Samphire Uranium Limited

ABN 20 613 018 385

Annual Report

For the Year Ended 30 June 2020

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Directors

Martin Janes
Non-Executive Director

Lindsay Carthew
Non-Executive Director

Eric Whittaker
Non-Executive Director

Chief Financial Officer / Company Secretary

Damien Connor

Registered Office & Administrative Office

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Auditor

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Level 3, 170 Frome Street
Adelaide SA 5000

Banker

National Australia Bank
Level 1, 22 King William Street Adelaide
SA 5000

Website

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Directors' Report

The Directors of Samphire Uranium Limited present their Report together with the financial statements of the Consolidated Entity, being Samphire Uranium Limited ('Samphire' or 'Company') and its Controlled Entities ('the Group') for the financial year ended 30 June 2020 ('the Reporting Period') and the Independent Audit Report thereon.

Directors

The following directors were in office during the financial year, and up to the date of this report:

- Martin Janes
- Eric Whittaker
- Lindsay Carthew (appointed 30 January 2020)
- Russel Bluck (resigned 30 January 2020)

Company Secretary

Damien Connor held the position of Company Secretary during the whole of the financial year, and up to the date of this report.

Director Details - Information on continuing Directors and Management

Martin Janes BEc GAICD ***Non-Executive Director*** *(appointed 15 June 2016)*	***Experience:*** Martin has a Bachelor of Economics and is member of the Australian Institute of Company Directors. Martin is a non-executive Director of ASX listed Maximus Resources Limited (ASX: MXR) and former director of Havilah Resources Ltd (ASX: HAV) and Resource Base Limited (ASX: RBX). Until recently Martin was Chief Executive Officer of Terramin Australia Limited (ASX: TZN) a position he commenced in June 2013 having been that company's CFO from August 2006 to December 2010. Martin was previously employed by ASX listed uranium company Toro Energy Limited (ASX: TOE) (May 2011 to October 2012) where he held the position of General Manager – Marketing & Project Finance. Martin has a strong finance background and specialty covering equity, debt & related project financing tools and commodity off-take negotiation. While employed by Newmont Australia (previously Normandy Mining) his major responsibilities included corporate & project finance, treasury management, asset sales and product offtake management. ***Interest in Shares and Options:*** 4,360,130 fully paid ordinary shares ***Special Responsibilities:*** Nil
Eric Whittaker BAppSc MAusIMM ***Non-Executive Director*** *(appointed 29 August 2018)*	***Experience:*** Eric has a Bachelor of Applied Science in Applied Geology and is a member of the Australasian Institute of Mining and Metallurgy. Eric has over 25 years of experience in the minerals industry, having worked in a broad range of roles from open cut and underground mining to detailed resource drilling and greenfield exploration. He has had exposure to a broad range of commodities and deposit styles. Exploration successes include the addition of over four million ounces of gold to the Callie gold mine and the discovery of lead-zinc Viper and Sunter deposits. ***Interest in Shares and Options:*** Nil ***Special Responsibilities:*** Nil
Lindsay Carthew BEc MBA ***Non-Executive Director*** *(appointed 30 January 2020)*	***Experience:*** Lindsay is now a retired businessman. He has a Bachelor of Economics, with a Masters in Business Administration. He was a senior executive at the Co-operative building Society & Adelaide Bank. In the early 1990's, with friends, he established the very successful transport equipment business SCF Containers. These days Lindsay spends time in the philanthropic sector and is a Director of the Carthew Family Foundation and the Sydney based Apex Foundation. ***Interest in Shares and Options:*** *42,510,462 fully paid ordinary shares* ***Special Responsibilities:*** Nil
Damien Connor BCom, CA, GAICD, AGIA ***Company Secretary/CFO*** *(appointed 15 June 2016)*	Damien has been a member of the Institute of Chartered Accountants in Australia since 2002 and has over 20 years finance and accounting experience including 15 years in the mining industry. Damien is a Graduate of the Australian Institute of Company Directors, and has a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia. Damien also provides Company Secretary and Chief Financial Officer services to a number of other ASX Listed and unlisted entities.

Directors' Report

Principal Activities

Samphire Uranium Limited is an unlisted public company, incorporated in South Australia on 15 June 2016. The Company was incorporated as part of the process of demerging the Samphire Uranium Project assets from ASX listed Twenty Seven Co. Limited (formerly named UraniumSA Limited) ('the demerger').

The principal activity of the Group during the course of the year ended 30 June 2020 was the exploration for uranium and other minerals on the Group's exploration licenses in South Australia. Apart from the Sale Agreement executed between Samphire and Alligator subsequent to year end (refer to "Significant changes in the state of affairs" of the Directors' Report for details), there was no change to these activities during the financial year.

Significant changes in the state of affairs

Sale of Uranium Assets

On 31 July 2020, Samphire executed an Agreement for the Sale of Shares (Sale Agreement) with Alligator Energy Limited (ASX: AGE, 'Alligator') for the sale of Samphire's subsidiary, S Uranium Pty Ltd (SUPL). SUPL owes uranium resources and exploration assets including the Blackbush and Plumbush uranium resources. It is expected SUPL will also hold $700,000 of cash which is also included in the sale.

