



SAMBA MINERALS LIMITED

ACN 129 327 073

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

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**SAMBA MINERALS LIMITED
CORPORATE DIRECTORY**

DIRECTORS

Leonard Math
Nigel Ferguson
Paul Jurman

COMPANY SECRETARY

Paul Jurman

**PRINCIPAL AND REGISTERED
OFFICE**

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AUDITORS

HLB Mann Judd
Level 4 130 Stirling Street
PERTH WA 6000

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Telephone: (08) 9315 2333
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SAMBA MINERALS LIMITED DIRECTORS' REPORT

The directors of Samba Minerals Limited submit herewith the annual financial report of Samba Minerals Limited ("Company") for the year ended 30 June 2019 and the auditor's report thereon. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names and particulars of the directors of the Company during or since the end of the financial year are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Leonard Math

Non Executive Chairman
Appointed 5 December 2018

Mr Math is a Chartered Accountant with more than 13 years of resources industry experience. He previously worked as an auditor at Deloitte and is experienced with public company responsibilities including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations. He has previously acted as Director, Chief Financial Officer and Company Secretary of a number of ASX listed companies.

Nigel Ferguson, BSc,F AusIMM, MAIG

Non-Executive Director
Appointed 22 January 2008

Mr. Ferguson is a geologist with over 30 years of experience. Mr Ferguson has held senior management positions for the past 18 years and has experience in precious and base metal mineral resources in overseas locations including Saudi Arabia, South East Asia, South and Central America and Africa. Mr. Ferguson was Country Manager - Tanzania for Ashanti Goldfields, being instrumental in assessing the acquisition of the now multi-million ounce Geita Gold Project. Mr. Ferguson was instrumental in listing Condor Gold plc on the London Stock Exchange - AIM market and served as CEO for the company between 2003 and 2008. Mr. Ferguson was previously a director of African Metals Corp (TSXV) between 2004 and 2015 and a director of ASX listed entities RMA Energy Limited (March 2011 – May 2013) and Burey Gold Limited (March 2005 - March 2012). He currently serves as a Director of Huntsman Resources Limited, an Australian public unlisted entity.

Paul Jurman, BCom, CPA

Non Executive Director and Company Secretary
Appointed 22 January 2008

Mr Jurman is a Certified Practising Accountant with over 15 years experience and has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles. He is also company secretary of Nemex Resources Limited, Carnavale Resources Limited and Platina Resources Limited.

Dr. Robert Chanson

Non Executive Chairman
Appointed 30 September 2008, resigned 5 December 2018

Dr. Chanson is a seasoned Swiss entrepreneur and financier. Following a successful career with Zurich Financial Services and serving as a multi-term member of Parliament, he turned his focus to launching innovative SME's in an international setting in the last two decades.

Directors' interests

The interests of each Director in the shares of the company at the date of this report are as follows:

Name	Ordinary shares
L Math	-
N Ferguson	1,300,000
P Jurman	260,000

SAMBA MINERALS LIMITED DIRECTORS' REPORT

Options granted to directors and officers and analysis of share-based payments granted as remuneration

The Company did not grant any options over unissued ordinary shares during or since the end of the financial year to any Directors or officers as part of their remuneration.

SHARE OPTIONS

As at the end of the financial year, there were no options over unissued ordinary shares outstanding.

There were no options issued after 30 June 2019 and up to the date of this report.

Shares issued on exercise of options

During or since the end of the financial year, the Company has not issued ordinary shares as a result of the exercise of options.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was the identification of investment opportunities suitable for direct or indirect investment in mineral exploration projects with a focus on Africa.

The Company holds 225 million ordinary fully paid shares in Panex Resources Inc (DBGF:OTC US) representing a 17.95% interest as at the date of this report. Panex is currently in a restricted (non-tradeable) status and it is not expected that the restriction enabling the investment to be traded will be lifted in the near future.

