made.

## EARNINGS PER SHARE

	30 Sep 2020 to 30 Jun 2021 \$
Basic and diluted loss per share (\$ per share)	<b>(0.06)</b>

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities. There have been no known breaches of environmental laws and regulations by the Group during the financial period.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the period ended 30 June 2021 not otherwise disclosed.



## MEETINGS OF DIRECTORS

The number of meetings of Directors held during the period and the number of meetings attended by each Director was as follows:

Current Directors	Board Meetings Number Eligible to Attend	Board Meetings Number Attended
Mr Ian Middlemas	4	4
Mr George Merhi	1	1
Mr Peter Woodman	4	4
Mr Mark Pearce	4	4

There were no Board committees during the financial period. The Board as a whole currently performs the functions of an Audit Committee, Risk Committee, Nomination Committee, and Remuneration Committee, however this will be reviewed should the size and nature of the Group's activities change.

## DIRECTORS' INTERESTS

As at the date of this report, the Directors' interests in the securities of the Group are as follows:

	Shares <sup>1</sup>	Listed Options <sup>2</sup>	Unlisted Options <sup>3</sup>	Performance Shares <sup>4</sup>
Ian Middlemas	2,200,000	750,000	-	-
George Merhi	5,759,300	481,666	2,000,000	250,000
Peter Woodman	295,000	98,333	600,000	-
Mark Pearce	906,525	302,173	400,000	-

### Notes:

<sup>1</sup> 'Shares' means fully paid ordinary shares in the capital of the Group.

<sup>2</sup> 'Listed Options' means a listed option to subscribe for one Share in the capital of the Group.

<sup>3</sup> 'Unlisted Options' means an unlisted option to subscribe for one Share in the capital of the Group.

<sup>4</sup> 'Performance Share' means an unlisted performance share that converts to one Share in the capital of the Group upon the satisfaction of the relevant performance condition.

## SHARE OPTIONS

At the date of this report the following options have been issued over unissued Ordinary Shares of the Group:

- 10,719,767 Listed Options exercisable at \$0.20 each on or before 24 December 2023;
- 1,000,000 Unlisted Options exercisable at \$0.20 each on or before 24 December 2023\*;
- 900,000 Unlisted Options exercisable at \$0.25 each on or before 19 March 2024;
- 900,000 Unlisted Options exercisable at \$0.30 each on or before 19 September 2024;
- 600,000 Unlisted Options exercisable at \$0.40 each on or before 19 March 2025;
- 400,000 Unlisted Options exercisable at \$0.35 each on or before 3 May 2024; and
- 1,000,000 Unlisted Options exercisable at \$0.45 each on or before 27 August 2024.

\*Quotation to be sought for these options subject to 24 month ASX restricted escrow.

During the period 30 September 2020 to 30 June 2021, 8,940 Ordinary Shares were issued as a result of the exercise of Options. Subsequent to year end and until the date of this report, 46,665 Ordinary Shares have been issued as a result of the exercise of Listed Options.

## PROCEEDINGS ON BEHALF OF GROUP

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a part for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the period.

## REMUNERATION REPORT - AUDITED

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ("KMP") of the Group.

### Details of Key Management Personnel

The KMP of the Group during or since the end of the period were as follows:

#### Directors

Mr Ian Middlemas	Chairman
Mr George Merhi	Technical Director (appointed 19 March 2021)
Mr Peter Woodman	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

#### Other KMP

Mr Lachlan Lynch	Company Secretary
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Unless otherwise disclosed, the KMP held their position from 30 September 2020 (incorporation date of the Company) until the date of this report.

### Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors. In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- the Group is currently focussed on undertaking exploration, appraisal and development activities;
- risks associated with small cap resource companies whilst exploring and developing projects; and
- other than profit which may be generated from asset sales, the Group does not expect to be undertaking profitable operations until sometime after the commencement of commercial production of the project.

### Remuneration Policy for Executives

The Group's remuneration policy is to provide a fixed remuneration component and a performance based component (short term incentive and long term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

#### **Fixed Remuneration**

Fixed remuneration consists of base salary, as well as employer contributions to superannuation funds and other non-cash benefits.

Fixed remuneration is reviewed annually by the Board. The process consists of a review of Group and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

#### **Performance Based Remuneration – Short Term Incentive**

Some executives are entitled to an annual cash incentive payment upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the current size, nature and opportunities of the Group, the Board has determined that these KPI's will include measures such as successful commencement and/or completion of exploration activities (e.g. commencement/completion of exploration programs within budgeted timeframes and costs), establishment of government relationships (e.g. establish and maintain sound working relationships with government and officialdom), development activities (e.g. completion of infrastructure studies and commercial agreements), corporate activities (e.g. recruitment of key personnel and representation of the group at international conferences) and business development activities (e.g. corporate transactions and capital raisings).

These measures were chosen as the Board believes they represent the key drivers in the short and medium term success of the Project's development. On an annual basis, subsequent to period end, the Board assesses performance against each individual executive's KPI criteria. During the period 30 September 2020 to 30 June 2021, no bonuses were approved, paid, or are payable.

## **REMUNERATION REPORT – AUDITED (CONTINUED)**

### ***Performance Based Remuneration – Long Term Incentive***

The Board has or may issue incentive securities to some executives (if applicable) as a key component of the incentive portion of their remuneration, in order to attract and retain the services of any executives and to provide an incentive linked to the performance of the Group. The Board considers that for each executive who has or may receive securities in the future, their experience in the resources industry will greatly assist the Group in progressing its projects to the next stage of development and the identification of new projects. As such, the Board believes that the number of incentive securities to be granted to any executives will be commensurate to their value to the Group.

The Board has a policy of granting incentive securities to executives (if applicable) with exercise prices at and/or above market share price (at the time of agreement). As such, incentive securities granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Group increases sufficiently to warrant exercising the incentive securities granted.

Other than service-based vesting conditions, there are not expected to be additional performance criteria if incentive securities are granted to executives, as given the speculative nature of the Group's activities and the small management team responsible for its running, it is considered the performance of the executives and the performance and value of the Group are closely related. If other forms of incentive securities are issued, then performance milestones may be applied. The Company's Securities Trading Policy prohibits KMP from entering into arrangements to limit their exposure to Incentive Securities granted as part of their remuneration package.

During the period 30 September 2020 to 30 June 2021, the Group issued 2,400,000 incentive options to key management personnel.

### **Remuneration Policy for Non-Executive Directors**

The Board policy is to remunerate Non-Executive Directors at or below market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Group, incentive securities may be used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Total Directors' fees paid to all Non-Executive Directors are not to exceed \$250,000 per annum. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors may in limited circumstances receive incentive securities in order to secure their services.

Fees for the Chairman are presently \$36,000 and fees for other Non-Executive Directors are \$20,000 per annum plus superannuation. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Group.

### **Relationship between Remuneration of KMP and Shareholder Wealth**

During the Group's project identification, acquisition, exploration and development phases of its business, the Board anticipates that the Group will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly the Group does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore there is no relationship between the Board's policy for determining the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Group during the current period.

The Board did not determine the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current financial period. Discretionary annual cash bonuses, when applicable, will be based on achieving various non-financial key performance indicators to be determined by the Board. However, as noted above, KMP's may receive Incentive Securities which generally will only be of value should the value of the Company's shares increase sufficiently to warrant exercising the Incentive Securities.

## Relationship between Remuneration of KMP and Earnings

As discussed above, the Group is currently undertaking exploration and development activities and new project acquisitions, and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which are currently planned) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly the Board does not consider earnings during the current financial period when determining the nature and amount of remuneration of KMP.

In addition to a focus on operating activities, the Board is also focussed on finding and completing new business and other corporate opportunities. The Board considers that the prospects of the Group and resulting impact on shareholder wealth will be enhanced by this approach. Accordingly, a bonus may be paid upon successful exploration and development activities and/or completion of a new business or corporate transaction. No bonuses were declared in the current financial period.

Where required, KMP receive superannuation contributions, currently equal to 9.5% of their salary, and do not receive any other retirement benefit. This amount will be increased to 10% beginning 1 July 2021.

All remuneration provided to KMP is valued at cost to the Group and expensed. Incentive securities are valued using the Black Scholes option or Binomial valuation methodology. The value of these incentive securities is expensed over the vesting period.