In consideration for the acquisition of SUPL, Alligator will issue 679,561,608 Alligator shares to Samphire (at a deemed price of $0.006 per AGE share), who plan to immediately in-specie distribute the Alligator shares to its shareholders. Samphire has share capital of 226,520,536 ordinary shares, hence each Samphire shareholder will receive three Alligator shares for every Samphire share they hold. Upon successful completion of the transaction (subject to certain conditions precedent, including regulatory and both company's shareholders approvals) the current 1,650 Samphire shareholders will collectively hold 32% of the expanded capital structure of Alligator.

The Directors of Samphire advise that, upon completion of the in-specie distribution, they intend to wind up the company. The Directors do not expect that Samphire shareholders will receive any distribution in the wind up of the Samphire following the distribution of the Alligator shares.

More information is available to Samphire shareholders in the Notice of Extraordinary General Meeting (EGM) for the EGM being held on Thursday, 1 October 2020, to approve the sale of SUPL and the in-specie distribution of Alligator consideration shares. The Notice and associated Prospectus are available on the Company's website at www.samphireuranium.com.au .

Review of Operations

In July 2016, the then shareholders of UraniumSA Limited approved the demerger of its uranium assets through the in-specie distribution of shares in its wholly owned subsidiary, Samphire. The objective of creating Samphire as an unlisted public company, was to create a low-cost structure to hold uranium assets until there was a recovery in the uranium sector. To this end, the directors of Samphire have worked towards maintaining ownership of Samphire's important uranium resources whilst minimising all expenditure.

The main activities of the directors have been as follows:

1. Maintain core exploration licenses are maintained in compliance with South Australian regulations and that they remain in good standing;
2. Ensure that rehabilitation programs are maintained and monitored;
3. Minimise administrative overheads and sale and/or dispose of surplus equipment;
4. Maintain all company records in compliance with requirements of a public company; and
5. Continue dialogue with uranium industry players, investors and brokers.

Financial Results

The loss of the Group for the year ended 30 June 2020 was $10,769,714 (30 June 2019 was a profit of $236,355). The loss for the year ended 30 June 2020, was primarily due to a $10,689,888 impairment charge to the Company's exploration assets to write them down to their net realisable value (being the consideration payable less an estimate of cost to sell), pursuant to the Sale Agreement with Alligator disclosed earlier.

Directors' Report

Dividends

No dividends were declared or paid during the reporting period. No recommendation for payment of dividends has been made to the date of this report.

Events arising since the end of the reporting period

Apart from the sale of SUPL to Alligator pursuant to the Sale Agreement disclosed earlier under '*Significant changes in the state of affairs*', no other matters or circumstances have arisen since the end of the reporting period, which has significantly or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Strategy and Outlook

The Sale Agreement disclosed earlier is subject to a number of customary conditions precedent, most notably are the shareholder approval requirements associated with the sale transaction by Samphire and Alligator shareholders. In the event the sale transaction with Alligator does not complete, the Company will continue its efforts to reduce costs and undertake low cost exploration activities to preserve the Company's assets to enable it to take advantage of a turnaround in the uranium market, which the company is positive will occur in the not too distant future.

Meetings of Directors

The number of meetings of the Company's Board of Directors held during the reporting period, and the numbers of meetings attended by each Director were as follows:

	Board Meetings	
Board Member	**A**	**B**
M Janes	1	1
E Whittaker	1	1
L Carthew [1]	-	-
R Bluck [2]	1	1

Where:
Column A is the number of meetings the Director was entitled to attend.

Column B is the number of meetings the Director attended.

1 L Carthew was appointed a Director on 30 January 2020.

2 R Bluck resigned as a Director on 30 January 2020.

Directors have also met informally on a number of occasions throughout the reporting period.

As at the date of this report, the Group has not formed separate Audit & Risk Management, Remuneration or Governance Committees, as these matters are handled by the Board as a whole.

Unissued shares under option

As at the date of this report, there are no unissued shares under option

Shares issued during or since the end of the reporting period as a result of exercise of options

The Company has not had any options on issue during the reporting period or as at the date of this report.

Health &Safety (WH&S)

The Group's corporate objective is to ensure that we maintain a safe and productive work environment. During the reporting period there were no incidents on our work sites.

Environmental legislation

The Group's operations are subject to significant environmental regulations under the law of the Commonwealth and/or State. No notice of any breach has been received and to the best of the Director's knowledge no breach of any environmental regulations has occurred during the reporting period or up to the date of this report.

Indemnifying Officers or Auditor

During the reporting period, the Company has paid premiums to insure all Officers of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of the information to gain advantage for themselves or someone else to cause detriment to the Group.

Non-Audit Services

The Board of Directors is satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor, and
- nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board

Details of amounts paid to the auditors of the Company and its related practices for audit and non-audit services provided during the reporting period are set out in Note 4 to the financial statements.