Due to the significant uncertainty as to whether the investment in Panex Resources Inc can be realised, the Board fully impaired the investment in the 2017 year resulting in an impairment of \$256,365 in that year.

RESULTS AND REVIEW OF OPERATIONS

The result of the Company for the financial year ended 30 June 2019 after income tax was a loss of \$6,743 (2018: \$7,528).

LIKELY DEVELOPMENTS

The objectives of the Company are to maximise shareholder value through direct and indirect investment in mineral projects and working closely with existing and potential alliance partners.

Further information on likely developments in the operations of the Company and the expected results of operations have not been included in this annual financial report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

SUBSEQUENT EVENTS

Since the end of the financial year and to the date of this report no other matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

ENVIRONMENTAL ISSUES

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulation when carrying out exploration work.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

DIRECTORS' MEETINGS

There were no formal directors' meetings held during the financial year.

SAMBA MINERALS LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT

Remuneration policy

The remuneration policy of Samba Minerals Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board of Samba Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the Executive Director and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The Company is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the Company moves from an exploration to a producing entity and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Details of specified directors and specified executives

Directors

L Math	Non-Executive Chairman	Appointed 5 December 2018
N Ferguson	Managing Director	Appointed 22 January 2008
P Jurman	Non-Executive Director	Appointed 22 January 2008
R Chanson	Non-Executive Chairman	Resigned 5 December 2018

Except as detailed in the Remuneration Report, no director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations regulations, or the fixed salary of a full time employee of the Company.

Remuneration of specified directors and specified executives

Remuneration for the year ended 30 June 2019

There was no remuneration paid to the directors for the years ended 30 June 2019 and 30 June 2018.

Options granted as part of remuneration

There were no options granted as part of remuneration to the directors for the years ended 30 June 2019 and 30 June 2018.

**SAMBA MINERALS LIMITED
DIRECTORS' REPORT**

Employment contracts of directors and executives

There are no employment contracts entered into with the directors.

Shareholdings of key management personnel

Year ended 30 June 2019

	Balance at 1 July 2018	Granted as remuneration	Net other change	Balance at 30 June 2019
<i>Directors</i>				
L Math	N/A	-	-	-
R Chanson*	250,000	-	-	N/A
N Ferguson	1,300,000	-	-	1,300,000
P Jurman	260,000	-	-	260,000
<i>Total</i>	<u>1,810,000</u>	<u>-</u>	<u>-</u>	<u>1,560,000</u>

* Mr Math was appointed on 5 December 2018 and Dr Chanson resigned on 5 December 2018.

Other key management personnel transactions

Accounting, secretarial and corporate service fees of \$Nil (2018: \$1,179) were paid or payable during the year ended 30 June 2019 on normal terms and conditions to Corporate Consultants Pty Ltd, a company in which Mr Jurman is a director and has a beneficial interest.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and forms part of the directors' report and can be found on the following page of the financial report.

NON-AUDIT SERVICES

There have been no non-audit services provided by the Company's auditor during the year (2018: \$Nil).

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the Directors.



NIGEL FERGUSON

Director

Dated this 31st day of October 2019.

Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Samba Minerals Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
31 October 2019



L Di Giallonardo
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

SAMBA MINERALS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Income			
Revenue	3	-	1
		-	1
Expenses			
Administrative expenses		(6,743)	(7,529)
Loss for the year before income tax		(6,743)	(7,528)
Income tax expense	4	-	-
Net loss for the year attributable to members of the Company		(6,743)	(7,528)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(6,743)	(7,528)