## Remuneration of Key Management Personnel

Details of the nature and amount of each element of the remuneration of each director and KMP of the Group for the period 30 September 2020 to 30 June 2021 is as follows:

	Short-term		Post-employment	Share based Payments	Total	Performance Related
	Salary & Fees	Other	Super-annuation benefits	Value of Unlisted Securities		
2021	\$	\$	\$	\$	\$	%
<b>Directors</b>						
Mr Ian Middlemas	18,000	-	1,710	-	19,710	-
Mr George Merhi <sup>1</sup>	73,050	-	-	47,050	120,100	39
Mr Peter Woodman	10,000	-	950	30,304	41,254	73
Mr Mark Pearce	10,000	-	950	27,115	38,065	71
<b>Other KMP</b>						
Mr Lachlan Lynch <sup>2</sup>	-	-	-	27,115	27,115	100
<b>Total</b>	<b>111,050</b>	<b>-</b>	<b>3,610</b>	<b>131,584</b>	<b>246,244<sup>3</sup></b>	

**Notes:**

1. Mr Merhi was appointed 19 March 2021. Details of Mr Merhi's Services arrangement are included in the "Employment Contracts with Key Management Personnel" section below.
2. Mr Lynch provides services as the Company Secretary through a services agreement with Apollo Group Pty Ltd ('Apollo'). From 1 January 2021, Apollo is paid A\$15,000 per month for the provision of serviced office facilities and administrative, accounting and company secretarial services to the Group.
3. Remuneration for Messrs Middlemas, Woodman and Pearce commenced from 1 January 2021.

### Ordinary Shareholdings of Key Management Personnel

Details of the ordinary shares held by each director and KMP of the Group for the period 30 September 2020 to 30 June 2021 are as follows:

2021	Held at 30 Sep 2020 (#)	Granted as Remuneration (#)	Purchases (#)	Net Change Other (#)	Held at 30 June 2021 (#)
<b>Directors</b>					
Mr Ian Middlemas	-	-	1,334,375	865,625	2,200,000
Mr George Merhi	4,209,300 <sup>1</sup>	-	1,100,000	-	5,309,300
Mr Peter Woodman	-	-	250,000	45,000	295,000
Mr Mark Pearce	-	-	600,000	306,525	906,525
<b>Other KMP</b>					
Mr Lachlan Lynch	-	-	150,000	-	150,000
<b>Total</b>	<b>4,209,300</b>	<b>-</b>	<b>3,434,375</b>	<b>1,217,150<sup>2</sup></b>	<b>8,860,825</b>

**Notes:**

1. As at date of appointment, 19 March 2021.
2. "Net Change Other" amounts relates to securities received from the in-specie distribution of shares and options from Peregrine's former parent entity, Odyssey Gold Limited.

### Listed Option Holdings of Key Management Personnel

Details of the listed options held by each director and KMP of the Group for the period 30 September 2020 to 30 June 2021 are as follows:

2021	Held at 30 Sep 2020 (#)	Granted as Remuneration (#)	Purchases (#)	Net Change Other (#)	Held at 30 June 2021 (#)
<b>Directors</b>					
Mr Ian Middlemas	-	-	461,459	288,541	750,000
Mr George Merhi	- <sup>1</sup>	-	366,666	-	366,666
Mr Peter Woodman	-	-	83,333	15,000	98,333
Mr Mark Pearce	-	-	199,999	102,174	302,173
<b>Other KMP</b>					
Mr Lachlan Lynch	-	-	49,999	-	49,999
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,161,456</b>	<b>405,715<sup>2</sup></b>	<b>1,567,171</b>

**Notes:**

1. As at date of appointment, 19 March 2021.
2. "Net Change Other" amounts relates to securities received from the in-specie distribution of shares and options from Peregrine's former parent entity, Odyssey Gold Limited.

### Unlisted Option Holdings and Incentive Securities of Key Management Personnel

Details of the relevant incentive securities granted to or held by each director and KMP of the Group for the period 30 September 2020 to 30 June 2021 are as follows:

2021	Held at 30 Sep 2020 (#)	Granted as Remuneration (#)	Options exercised (#)	Options forfeited (#)	Net Change Other (#)	Held at 30 June 2021 (#)	Vested and exercisable (#)
<b>Directors</b>							
Mr Ian Middlemas	-	-	-	-	-	-	-
Mr George Merhi	- <sup>1</sup>	1,000,000	-	-	-	1,000,000	300,000
Mr Peter Woodman	-	600,000	-	-	-	600,000	200,000
Mr Mark Pearce	-	400,000	-	-	-	400,000	200,000
<b>Other KMP</b>							
Mr Lachlan Lynch		400,000	-	-	-	400,000	200,000
	-	<b>2,400,000</b>	-	-	-	<b>2,400,000</b>	<b>900,000</b>

**Notes:**

- As at date of appointment, 19 March 2021.

### Options Granted to Key Management Personnel

Details of the values of Incentive Options granted, exercised or lapsed for each KMP during the 2021 financial period are as follows:

2021	Value of Options Granted during the period \$	Value of Options exercised during the period \$	Value of Options included in remuneration for the period \$	Remuneration for the period that consists of Options %
<b>Directors</b>				
Mr George Merhi	113,900	-	47,050	39
Mr Peter Woodman	68,400	-	30,304	73
Mr Mark Pearce	45,800	-	27,115	71
<b>Other KMP</b>				
Mr Lachlan Lynch	45,800	-	27,115	100
<b>Total</b>	<b>273,900</b>	-	<b>131,584</b>	

Details of Incentive Options granted by the Group to each KMP during the period 30 September 2020 to 30 June 2021 are as follows:

2021	Options Granted	Grant Date	Vesting Date	Expiry Date	Exercise Price \$	Grant Date Fair Value <sup>1</sup> \$	No. Vested as at 30 June 2021	% vested	% forfeited
<b>Director</b>									
Mr George Merhi	300,000	19-Mar-21	19-Mar-21	19-Mar-24	\$0.25	\$0.1140	300,000	100	-
	300,000	19-Mar-21	19-Sep-22	19-Sep-24	\$0.30	\$0.1150	-	-	-
	400,000	19-Mar-21	19-Mar-23	19-Mar-25	\$0.40	\$0.1130	-	-	-
Mr Peter Woodman	200,000	19-Mar-21	19-Mar-21	19-Mar-24	\$0.25	\$0.1140	200,000	100	-
	200,000	19-Mar-21	19-Sep-22	19-Sep-24	\$0.30	\$0.1150	-	-	-
	200,000	19-Mar-21	19-Mar-23	19-Mar-25	\$0.40	\$0.1130	-	-	-
Mr Mark Pearce	200,000	19-Mar-21	19-Mar-21	19-Mar-24	\$0.25	\$0.1140	200,000	100	-
	200,000	19-Mar-21	19-Sep-22	19-Sep-24	\$0.30	\$0.1150	-	-	-
<b>Other KMP</b>									
Mr Lachlan Lynch	200,000	19-Mar-21	19-Mar-21	19-Mar-24	\$0.25	\$0.1140	200,000	100	-
	200,000	19-Mar-21	19-Sep-22	19-Sep-24	\$0.30	\$0.1150	-	-	-

The fair value of Incentive Options granted is estimated as at the date of grant using the Black Scholes option valuation model taking into account the terms and conditions upon which the Incentive Options were granted. The table below lists the inputs to the valuation model used for share options granted by the Group to the KMP in the previous table:

Inputs			
Exercise price	A\$0.25	A\$0.30	A\$0.40
Grant date share price	A\$0.20	A\$0.20	A\$0.20
Dividend yield <sup>1</sup>	-	-	-
Volatility	100%	100%	100%
Risk-free interest rate	0.11%	0.11%	0.30%
Grant date	19-Mar-21	19-Mar-21	19-Mar-21
Expiry date	19-Mar-24	19-Sep-24	19-Mar-25
Expected life of option <sup>2</sup>	3.0 years	3.5 years	4.0 years
Fair value at grant date	\$0.1140	\$0.1150	\$0.1130

**Notes:**

<sup>1</sup> The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

<sup>2</sup> The expected life of the options is based on the expiry date of the options.

**Employment Contracts with Key Management Personnel**

Peregrine has entered into an executive services agreement with Bann Geological Services Pty Ltd (Bann), a company associated with Technical Director, Mr George Merhi (Bann Agreement). Under the Bann Agreement, Mr Merhi is engaged by Peregrine to provide services to the Company as a Technical Director. Peregrine remunerates Bann for its services with a remuneration package comprising an amount of AUD\$150 per hour plus GST or an amount of \$1,500 per day plus GST when field work services are provided and reimbursement for reasonable expenses necessarily incurred by Bann in the performance of its services. The Bann Agreement can be terminated by Peregrine or Bann by the giving of one month's written notice of termination (or shorter period in limited circumstances).

All Directors have a letter of appointment confirming the terms and conditions of their appointment as Director of the Company.