The accompanying notes form part of these financial statements

SAMBA MINERALS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	12(a)	5,845	13,379
Receivables	7	-	198
Total current assets		<u>5,845</u>	<u>13,577</u>
Non-current assets			
Other financial asset	8	-	-
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>5,845</u>	<u>13,577</u>
Current liabilities			
Trade and other payables	9	18,003	18,992
Total current liabilities		<u>18,003</u>	<u>18,992</u>
Total liabilities		<u>18,003</u>	<u>18,992</u>
Net assets / (liabilities)		<u>(12,158)</u>	<u>(5,415)</u>
Equity			
Issued capital	10	2,909,730	2,909,730
Accumulated losses	11	(2,921,888)	(2,915,145)
Total equity / (deficiency)		<u>(12,158)</u>	<u>(5,415)</u>

The accompanying notes form part of these financial statements

SAMBA MINERALS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

2019	Issued capital	Accumulated losses	Total
	\$	\$	\$
Opening Balance	2,909,730	(2,915,145)	(5,415)
Loss attributable to members of the parent entity	-	(6,743)	(6,743)
Total comprehensive loss for the year	-	(6,743)	(6,743)
Closing Balance at 30 June 2019	<u>2,909,730</u>	<u>(2,921,888)</u>	<u>(12,158)</u>

2018	Issued capital	Accumulated losses	Total
	\$	\$	\$
Opening Balance	2,909,730	(2,907,617)	2,113
Loss attributable to members of the parent entity	-	(7,528)	(7,528)
Total comprehensive loss for the year	-	(7,528)	(7,528)
Closing Balance at 30 June 2018	<u>2,909,730</u>	<u>(2,915,145)</u>	<u>(5,415)</u>

The accompanying notes form part of these financial statements

SAMBA MINERALS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
Cash flows from operating activities		
Payments to suppliers	(7,534)	(6,635)
Interest received	-	1
Net cash outflows from operating activities	<u>(7,534)</u>	<u>(6,634)</u>
12(b)		
Cash flows from investing activities		
Exploration expenditure	-	-
Net cash outflows from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Issue of shares	-	-
Net cash inflows from financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents held	(7,534)	(6,634)
Cash and cash equivalents at the beginning of the financial year	<u>13,379</u>	<u>20,013</u>
Cash and cash equivalents at the end of the financial year	<u>5,845</u>	<u>13,379</u>
12(a)		

The accompanying notes form part of these financial statements

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. CORPORATE INFORMATION

The financial report of Samba Minerals Limited (the Company) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 31 October 2019. Samba Minerals Limited is a company limited by shares, incorporated in Australia.

The nature of the operations and principal activity of the Company is the identification of investment opportunities suitable for direct or indirect investment in mineral exploration projects with a focus on Africa.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis, except for derivative financial instruments and available for-sale financial assets that have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company has incurred a loss for the year after tax of \$6,743 (2018: \$7,528) and experienced net operating and investing cash outflows of \$7,534 (2018: \$6,634). As at 30 June 2019, the Group has a net asset deficiency of \$12,158, comprising Cash of \$5,845 and Trade and other payables of \$18,003.

The Directors believe the Company will obtain sufficient funding from a capital raising in the short term to enable it to continue as a going concern and therefore that it is appropriate to prepare the financial report on a going concern basis.

However, due to the existence of the above financial conditions, there exists a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

(b) Adoption of new and revised standards

In the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2018. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company's business and, therefore, no change is necessary to Company accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2019. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

(c) Statement of compliance

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

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Income tax

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

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance 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.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

(e) Revenue

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

Interest

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

(f) Cash and cash equivalents

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

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

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of assets

The Company 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 Company 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 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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(h) Goods and services tax (GST)

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 ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Financial Instruments

Applicable to 30 June 2019

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are classified into the following categories:

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

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains any equity investments where the Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI.

Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139.

Any gains or losses recognised in other comprehensive income (OCI) are not recycled upon derecognition of the asset.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is to "hold to collect" the associated cash flows and sell financial assets; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Applicable to 30 June 2018

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the financial instrument. A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the entity. A financial liability is removed from the Statement of Financial Position when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets and financial liabilities classified as held for trading are measured at fair value through profit or loss.