## **REMUNERATION REPORT – AUDITED (CONTINUED)**

### **Other Transactions**

Peregrine has entered into an executive services agreement with Bann Geological Services Pty (Bann), a company associated with Technical Director, Mr George Merhi (Bann Agreement). Under the Bann Agreement, Peregrine incurs an amount of AUD\$2,000 per month plus GST in respect of Bann's use of premises which it will provide and reimbursement for reasonable expenses necessarily incurred by Bann in the performance of its services including the contracting of exploration field team services. From Mr Merhi's appointment to the Board as a Technical Director to 30 June 2021, Peregrine incurred fees to Bann of \$7,000 for use of premises and \$15,180 for exploration field team services.

Apollo Group Pty Ltd ("Apollo Group"), a Company of which Mr Mark Pearce is a director and beneficial shareholder, provides corporate, administration and company secretarial services and serviced office facilities to the Company under a services agreement. Either party can terminate the services agreement at any time for any reason by giving one month's written notice. From 1 January 2021, Apollo Group received a monthly retainer of \$15,000 (exclusive of GST) for the provision of these services. The monthly retainer is reviewed every six to twelve months and is based on Apollo Group's budgeted cost of providing the services to the Company (and other companies utilising same or similar services from Apollo Group) for the next six to twelve month period, with minimal mark-up (if any). Additionally, an amount of \$40,000 was paid to Apollo Group as a once off fee for assistance in the Company's listing on the Australian Securities Exchange.

### **Loans from Key Management Personnel**

No loans were provided to or received from Key Management Personnel during the period 30 September 2020 to 30 June 2021.

### **End of the audited Remuneration Report.**

## **SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

On 30 August 2021, the Group announced that it had completed the acquisition of New Frontier Resources Pty Ltd ("NFR"), the holder of the Mallina Gold Project ("Mallina") in the Pilbara region of Western Australia. The Group issued the following securities as consideration for 100% of the issued capital of NFR:

- 4,500,000 fully paid ordinary shares;
- 1,150,000 options exercisable at \$0.20 each on or before 24 December 2023 (consistent with the Company's existing listed options on issue);
- 1,000,000 performance shares, which vest and convert into fully paid ordinary shares upon the delineation of an independently assessed JORC Code inferred resource of at least 500,000 ounces of gold at a minimum resource grade of 1g/t Au (or equivalent, with a cut-off grade of 0.5g/t) at the Mallina Gold Project, expiring 27 August 2026; and
- 1,500,000 performance shares, which vest and convert into fully paid ordinary shares upon the delineation of an independently assessed JORC Code inferred resource of at least 1,000,000 ounces of gold at a minimum resource grade of 1g/t Au (or equivalent, with a cut-off grade of 0.5g/t) at the Mallina Gold Project, expiring 27 August 2026.

In accordance with *AASB 3 Business Combinations*, the acquisition of NFR is likely to be accounted for as an asset acquisition and a share-based payment transaction under *AASB 2 Share Based Payments*. A detailed assessment of this transaction from an accounting perspective is on-going.

On 27 August 2021, the Group issued 1,000,000 unlisted incentive options exercisable at \$0.45 each on or before 27 August 2024 to Technical Director, Mr George Merhi.

As at the date of this report, other than previously stated, there are no other matters or circumstances which have arisen since 30 June 2021 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2021, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2021, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2021, of the Group.



## **INDEMNIFICATION AND INSURANCE OF OFFICERS**

The Group has entered into Deeds of Indemnity with the Directors indemnifying them against certain liabilities and costs to the extent permitted by law. The Group has paid, or agreed to pay, premiums totalling \$18,447 in respect of Directors' and Officers' Liability Insurance and Company Reimbursement policies relating to the period, which cover all Directors and officers of the Group against liabilities to the extent permitted by the Corporations Act 2001. The policy conditions preclude the Group from any detailed disclosures.

## **NON-AUDIT SERVICES**

Other non-audit services of \$6,600 provided by William Buck Consulting (WA) Pty Ltd (a related entity to William Buck Audit (WA) Pty Ltd), relate to the Investigating Accountant's Report included in the Group's Replacement Prospectus.

The Directors are satisfied that the provision of non-audit services in the period is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of the non-audit services provided means that auditor independence was not compromised.

## **AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration for the the period 30 September 2020 to 30 June 2021 has been received and can be found on page 16 of the Directors' Report.

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

For and on behalf of the Directors



**GEORGE MERHI**  
**Technical Director**

2 September 2021

## **COMPETENT PERSONS STATEMENT**

The information in this report that relates to Exploration Results (Pilbara Gold Project and Stoney Creek) is extracted from ASX announcements dated 16 June 2021 and 2 June 2021. These announcements are available to view at the Company's website on [www.peregrinegold.com.au](http://www.peregrinegold.com.au). The information in the original ASX Announcements that related to Exploration Results (Pilbara Gold Project and Stoney Creek) was based on, and fairly represents information compiled by George Merhi, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Merhi is a Technical Director of Peregrine Gold Limited and a holder of shares, performance shares and options in Peregrine. Mr Merhi has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity being undertaken, 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). The Company confirms that it is not aware of any information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in this report that relates to Exploration Results (Mallina Gold Project) is extracted from an ASX Announcement dated 2 July 2021. This announcement is available to view at the Company's website on [www.peregrinegold.com.au](http://www.peregrinegold.com.au). The information in the original ASX Announcement that related to Exploration Results (Mallina Gold Project) was compiled by Amanda Buckingham, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Ms Buckingham is a Principal of Fathom Geophysics, an independent consulting company. Ms Buckingham has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity being undertaken, 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). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## **FORWARD LOOKING STATEMENTS**

Statements regarding plans with respect to Peregrine's project are forward-looking statements. There can be no assurance that the Company's plans for development of its projects will proceed as currently expected. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PEREGRINE GOLD LIMITED**

I declare that, to the best of my knowledge and belief during the period ended 30 June 2021 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.

....

*William Buck*

William Buck Audit (WA) Pty Ltd  
ABN 67 125 012 124

*CM*

Conley Manifs  
Director  
Dated this 2<sup>nd</sup> day of September, 2021

**ACCOUNTANTS & ADVISORS**

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(WB019\_2007)



**STATEMENT OF CONSOLIDATED PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
FOR THE PERIOD 30 SEPTEMBER 2020 TO 30 JUNE 2021



	Notes	30 Sep 2020 to 30 Jun 2021 \$
Interest income		7,281
Exploration and evaluation expenses		(687,879)
Business development expenses		(127,543)
Administration expenses		(207,571)
Share based payments expenses	13	(201,718)
<b>Loss before income tax</b>		<b>(1,217,430)</b>
Income tax expense	4	-
<b>Loss for the period</b>		<b>(1,217,430)</b>
<b>Loss attributable to members of Peregrine Gold Limited</b>		<b>(1,217,430)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(1,217,430)</b>
<b>Total comprehensive loss attributable to members of Peregrine Gold Limited</b>		<b>(1,217,430)</b>
Basic and diluted loss per share attributable to the ordinary equity holders of the group (\$ per share)	12	<b>(0.06)</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CONSOLIDATED FINANCIAL POSITION**  
AS AT 30 JUNE 2021



	Notes	2021 \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	11(b)	4,826,594
Other receivables	3	91,003
<b>Total Current Assets</b>		<b>4,917,597</b>
<b>Non-Current Assets</b>		
Exploration and evaluation assets	5	1,925,706
<b>Total Non-Current Assets</b>		<b>1,925,706</b>
<b>TOTAL ASSETS</b>		<b>6,843,303</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	6	371,840
<b>Total Current Liabilities</b>		<b>371,840</b>
<b>TOTAL LIABILITIES</b>		<b>371,840</b>
<b>NET ASSETS</b>		<b>6,471,463</b>
<b>EQUITY</b>		
Contributed equity	7	7,364,175
Reserves	8	324,718
Accumulated losses	9	(1,217,430)
<b>TOTAL EQUITY</b>		<b>6,471,463</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CONSOLIDATED CHANGES IN EQUITY**  
FOR THE PERIOD 30 SEPTEMBER 2020 TO 30 JUNE 2021



	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	Total Equity \$
<b>2021</b>				
<b>Balance at 30 September 2020</b>	-	-	-	-
Net loss for the period	-	(1,217,430)	-	(1,217,430)
<b>Total comprehensive income/(loss) for the period</b>	-	(1,217,430)	-	(1,217,430)
<b>Transactions with owners recorded directly in equity</b>				
Issue of shares – In-specie Distribution	3,275,304	-	-	3,275,304
Issue of shares – Initial Public Offering	2,500,000	-	-	2,500,000
Issue of securities – Pilbara Gold Project	1,700,000	-	123,000	1,823,000
Issue of shares – Stoney Creek	45,000	-	-	45,000
Issue of shares – Exercise of options	1,788	-	-	1,788
Share issue costs	(157,917)	-	-	(157,917)
Share based payment expense	-	-	201,718	201,718
<b>Balance at 30 June 2021</b>	<b>7,364,175</b>	<b>(1,217,430)</b>	<b>324,718</b>	<b>6,471,463</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CONSOLIDATED CASH FLOWS**  
FOR THE PERIOD 30 SEPTEMBER 2020 TO 30 JUNE 2021



	Notes	30 Sep 2020 to 30 Jun 2021 \$
<b>Operating activities</b>		
Interest received from third parties		7,281
Payments to employees and suppliers		(754,255)
<b>Net cash flows used in operating activities</b>	11(a)	<b>(746,974)</b>
<b>Investing activities</b>		
Payments for exploration and evaluation assets		(57,707)
<b>Net cash flows used in investing activities</b>		<b>(57,707)</b>
<b>Financing activities</b>		
Proceeds from issue of ordinary shares	7	5,775,304
Proceeds from issue of ordinary shares upon exercise of options	7	1,788
Share issue costs	7	(145,817)
<b>Net cash flows from financing activities</b>		<b>5,631,275</b>
Net increase in cash and cash equivalents		4,826,594
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>	11(b)	<b>4,826,594</b>

The accompanying notes form part of these financial statements.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial report of Peregrine Gold Limited (“Peregrine” or “Group”) for the period 30 September 2020 (incorporation date of the Company) to 30 June 2021 are stated to assist in a general understanding of the financial report. Peregrine is a Company limited by shares, incorporated and domiciled in Australia. The financial report of the Group for the period 30 September 2020 to 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 20 August 2021.

### (a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (“AASBs”) and interpretations adopted by the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. The financial statements comprise the financial statements of the Company and the entities it controlled at the end of, or during, the period. For the purposes of preparing the financial statements, the Group is a for-profit entity. The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars.

### (b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

In the current financial period, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are mandatory for the current annual reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### (c) Issued standards and interpretations not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ended 30 June 2021. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group’s financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Group
<i>AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 January 2022	1 July 2022
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	1 January 2023	1 July 2023
<i>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date</i>	1 January 2023	1 July 2023

### (d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Peregrine as at 30 June 2021 and the results of all subsidiaries for the period 30 September 2020 to 30 June 2021. Peregrine and its subsidiaries together are referred to as the Group.

Control is only achieved when the Group has the power over the investee (i.e. ability to direct relevant activities of the investee), is exposed, or has rights, to variable returns from its involvement with the investee, and when it has the ability to use its power to affect its returns. When the Group has less than a majority of the voting rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders, the potential voting rights held by the Company, other vote holders or other parties and any rights arising from other contractual arrangements. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. 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. Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Entity, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements of the Company.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

**(f) Trade and Other Receivables**

Trade receivables are recognised and carried at original invoice amount less an expected credit loss provision. An estimate for the expected credit loss is made based on the historical risk of default and expected loss rates at the inception of the transaction. Inputs are selected for the expected credit loss impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates.

**(g) Payables**

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 30 days.

**(h) Earnings per Share**

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the Group for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Group.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential Ordinary Shares and the effect on revenues and expenses of conversion to Ordinary Shares associated with dilutive potential Ordinary Shares, by the weighted average number of Ordinary Shares and dilutive Ordinary Shares.

**(i) Exploration and Evaluation Expenditure**

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 *Exploration for and Evaluation of Mineral Resources*, which is the Australian equivalent of IFRS 6. Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
  - 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
  - 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 area of interest are continuing.

Exploration and evaluation expenditure incurred by the Group subsequent to the acquisition of the rights to explore is expensed as incurred, up until the technical feasibility and commercial viability of the project has been demonstrated with a bankable feasibility study.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous periods.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**(j) Revenue Recognition**

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.



**(k) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(l) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the period but not distributed at reporting date.

**(m) Interests in Joint Operations**

The Group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements. Details of the Group's interests in joint operations are shown at Note 18.

**(n) Use and Revision of Accounting Estimates**

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described Note 1(v).

**(o) Income Tax**

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

**(p) Issued Capital**

Ordinary Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Group. 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.

### **(q) Investments and Other Financial Assets**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

#### *(i) Classification and subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within other income or expenses respectively.

Classifications of financial assets are determined by both the entities business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

#### *(ii) Loans and receivables*

Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate. Trade receivables are due for settlement no more than 30 days from the date of recognition unless previously authorised. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for expected credit loss is established when there is historical evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

#### *(iii) Fair Value Estimation*

The fair value of financial assets must be estimated for recognition and measurement or for disclosure purposes. The nominal value less estimated credit adjustments of receivables and payables are assumed to approximate their fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

#### *(iv) Impairment of Financial Assets*

Financial assets other than those at FVPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### *(v) Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated

liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

#### **(r) Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in an active market is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

#### **(s) Operating Segments**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The chief operating decision maker has been identified as the Board of Directors, taken as a whole. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the Board of Directors. The Group aggregates two or more operating segments when they have similar economic characteristics. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

#### **(t) Impairment of Non-Financial Assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**(u) Share-Based Payments**

Equity-settled share-based payments are provided to officers, employees, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using an appropriate option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting date, 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 over the remaining vesting period, with a corresponding adjustment to the share based payments reserve. Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where ordinary shares are issued, the transaction is recorded at fair value based on the quoted price of the ordinary shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

**(v) Significant judgements and key assumptions**

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

*(i) Key judgements*

The Group capitalises expenditure incurred in the acquisition of rights to explore and records this as an asset where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves (Note 1((i)). There are areas of interest from which no reserves have been extracted, but the directors are of the continued belief that such expenditure should not be written off since the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The Group recognises share based payments in accordance with the policy at Note 1(u). Key judgements include the option valuation and estimate of the number of options likely to vest.

During the 2020 financial year, a new virus ("COVID-19") emerged and infections started to occur around the globe. Subsequently, on 11 March, 2020, the World Health Organisation ("WHO") declared it a pandemic and national governments have implemented a range of policies and actions to combat it. The outbreak of COVID-19 has resulted in quarantines, supply chain disruptions, lower consumer demand and general market uncertainty which caused market volatility. If the financial markets and/or the overall economy are impacted for an extended period, the Group's results may be materially adversely affected. Management will continue to monitor developments, their impact on the Group including its operations and the values and estimates reported in the financial statements and accompanying notes. There was no material financial impact on the Group as a result of COVID-19 during the financial period.

**2. INCOME AND EXPENSES**

	2021 \$
<b>Employee benefits expense included in profit or loss</b>	
Wages, salaries and fees	111,050
Defined contribution plans	3,610
Share based payment expenses	131,584
	<b>246,244</b>

**3. OTHER RECEIVABLES**

	2021 \$
GST receivable	80,113
Prepaid acquisition costs	10,890
	<b>91,003</b>

#### 4. INCOME TAX

	2021 \$
<b>(a) Recognised in the Statement of Comprehensive Income</b>	
<b>Deferred income tax</b>	
Origination and reversal of temporary differences	(347,588)
Adjustments in respect of income tax of previous periods	-
Deferred tax assets not brought to account	347,588
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>-</b>
<b>(b) Reconciliation Between Tax Expense and Accounting Loss Before Income Tax</b>	
Accounting loss before income tax	(1,217,430)
At the domestic income tax rate of 30%	(365,229)
Expenditure not allowable for income tax purposes	98,779
Income not assessable for income tax purposes	-
Capital allowances	(81,138)
Adjustments in respect of income tax of previous periods	-
Deferred tax assets not brought to account	347,588
<b>Income tax expense attributable to loss</b>	<b>-</b>
<b>(c) Deferred Tax Assets and Liabilities</b>	
Deferred income tax at 30 June relates to the following:	
<b>Deferred Tax Assets</b>	
Accrued expenditure	8,937
Capital allowances	64,910
Tax losses available to offset against future taxable income	273,741
Deferred tax assets not brought to account	(347,588)
	-

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Group in realising the benefit.

#### **(d) Tax Consolidation**

The Company and its wholly-owned Australian resident entities have implemented the tax consolidation legislation. The head entity within the tax consolidated group is Peregrine Gold Limited.