Upon initial recognition a financial asset or financial liability is designated as at fair value through profit or loss when:

- (a) an entire contract containing one or more embedded derivatives is designated as a financial asset or financial liability at fair value through profit or loss.
- (b) doing so results in more relevant information, because either:
 - (i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising gains or losses on them on different bases; or
 - (ii) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to key management personnel.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured are not designated as at fair value through profit or loss.

A gain or loss arising from a change in the fair value of a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss.

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets not measured at fair value comprise:

- (a) loans and receivables being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest rate method.
- (b) held-to-maturity investments being non-derivative financial assets with fixed or determinable payments and fixed maturity that will be held to maturity. These are measured at amortised cost using the effective interest method.
- (c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These are measured at cost together with derivatives that are linked to and must be settled by the delivery of such investments.

Available-for-sale financial assets are non-derivative financial assets which are designated as available-for-sale or that are not classified as loans and receivables, held-to-maturity investments or financial assets as at fair value through the Statement of Comprehensive Income.

A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognised directly in equity, through the Statement of Changes in Equity (except for impairment losses and foreign exchange gains and losses) until the financial asset is derecognised at which time the cumulative gain or loss previously recognised in equity is recognised in the Statement of Comprehensive Income.

Purchases of financial assets are accounted for as follows:

- financial assets held for trading – at trade date
- held-to-maturity investments – at trade date
- loans and receivables – at trade date
- available-for-sale financial assets – at trade date

Except for the following all financial liabilities are measured at amortised cost using the effective interest rate method.

- (a) financial liabilities at fair value through profit and loss and derivatives that are liabilities measured at fair value.
- (b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or are accounted for using the continuing involvement approach.

The amortised cost of a financial asset or a financial liability is the amount initially recognised minus principal repayments, plus or minus cumulative amortisation of any difference between the initial amount and maturity amount and minus any write-down for impairment or uncollectability.

(j) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 90 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

(l) Contributed equity

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

(m) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Samba Minerals Limited.

3. REVENUE

	2019	2018
	\$	\$
Other revenue	-	1
Interest earned	-	1
	-	1
	-	1

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

4. INCOME TAX

(a) Prima facie tax expense / (benefit) at 27.5% (2018: 27.5%) on profit / (loss) from ordinary activities is reconciled to the income tax provided in the financial statements

	2019 \$	2018 \$
Loss before income tax	(6,743)	(7,528)
Prima facie income tax benefit at 27.5% (2018: 27.5%)	1,854	2,070
Tax effect of amounts which are not tax deductible/(taxable) in calculating taxable income:		
Impairment of of Available-for-sale financial asset	-	-
Income tax (expense) / benefit adjusted for non deductible / (taxable) items	1,854	2,070
Deferred tax asset not brought to account	(1,854)	(2,070)
Income tax benefit / (expense)	-	-

(b) Deferred tax assets

The potential deferred tax asset arising from tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet considered sufficiently probable.

	2019 \$	2018 \$
Carry forward revenue losses	617,136	615,282
Carry forward capital losses	430,874	430,874
	1,048,010	1,046,156

The benefits will only be obtained if:

- (i) The company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) The company continues to comply with the conditions for deductibility imposed by the Law; and
- (iii) No changes in tax legislation adversely affect the company in realising the benefits from the deductions for the losses.

5. AUDITOR'S REMUNERATION

	2019 \$	2018 \$
The auditor of Samba Minerals Limited is HLB Mann Judd.		
Amounts received or due and receivable by the Company's auditors for:		
Auditing or reviewing the Company's financial statements	2,500	2,500
Other services to the Company	-	-
	2,500	2,500

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

6. KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors

L Math (appointed 5 December 2018)

R Chanson (appointed 30 September 2008, resigned 5 December 2018)

N Ferguson (appointed 22 January 2008)

P Jurman (appointed 22 January 2008)

(b) Compensation of key management personnel

	2019 \$	2018 \$
Short-term benefits	-	-
	<u>-</u>	<u>-</u>

(c) Other key management personnel transactions

Accounting, secretarial and corporate service fees of \$Nil (2018: \$1,179) were paid or payable during the year ended 30 June 2019 on normal terms and conditions to Corporate Consultants Pty Ltd, a company in which Mr Jurman is a director and has a beneficial interest.