## 5. EXPLORATION AND EVALUATION ASSETS

	Notes	2021 \$
<b>(a) Exploration and evaluation assets by area of interest</b>		
Pilbara Gold Project (Pilbara region - Western Australia)		1,874,812
Stoney Creek (Pilbara region - Western Australia)		50,894
<b>Total exploration and evaluation assets</b>	<b>5(b)</b>	<b>1,925,706</b>
<b>(b) Reconciliation of carrying amount:</b>		
Carrying amount at beginning of period		-
Acquisition of Pilbara Gold Project	10	1,874,812
Acquisition of Stoney Creek		50,894
Impairment of carrying value		-
<b>Balance at end of financial period<sup>(1)</sup></b>		<b>1,925,706</b>

**Notes:**

<sup>(1)</sup> The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

## 6. TRADE AND OTHER PAYABLES

	2021 \$
Trade payables	342,050
Accruals	29,790
	<b>371,840</b>

## 7. CONTRIBUTED EQUITY

	Notes	2021 \$
<b>(a) Issued Capital</b>		
37,552,130 Ordinary Shares as at 30 June 2021	7(b)	7,364,175
		<b>7,364,175</b>

### (b) Movements in Ordinary Shares were as Follows:

Date	Details	Number of Ordinary Shares	Issue Price \$	\$
<b>2021</b>				
30-Sep-20	Opening balance	-	-	-
16-Dec-20	Issue of Shares – In-specie Distribution	16,376,523	0.20	3,275,304
19-Mar-21	Issue of Shares – Initial Public Offering	12,500,000	0.20	2,500,000
19-Mar-21	Issue of Vendor Shares – Pilbara Gold Project	8,500,000	0.20	1,700,000
28-Apr-21	Issue of Vendor Shares – Stoney Creek	166,667	0.27	45,000
Various	Issue of Shares – Exercise of Options	8,940	0.20	1,788
30-Jun-21	Share Issue Costs	-	-	(157,917)
30-Jun-21	Closing balance	<b>37,552,130</b>		<b>7,364,175</b>

### (c) Rights Attaching to Ordinary Shares

The rights attaching to fully paid ordinary shares (“**Ordinary Shares**”) arise from a combination of the Company's Constitution, statute and general law. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and directors, including provisions to the following effect (when read in conjunction with the Corporations Act 2001 or Listing Rules).

#### (i) Shares

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the directors, subject to the Corporations Act 2001 and any rights attached to any special class of shares.

#### (ii) Meetings of Members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is 2 shareholders.

#### (iii) Voting

Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

#### (iv) Changes to the Constitution

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

## 8. RESERVES

	Note	2021 \$
Share-based payments reserve	8(a)	324,718
		<b>324,718</b>

The share-based payments reserve is used to record the fair value of Unlisted Options issued by the Group.

### (a) Movements in the share-based payments reserve were as follows:

Date	Details	Number of Unlisted Options	\$
30 Sep 2020	Opening balance	-	-
19 Mar 2021	Issue of incentive options – Directors & management	2,400,000	-
19 Mar 2021	Issue of advisor options – Pilbara Gold Project acquisition	1,000,000	123,000
3 May 2021	Issue of incentive options - Consultants	400,000	-
30 Jun 2021	Share-based payment expense	-	201,718
30 Jun 2021	Closing balance	<b>3,800,000</b>	<b>324,718</b>

### (b) Terms and Conditions of Unlisted Options

The Unlisted Options are granted based upon the following terms and conditions:

- Each Unlisted Option entitles the holder to the right to subscribe for one Ordinary Share upon the exercise of each Unlisted Option;
- The Unlisted Options outstanding at the end of the financial period have the following exercise prices and expiry dates:
  - 900,000 Unlisted Options exercisable at \$0.25 each on or before 19 March 2024 (vesting immediately);
  - 900,000 Unlisted Options exercisable at \$0.30 each on or before 19 September 2024 (vesting 19 Sep 22);
  - 600,000 Unlisted Options exercisable at \$0.40 each on or before 19 March 2025 (vesting 19 Mar 23); and
  - 400,000 Unlisted Options exercisable at \$0.35 each on or before 3 May 2024 (vesting immediately).
- The Unlisted Options are exercisable at any time prior to the Expiry Date, subject to vesting conditions being satisfied (if applicable);
- Ordinary Shares issued on exercise of the Unlisted Options rank equally with the then Ordinary Shares of the Company;
- Application will be made by the Company to ASX for official quotation of the Ordinary Shares issued upon the exercise of the Unlisted Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Unlisted Option holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- No application for quotation of the Unlisted Incentive Options will be made by the Company.

The Group also has on issue 1,000,000 Unlisted Options exercisable at \$0.20 each on or before 24 December 2023 (vesting immediately) that subject to a restricted escrow period of 24 months will be quoted on ASX.

## 9. ACCUMULATED LOSSES

	2021 \$
Balance at 30 Sep 2020	-
Net loss for the period 30 Sep 2020 to 30 Jun 2021	(1,217,430)
Balance at 30 June	<b>(1,217,430)</b>



## 10. ASSET ACQUISITION

On 19 March 2021, the Group completed its acquisition of 100% of the issued capital of Pilbara Gold Exploration Pty Ltd, the holder of the Pilbara Gold Project, seven prospective tenements in the Pilbara region of Western Australia.

The Group has performed an assessment of the acquisition of the Pilbara Gold Project and determined in accordance with *AASB 3 Business Combinations* that the acquisition is to be accounted for as an asset acquisition. In line with relevant accounting standards, the Group has treated the acquisition of Pilbara Gold Exploration Pty Ltd and the Pilbara Gold Project as an asset acquisition and a share-based payment transaction under *AASB 2 Share Based Payments*.

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured at their fair value at the acquisition date.

Where settlement of any part of cash consideration is deferred and/or contingent, the probability of making these future payments are assessed as at acquisition date and measured accordingly. The amounts payable in the future are discounted to their present value as at the date of exchange. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

The total cost of the asset acquisition was \$1,874,864 and comprised an issue of equity instruments and costs directly attributable to the acquisition, as follows:

- 8,500,000 fully paid ordinary shares in the capital of the Company;
- 1,000,000 options each exercisable at \$0.20, expiring 24 December 2023; and
- Costs of acquisition totalling \$51,864.

	\$
<b>Consideration</b>	
8,500,000 fully paid ordinary shares	1,700,000
1,000,000 options each exercisable at \$0.20, expiring 24 December 2023	123,000
Transaction costs	51,864
<b>Total consideration</b>	<b>1,874,864</b>
<b>Identifiable net assets</b>	
Cash at bank	52
Exploration and evaluation assets	1,874,812
<b>Identifiable net assets</b>	<b>1,874,864</b>
<b>Net cash outflow</b>	
Transactions costs	(51,864)
<b>Cash outflow on acquisition</b>	<b>(51,864)</b>

## 11. STATEMENT OF CASH FLOWS RECONCILIATION

	2021 \$
<b>(a) Reconciliation of the Net Loss After Tax to the Net Cash Flows from Operations</b>	
Loss for the period	(1,217,430)
<b>Adjustment for non-cash income and expense items</b>	
Share based payment expense	201,718
<b>Change in operating assets and liabilities</b>	
(Increase) in other receivables	(91,003)
Increase in trade and other payables	359,741
<b>Net cash outflow from operating activities</b>	<b>(746,974)</b>
<b>(b) Reconciliation of Cash</b>	
Cash at bank and on hand	3,957
Short-term deposits	4,822,637
<b>Balance at 30 June</b>	<b>4,826,594</b>

### (c) Non-cash financing and investing activities

Refer to Note 10 for information on non-cash financing and investing activities during the period 30 September 2020 to 30 June 2021.

## 12. EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2021 \$
Basic and diluted loss per share (\$ per share)	(0.06)
	<b>(0.06)</b>

	2021 \$
Net loss attributable to members of the parent used in calculating basic and diluted earnings per share:	(1,217,430)
Earnings used in calculating basic and dilutive earnings per share	<b>(1,217,430)</b>

	Number of Ordinary Shares 2021
Weighted average number of Ordinary Shares used in calculating basic and dilutive earnings per share	<b>19,785,041</b>

### (a) Non-Dilutive Securities

As at reporting date, 9,616,432 Listed Options and 3,800,000 Unlisted Options (which represent 13,416,432 potential Ordinary Shares) were considered non-dilutive as they would decrease the loss per share.

### (b) Conversions, Calls, Subscriptions or Issues after 30 June 2021

Subsequent to 30 June 2021, 4,500,000 ordinary shares, 1,150,000 listed \$0.20 options and 2,500,000 performance shares were issued as part of the acquisition of NFR. Additionally, 1,000,000 \$0.45 unlisted options were issued and 46,665 Ordinary Shares were issued as a result of the exercise of listed options.

Other than stated above, there were no other conversions to, calls of, or subscriptions for Ordinary Shares or issues of potential Ordinary Shares since the reporting date and before the completion of this financial report.

### 13. SHARE BASED PAYMENTS

#### (a) Recognised Share-based Payment Expense

From time to time, the Group provides incentive options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required.

The following equity-settled share-based payments have been recognised:

	2021
	\$
Expense arising from equity-settled share-based payment transactions	201,718

#### (b) Summary of Unlisted Options Granted as Share-based Payments

The following incentive options were granted as share-based payments:

Series	Security Type	Number	Grant Date	Expiry Date	Vesting Date	Exercise Price \$	Fair Value \$
Series 1	Options	1,000,000	19-Mar-21	24-Dec-23	24-Dec-23	\$0.20	\$0.1230
Series 2	Options	900,000	19-Mar-21	19-Mar-24	19-Mar-21	\$0.25	\$0.1140
Series 3	Options	900,000	19-Mar-21	19-Sep-24	19-Sep-22	\$0.30	\$0.1150
Series 4	Options	600,000	19-Mar-21	19-Mar-25	19-Mar-23	\$0.40	\$0.1130
Series 5	Options	400,000	30-Apr-21	3-May-24	3-May-21	\$0.35	\$0.1753

The following table illustrates the number and weighted average exercise prices (WAEP) of Unlisted Options granted as share-based payments at the beginning and end of the financial period:

	2021 Number	2021 WAEP
Outstanding at beginning of period	-	-
Issued during the period	3,800,000	\$0.28
Outstanding at end of period	<b>3,800,000</b>	<b>\$0.28</b>

The outstanding balance of options issued as share based payments as at 30 June 2021 is represented by:

- 1,000,000 Options exercisable at \$0.20 each on or before 24 December 2023 (vesting immediately)\*;
- 900,000 Unlisted Options exercisable at \$0.25 each on or before 19 March 2024 (vesting immediately);
- 900,000 Unlisted Options exercisable at \$0.30 each on or before 19 September 2024 (vesting 19 Sep 22);
- 600,000 Unlisted Options exercisable at \$0.40 each on or before 19 March 2025 (vesting 19 Mar 23); and
- 400,000 Unlisted Options exercisable at \$0.35 each on or before 3 May 2024 (vesting immediately).

\* Subject to a restricted escrow period of 24 months after which quotation will be sought on ASX.

#### (c) Weighted Average Remaining Contractual Life

At 30 June 2021, the weighted average remaining contractual life of Unlisted Options on issue that had been granted as share-based payments was 2.95 years.

#### (d) Range of Exercise Prices

At 30 June 2021, the range of exercise prices of Unlisted Options on issue that had been granted as share-based payments was \$0.20 to \$0.40.

**(e) Weighted Average Fair Value**

The weighted average fair value of Incentive Options that have been granted as share-based payments by the Group is \$0.1229.

**(f) Option Pricing Models**

The fair value of Incentive Options granted is estimated as at the date of grant using the Black Scholes option valuation model taking into account the terms and conditions upon which the Incentive Options were granted. The table below lists the inputs to the valuation model used for share options granted by the Group:

Inputs	Series 1	Series 2	Series 3	Series 4	Series 5
Exercise price	A\$0.20	A\$0.25	A\$0.30	A\$0.40	A\$0.35
Grant date share price	A\$0.20	A\$0.20	A\$0.20	A\$0.20	A\$0.30
Dividend yield <sup>1</sup>	-	-	-	-	-
Volatility	100%	100%	100%	100%	100%
Risk-free interest rate	0.11%	0.11%	0.11%	0.30%	0.145%
Grant date	19-Mar-21	19-Mar-21	19-Mar-21	19-Mar-21	30-Apr-21
Expiry date	24-Dec-23	19-Mar-24	19-Sep-24	19-Mar-25	3-May-24
Expected life of option <sup>2</sup>	2.77 years	3.0 years	3.5 years	4.0 years	3.0 years
Fair value at grant date	\$0.1230	\$0.1140	\$0.1150	\$0.1130	\$0.1753

**Notes:**

<sup>1</sup> The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

<sup>2</sup> The expected life of the options is based on the expiry date of the options.

**14. RELATED PARTIES**

Transactions with Key Management Personnel are included at Note 15.

There are no other related parties of the Group.

**15. KEY MANAGEMENT PERSONNEL**

**(a) Details of Key Management Personnel**

The KMP of the Group during the financial period were as follows:

**Current Directors**

Mr Ian Middlemas	Chairman
Mr George Merhi	Technical Director (appointed 19 March 2021)
Mr Peter Woodman	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

**Other KMP**

Mr Lachlan Lynch	Company Secretary
------------------	-------------------

Unless otherwise disclosed, KMP held their position from 30 September 2020 (incorporation) until 30 June 2021.

**(b) Remuneration of Key Management Personnel**

	2021
	\$
Short-term employee benefits	111,050
Post-employment benefits	3,610
Share-based payments	131,584
	<b>246,244</b>

**(c) Loans from Key Management Personnel**

No loans were provided to or received from Key Management Personnel during the period 30 September 2020 to 30 June 2021

**(d) Other Transactions**

Peregrine has entered into an executive services agreement with Bann Geological Services Pty (Bann), a company associated with Technical Director, Mr George Merhi (Bann Agreement). Under the Bann Agreement, Peregrine incurs an amount of AUD\$2,000 per month plus GST in respect of Bann's use of premises which it will provide and reimbursement for reasonable expenses necessarily incurred by Bann in the performance of its services including the contracting of exploration field team services. From Mr Merhi's appointment to the Board as a Technical Director to 30 June 2021, Peregrine incurred fees to Bann of \$7,000 for use of premises and \$15,180 for exploration field team services.

Apollo Group Pty Ltd ("Apollo Group"), a Company of which Mr Mark Pearce is a director and beneficial shareholder, provides corporate, administration and company secretarial services and serviced office facilities to the Company under a services agreement. Either party can terminate the services agreement at any time for any reason by giving one month's written notice. Apollo Group received a monthly retainer of \$15,000 (exclusive of GST) for the provision of these services effective 1 January 2021. The monthly retainer is reviewed every six to twelve months and is based on Apollo Group's budgeted cost of providing the services to the Company (and other companies utilising same or similar services from Apollo Group) for the next six to twelve month period, with minimal mark-up (if any). Additionally, an amount of \$40,000 was paid to Apollo Group as a once off fee for assistance in the Company's listing on the Australian Securities Exchange.

**16. SEGMENT INFORMATION**

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group operates in one segment, being exploration for mineral resources and in one geographical location being Australia. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

**17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Overview**

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables. The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk and credit risk.

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

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

**(a) Liquidity Risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

2021	≤6 Months A\$	6-12 Months A\$	1-5 Years A\$	≥5 Years A\$	Total A\$
<b>Financial Liabilities</b>					
Trade and other payables	371,840	-	-	-	371,840
	<b>371,840</b>	-	-	-	<b>371,840</b>

**(b) Commodity Price Risk**

The Group is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

**(c) Capital Management**

The Group manages its capital to ensure that it will be able to continue as a going concern while financing the development of its projects through primarily equity based financing. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares.

The Group is not subject to externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the period. During the next 12 months, the Group will continue to explore financing opportunities, primarily consisting of additional issues of equity should it be required.

**(d) Fair Value**

The net fair value of financial assets and financial liabilities approximates their carrying value as at 30 June 2021.

**(e) Interest Rate Risk**

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

The Group's cash at bank and on hand had a weighted average floating interest rate at period end of 0.36%. The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

	2021 \$
<b>Interest-bearing financial instruments</b>	
Cash and cash equivalents	4,826,594
	<b>4,826,594</b>

### Interest rate sensitivity

A sensitivity of 20 basis points has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 20 basis point movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

	Profit or loss		Equity	
	20bp Increase	20bp Decrease	20bp Increase	20bp Decrease
<b>2021</b>				
Cash and cash equivalents	3,472	(3,472)	3,472	(3,472)

### (f) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	2021
	\$
<b>Financial assets</b>	
Cash and cash equivalents	4,826,594
Other receivables	91,003
	<b>4,917,597</b>

The Group does not have any customers and accordingly does not have any significant exposure to credit losses. Other receivables comprise primarily GST refunds and interest receivable. At 30 June 2021, none of the Group's receivables are past due. No impairment losses on receivables have been recognised. With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from historical default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

## 18. INTERESTS IN JOINT OPERATIONS

The Group has interests in the following joint operations:

Name	Principal Activities	Country	Interest	Carrying Amount
			2021 %	2021 \$
Stoney Creek JV	Exploration for gold and base metals	Australia	70	50,894

### Stoney Creek

Peregrine has a 70% interest in the unincorporated Stoney Creek Joint Venture with LMTD Wits Pty Ltd (30% interest). The Stoney Creek Joint Venture area consists of one tenement (E45/2763) in the prospective Pilbara Region of Western Australia.

Peregrine is required to sole fund all joint operation activities until the date it delivers a Definitive Feasibility Study or Decision to Mine (whichever is earlier).