7. CURRENT RECEIVABLES

	2019 \$	2018 \$
Current		
Other receivables (i)	-	198
	<u>-</u>	<u>198</u>

(i) Other receivables include amounts outstanding for goods and services tax (GST). These amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities.

8. OTHER FINANCIAL ASSETS

	2019 \$	2018 \$
Non-current		
Investment in listed entity (i)	256,365	256,365
Provision for impairment in investment	(256,365)	(256,365)
	<u>-</u>	<u>-</u>

(i) The investment comprises 225 million ordinary fully paid shares in Panex Resources Inc (DBGF:OTC US) representing a 17.95% interest as at the date of this report. Panex is currently in a restricted (non-tradeable) status and it is not expected that the restriction enabling the investment to be traded will be lifted in the near future. Due to the inability to dispose of these shares in Panex, the Board believes there is no fair value attributable to them.

9. TRADE AND OTHER PAYABLES

	2019 \$	2018 \$
Current		
Trade and other payables (i)	18,003	18,992
	<u>18,003</u>	<u>18,992</u>

(i) Trade and other payables amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period which are unpaid as well as accrued expenses. The amounts are unsecured and are usually paid within 30 days of recognition.

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

10 ISSUED CAPITAL

(a) Issued capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Movements in share capital

	2019	2018	2019	2018
	Number	Number	\$	\$
Balance at beginning of period	33,274,801	33,274,801	2,909,730	2,909,730
No movement for the year (i)	-	-	-	-
Balance at end of year	<u>33,274,801</u>	<u>33,274,801</u>	<u>2,909,730</u>	<u>2,909,730</u>

(i) There was no movement during the reporting period.

(ii) Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

11. ACCUMULATED LOSSES

	2019	2018
	\$	\$
Accumulated losses at the beginning of the year	(2,915,145)	(2,907,617)
Loss for the year	(6,743)	(7,528)
Accumulated losses at the end of the year	<u>(2,921,888)</u>	<u>(2,915,145)</u>

12. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	2019	2018
	\$	\$
Cash at bank	<u>5,845</u>	<u>13,379</u>

(b) Reconciliation of loss after tax to net cash flows from operations

	2019	2018
	\$	\$
Loss after income tax	(6,743)	(7,528)
Add back / (Subtract) non-cash items:		
(Increase) / decrease in assets		
Trade and other receivables	198	(36)
Increase / (decrease) in liabilities		
Trade and other payables	(989)	930
	<u>(7,534)</u>	<u>(6,634)</u>

(c) Non-cash financing of investing activities

There were no non-cash financing of investing activities during the financial year.

SAMBA MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13. COMMITMENTS AND CONTINGENCIES

The Company does not have any commitments or contingent liabilities as at balance date or at the date of this report.

14. EVENTS SUBSEQUENT TO BALANCE DATE

Since the end of the financial year and to the date of this report no matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

15. SEGMENT REPORTING

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the board as a whole and have concluded that during the year, Samba Minerals Limited only operated in the one sector - the identification of investment opportunities suitable for direct or indirect investment in mineral exploration projects with a focus on Africa.

**SAMBA MINERALS LIMITED
DIRECTORS' DECLARATION**

In the opinion of the Directors:

- (a) The accompanying financial statements and the notes and the additional disclosures included in the directors' report designated as audited, of the Company are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended that date; and
 - (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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

On behalf of the Board.



NIGEL FERGUSON
Director

Dated this 31st day of October 2019
Perth, Western Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Samba Minerals Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
31 October 2019



L Di Giallonardo
Partner