## 19. CONTROLLED ENTITIES

All controlled entities are included in the consolidated financial statements. The parent entity does not guarantee to pay the deficiency of its controlled entities in the event of a winding up of any controlled entity. The financial period-end of the controlled entities is the same as that of the parent entity.

Name of Controlled Entity	Place of Incorporation	% of Shares held 2021
Pilbara Gold Exploration Pty Ltd	Australia	100
PGD (SC) Pty Ltd	Australia	100

## 20. PARENT ENTITY DISCLOSURE

	2021 \$
<b>(a) Financial Position</b>	
<b>Assets</b>	
Current Assets	4,917,547
Non-Current Assets	1,925,756
<b>Total Assets</b>	<b>6,843,303</b>
<b>Liabilities</b>	
Current Liabilities	371,840
<b>Total Liabilities</b>	<b>371,840</b>
<b>Equity</b>	
Contributed equity	7,364,175
Reserves	324,718
Accumulated losses	(1,217,430)
<b>Total Equity</b>	<b>6,471,463</b>
<b>(b) Financial Performance</b>	
Loss for the period	(1,217,430)
<b>Total comprehensive income</b>	<b>(1,217,430)</b>

The Parent entity has no commitments for expenditure nor any contingent assets or liabilities at balance date.

## 21. COMMITMENTS

As a condition of retaining the current rights to tenure to exploration tenements, the Group is required to pay an annual rental charge and meet minimum expenditure requirements for each tenement. These obligations are not provided for in the financial statements and are at the sole discretion of the Group:

	2021 \$
<b>Commitments for exploration expenditure:</b>	
Not longer than 1 year	287,333
Longer than 1 year and shorter than 5 years	956,583
	<b>1,243,916</b>



## 22. AUDITORS' REMUNERATION

	2021 \$
Amounts received or due and receivable by William Buck for:	
▪ an audit or review of the financial report of the Group and/or its subsidiaries	16,500
▪ other services in relation to the Group and/or its subsidiaries	6,600
	<b>23,100</b>

Other services of \$6,600 provided by William Buck Consulting (WA) Pty Ltd, a related party of William Buck Audit (WA) Pty Ltd, relate to the Investigating Accountant's Report included in the Group's Replacement Prospectus.

## 23. CONTINGENT ASSETS AND LIABILITIES

As at the date of this report, no material contingent assets or liabilities had been identified as at 30 June 2021.

## 24. EVENTS SUBSEQUENT TO REPORTING DATE

On 30 August 2021, the Group announced that it had completed the acquisition of New Frontier Resources Pty Ltd ("NFR"), the holder of the Mallina Gold Project ("Mallina") in the Pilbara region of Western Australia. The Group issued the following securities as consideration for 100% of the issued capital of NFR:

- 4,500,000 fully paid ordinary shares;
- 1,150,000 options exercisable at \$0.20 each on or before 24 December 2023 (consistent with the Company's existing listed options on issue);
- 1,000,000 performance shares, which vest and convert into fully paid ordinary shares upon the delineation of an independently assessed JORC Code inferred resource of at least 500,000 ounces of gold at a minimum resource grade of 1g/t Au (or equivalent, with a cut-off grade of 0.5g/t) at the Mallina Gold Project, expiring 27 August 2026; and
- 1,500,000 performance shares, which vest and convert into fully paid ordinary shares upon the delineation of an independently assessed JORC Code inferred resource of at least 1,000,000 ounces of gold at a minimum resource grade of 1g/t Au (or equivalent, with a cut-off grade of 0.5g/t) at the Mallina Gold Project, expiring 27 August 2026.

In accordance with *AASB 3 Business Combinations*, the acquisition of NFR is likely to be accounted for as an asset acquisition and a share-based payment transaction under *AASB 2 Share Based Payments*. A detailed assessment of this transaction from an accounting perspective is on-going.

On 27 August 2021, the Group issued 1,000,000 unlisted incentive options exercisable at \$0.45 each on or before 27 August 2024 to Technical Director, Mr George Merhi.

As at the date of this report, other than previously stated, there are no other matters or circumstances which have arisen since 30 June 2021 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2021, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2021, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2021, of the Group.

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Peregrine Gold Limited:

1. In the opinion of the directors:
  - (a) the attached financial statements, notes and the additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:
    - (i) section 296 (compliance with accounting standards and Corporations Regulations 2001); and
    - (ii) section 297 (gives a true and fair view of the financial position as at 30 June 2021 and of the performance for the period ended on that date of the Group); and
  - (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
2. The attached financial statements and notes thereto are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements.
3. The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the period ended 30 June 2021.

On behalf of the Board



**GEORGE MERHI**  
**Technical Director**

2 September 2021



## Peregrine Gold Limited

Independent auditor's report to members

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Peregrine Gold Limited (the Company and its subsidiaries (the Group)), which comprises the statement of consolidated financial position as at 30 June 2021, the statement of consolidated profit or loss and other comprehensive income, the statement of consolidated changes in equity and the statement of consolidated cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 2021 and of its financial performance for the period ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

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

#### Key Audit Matter

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. The key audit

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**Peregrine Gold Limited**  
 Independent auditor’s report to members

matter was 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 this matter.

CARRYING VALUE OF EXPLORATION COST	
Area of focus Refer also to notes 1(i) and 5	How our audit addressed it
<p>The Group has capitalised the acquisition costs of tenements comprising the Pilbara Gold Project located in the Pilbara region. The carrying value of these costs represents a significant asset of the Group.</p> <p>This is a key audit matter due to the fact that significant judgement is applied in determining whether the capitalised exploration costs continue to meet the recognition criteria of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</p>	<p>Our procedures focussed on evaluating management’s assessment of whether the exploration assets meet the recognition criteria of AASB 6, including:</p> <ul style="list-style-type: none"> <li>— Obtaining evidence that the Group has valid rights to explore the areas represented by the capitalised exploration costs.</li> <li>— Enquiring of management and reviewing the cashflow forecast to verify that substantive expenditure on further exploration for and evaluation of the mineral resources in the Group’s areas of interest was planned.</li> <li>— Enquiring with management, reviewing announcements made and reviewing minutes of director meetings to verify that the Group had not decided to discontinue activities in any of its areas of interest.</li> </ul> <p>We also assessed the adequacy of the Group’s disclosures in the financial report.</p>

**Other Information**

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the period ended 30 June 2021, but does not include the financial report and the auditor’s report thereon.

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

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

## Peregrine Gold Limited

### Independent auditor's report to members

inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

#### **Responsibilities of the Directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the 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 has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf)

This description forms part of our independent auditor's report.

## Report on the Remuneration Report

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included on pages 8 to 14 of the directors' report for the period ended 30 June 2021.

## Peregrine Gold Limited

### Independent auditor's report to members

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

#### Responsibilities

The directors of the Group 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.

William Buck

William Buck Audit (WA) Pty Ltd  
ABN 67 125 012 124

CM

Conley Manifis  
Director  
Dated this 2<sup>nd</sup> day of September 2021

## CORPORATE GOVERNANCE STATEMENT

Peregrine Gold Limited (“Peregrine” or “Company”) believes corporate governance is important for the Company in conducting its business activities.

The Board of the Company has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by the Company.

These documents are available in the Corporate Governance section of the Company’s website, [www.peregrinegold.com.au](http://www.peregrinegold.com.au). These documents are reviewed annually to address any changes in governance practices and the law.

The Company’s Corporate Governance Statement 2021, which explains how Peregrine Gold complies with the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations – 4th Edition’ in relation to the year ended 30 June 2021, is available in the Corporate Governance section of the Company’s website, [www.peregrinegold.com.au](http://www.peregrinegold.com.au) and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

In addition to the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations – 4th Edition’ the Board has taken into account a number of important factors in determining its corporate governance policies and procedures, including the:

- relatively simple operations of the Company, which currently only undertakes mineral exploration and development activities;
- cost verses benefit of additional corporate governance requirements or processes;
- size of the Board;
- Board’s experience in the resources sector;
- organisational reporting structure and number of reporting functions, operational divisions and employees;
- relatively simple financial affairs with limited complexity and quantum;
- relatively small market capitalisation and economic value of the entity; and
- direct shareholder feedback.

## ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 31 July 2021.

### 1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES (ORDINARY SHARES)

The names of the twenty largest holders of shares are listed below:

Name	No. of Ordinary Shares Held	% of Issued Shares
Bann Geological Services Pty Ltd <Merhi Family A/C>	5,309,300	14.13
Arredo Pty Ltd	2,200,000	5.86
Redstone Metals Pty Ltd	1,625,000	4.33
BNP Paribas Noms Pty Ltd <DRP>	1,554,907	4.14
Croesus Mining Pty Ltd <Steinepreis Super Fund A/C>	1,200,000	3.19
D & K Corps Investments P/L	1,100,000	2.93
North West Iron Pty Ltd	1,055,700	2.81
Bouchi Pty Ltd	827,936	2.20
Territory Prospecting Pty Ltd	510,000	1.36
Roseberry Holdings Pty Ltd	500,000	1.33
Al El Developments Pty Ltd	444,153	1.18
Mr Thomas Francis Corr	419,296	1.12
Netwealth Investments Limited <Wrap Services A/C>	418,927	1.12
Hillboi Nominees Pty Ltd	397,604	1.06
HSBC Custody Nominees (Australia) Limited	361,203	0.96
Cantori Pty Ltd <Cantori P/L Super Fund A/C>	337,199	0.90
BT Portfolio Services Limited <Warrell Holdings S/F A/C>	300,000	0.80
The Alpine Bark Hut Pty Ltd <The Alpine Investment A/C>	300,000	0.80
Mikado Corporation Pty Ltd <JFC Superannuation A/C>	300,000	0.80
Mr Peter Woodman & Ms Denise Elizabeth Pringle	295,000	0.79
<b>Total Top 20</b>	<b>19,456,225</b>	<b>51.79</b>
Others	18,114,237	48.21
<b>Total Ordinary Shares on Issue</b>	<b>37,570,462</b>	<b>100</b>

### 2. DISTRIBUTION OF EQUITY SECURITIES (ORDINARY SHARES)

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shareholders	Number of Shares
1 – 1,000	328	69,380
1,001 – 5,000	147	378,257
5,001 – 10,000	78	660,236
10,001 – 100,000	285	10,614,042
More than 100,000	59	25,848,547
<b>Totals</b>	<b>897</b>	<b>37,570,462</b>

There were 331 holders of less than a marketable parcel of ordinary shares.



## ASX ADDITIONAL INFORMATION (Continued)

### 3. TWENTY LARGEST HOLDERS OF LISTED SECURITIES (OPTIONS)

The names of the twenty largest holders of listed options are listed below:

Name	No. of Options Held	% of Issued Options
Moore Australia Corporate Finance (WA) Pty Ltd <Bourne Griffiths Mgt Con A/C>	1,000,000	9.44
Arredo Pty Ltd	750,000	7.08
BNP Paribas Noms Pty Ltd <DRP>	518,302	4.89
Bann Geological Services Pty Ltd <Merhi Family A/C>	366,666	3.46
Mr John Paul Welborn	302,318	2.85
Bouchi Pty Ltd	275,978	2.60
Roseberry Holdings Pty Ltd	166,666	1.57
GP Securities Pty Ltd	163,000	1.54
Beelong Pty Ltd <Johnson Super Fund A/C>	150,000	1.42
Mr Thomas Francis Corr	139,765	1.32
Netwealth Investments Limited <Wrap Services A/C>	139,641	1.32
Hillboi Nominees Pty Ltd	132,534	1.25
Beelong Pty Ltd <Johnson Family Fund A/C>	132,385	1.25
Mrs Susanna Elizabeth Anderson	109,049	1.03
Cantori Pty Ltd <Cantori P/L Super Fund A/C>	101,418	0.96
Mikado Corporation Pty Ltd <JFC Superannuation A/C>	100,000	0.94
The Alpine Bark Hut Pty Ltd <The Alpine Investment A/C>	100,000	0.94
Keil Investments Pty Ltd <The Keil Priv Pen Fund A/C>	100,000	0.94
BT Portfolio Services Limited <Warrell Holdings S/F A/C>	100,000	0.94
Mr Peter Woodman & Ms Denise Elizabeth Pringle	98,333	0.93
<b>Total Top 20</b>	<b>4,946,055</b>	<b>46.67</b>
Others	5,652,045	53.33
<b>Total Listed Options on Issue</b>	<b>10,598,100</b>	<b>100</b>

### 4. DISTRIBUTION OF EQUITY SECURITIES (OPTIONS)

Analysis of numbers of listed optionholders by size of holding:

Distribution	Number of Option Holders	Number of Options
1 – 1,000	384	57,798
1,001 – 5,000	162	504,009
5,001 – 10,000	164	1,298,048
10,001 – 100,000	139	4,361,357
More than 100,000	16	4,376,888
<b>Totals</b>	<b>865</b>	<b>10,598,100</b>

There were 117 holders of less than a marketable parcel of listed options.

## 5. VOTING RIGHTS

See Note 7 and 8 of the Notes to the Financial Statements.

## 6. SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder notices have been received from the following:

Substantial Shareholder	Number of Shares
Arredo Pty Ltd	2,200,000
Bann Geological Services Pty Ltd <Merhi Family A/C>	5,309,300
Croseus Mining Pty Ltd <Steinepreis Super Fund A/C> and <The Second Super Fund A/C>, Linda Louise Steinepreis, Carly Louise McGowan, Elizabeth Louise Steinepreis, Mark David Steinepreis and Judith Elizabeth Steinepreis	1,889,594

## 7. RESTRICTED SECURITIES

The following securities are considered restricted and in escrow for a period of 24 months from the date of quotation of the Company's securities on the Australian Securities Exchange being 31 March 2021:

- 8,500,000 ordinary shares;
- 1,000,000 options exercisable at \$0.20, expiring 24 December 2023;
- 900,000 unlisted options exercisable at \$0.25, expiring 19 March 2024;
- 900,000 unlisted options exercisable at \$0.30, expiring 19 September 2024; and
- 600,000 unlisted options exercisable at \$0.40, expiring 19 March 2025.

## 8. ON-MARKET BUY BACK

There is currently no on-market buyback program for any of Peregrine Gold Limited's listed securities.

## 9. UNQUOTED SECURITIES

The names of the security holders holding 20% or more of an unlisted class of security at 31 July 2021, other than those securities issued or acquired under an employee incentive scheme, are listed below:

Holder	\$0.25 Options Expiring 19-Mar-24	\$0.30 Options Expiring 19-Sep-24	\$0.35 Options Expiring 3-May-24	\$0.40 Options Expiring 19-Mar-25
Bann Geological Services Pty Ltd <Merhi Family A/C>	300,000	300,000	-	400,000
Mr Peter Woodman	200,000	200,000	-	200,000
Mr Mark Pearce	200,000	200,000	-	-
Mr Lachlan Lynch	200,000	200,000	-	-
Mr Neil Allen	-	-	150,000	-
Mr Barry Unsworth	-	-	150,000	-
Mr Timothy Gerschwitz	-	-	100,000	-
<b>Total in Class</b>	<b>900,000</b>	<b>900,000</b>	<b>400,000</b>	<b>600,000</b>
<i>Total holders</i>	<i>4</i>	<i>4</i>	<i>3</i>	<i>2</i>

## 10. MINERAL RESOURCES STATEMENT

To date, the Group has not reported any Mineral Resources or Ore Reserves for its exploration projects.

## 11. CASH USE

The Group has used its cash and assets in a form readily convertible to cash that it had at time of admission to the Australian Securities Exchange (29 March 2021) through to the date of this report in a way that is consistent with its business objectives.

## 12. EXPLORATION INTERESTS

The Company has an interest in the following projects:

Project Name	Permit Number	Percentage Interest	Status
Pilbara Gold Project, Western Australia	E52/3783	100%	Granted
	E52/3785	100%	Granted
	E52/3786	100%	Granted
	E52/3826	100%	Granted
	E52/3828	100%	Granted
	E52/3841	100%	Granted
	E52/3850	100%	Granted
	E52/3932	100%	Granted
	E52/3933	100%	Application
	E52/3951	100%	Application
	E52/3952	100%	Application
	E52/3953	100%	Application
	E52/3954	100%	Application
	E52/3958	100%	Application
Stoney Creek, Pilbara, Western Australia	E45/2763	70%	Granted

Subject to completion of the share sale agreement to acquire New Frontier Resources Pty Ltd, the Company will hold an interest in the following projects:

Project Name	Permit Number	Percentage Interest	Status
Mallina Gold Project, Pilbara, Western Australia	E45/5424	100%	Granted
	E45/5399	100%	Granted
	E45/5400	100%	Granted
	E45/5780	100%	Application
Stoney Creek, Pilbara, Western Australia	E45/2763	30%	Granted
Egina, Pilbara, Western Australia	E47/3812	40%	Granted
Rocklea Project, Pilbara, Western Australia	E47/3797	100%	Granted
	E47/3792	100%	Granted
Comet East, Pilbara, Western Australia	E45/3956	100%	Granted
Other, Western Australia	E46/1260	100%	Granted
	E45/5775	100%	Application