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 6 of this Financial Report and forms part of this Directors' report.

Proceedings on Behalf of the Group

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

Signed in accordance with a resolution of the Board of Directors.

Martin Janes
Non-Executive Director

Adelaide
Dated this 21st day of August 2020

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Auditor's Independence Declaration

To the Directors of Samphire Uranium Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Samphire Uranium Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 21 August 2020

Financial Information

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020

	Notes	Consolidated Group 30 June 2020 $	Consolidated Group 30 June 2019 $
INCOME			
Profit on sale of property, plant and equipment		9,940	352,820
Other Income	2	24,938	15,188
TOTAL INCOME		**34,878**	**368,008**
EXPENSES			
Exploration expenditure expensed		(1,600)	-
Impairment – exploration assets	9	(10,689,888)	-
Employee benefits expense		(57,584)	(51,072)
Occupancy expense		-	(6,642)
Insurance expense		(17,541)	(18,360)
Audit fees & tax consulting fees		(17,500)	(8,500)
Share registry expense		(12,727)	(11,961)
Other expenses		(7,752)	(35,118)
(LOSS) / PROFIT BEFORE INCOME TAX		**(10,769,714)**	**236,355**
Income tax expense	3	-	-
(LOSS) / PROFIT FOR THE YEAR		**(10,769,714)**	**236,355**
(Loss) / income attributable to members of the parent entity		**(10,769,714)**	**236,355**
Other comprehensive income		-	-
Total comprehensive (loss) / income attributable to the members of the parent entity		**(10,769,714)**	**236,355**
Earnings per Share		*Cents*	*Cents*
Basic and diluted (loss) / profit per share	12	(4.75)	0.10

The accompanying notes form part of the financial statements

Statement of Financial Position as at 30 June 2020

	Notes	Consolidated Group 30 June 2020 $	Consolidated Group 30 June 2019 $
ASSETS			
Cash and cash equivalents	5	788,930	888,988
Trade and other receivables	5	14,662	11,618
Other assets	7	6,186	8,881
Exploration and evaluation assets	9	3,337,370	14,009,529
TOTAL ASSETS		**4,147,148**	**14,919,016**
LIABILITIES			
Trade and other payables	10	30,246	32,400
TOTAL LIABILITIES		**30,246**	**32,400**
NET ASSETS		**4,116,902**	**14,886,616**
EQUITY			
Issued capital	11	14,797,519	14,797,519
Retained (loss) / profit		(10,680,617)	89,097
TOTAL EQUITY		**4,116,902**	**14,886,616**

The accompanying notes form part of the financial statements

Statement of Change in Equity for the year ended 30 June 2020

	Issued Capital $	Retained Losses $	Total $
Consolidated Group			
Balance at 30 June 2018	**14,797,519**	**(147,258)**	**14,650,261**
Transactions with owners			
Total loss for year	-	236,355	236,355
Total other comprehensive income	-	-	-
Balance at 30 June 2019	**14,797,519**	**89,097**	**14,886,616**
Transactions with owners			
Total profit for year	-	(10,769,714)	(10,769,714)
Total other comprehensive income	-	-	-
Balance at 30 June 2020	**14,797,519**	**(10,680,617)**	**4,116,902**

The accompanying notes form part of the financial statements

	Note	Consolidated Group 30 June 2020 $	30 June 2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(98,170)	(177,883)
Interest received		14,978	11,715
NET CASH (USED IN) OPERATING ACTIVITIES	16	**(83,192)**	**(166,168)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(26,866)	(73,538)
Payments for property, plant and equipment		-	(31,818)
Proceeds from sale of property, plant and equipment		10,000	1,088,193
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES		**(16,866)**	**982,837**
NET CASH PROVIDED BY FINANCING ACTIVITIES		**-**	**-**
Net (decrease) / increase in cash held		**(100,058)**	**816,669**
Cash at the beginning of the year		**888,988**	**72,319**
Cash at the end of the year	4	**788,930**	**888,988**

The accompanying notes form part of the financial statements

Note 1 - Statement of Significant Accounting Policies

The financial report includes the consolidated financial statements and notes of Samphire Uranium Limited ('Company' or "Samphire') and controlled entities ('Consolidated Group' or 'Group').

Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 as they apply on a realisation basis.

Samphire Uranium Limited is a for profit entity for the purposes of preparing the financial statements. The financial report has been presented in Australian dollars.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Realisation Basis of Preparation

On 31 July 2020, Samphire executed an Agreement for the Sale of Shares (Sale Agreement) with Alligator Energy Limited (ASX: AGE, 'Alligator') for the sale of Samphire's subsidiary, S Uranium Pty Ltd (SUPL). SUPL owes uranium resources and exploration assets including the Blackbush and Plumbush uranium resources. It is expected SUPL will also hold $700,000 of cash which is also included in the sale.

In consideration for the acquisition of SUPL, Alligator will issue 679,561,608 Alligator shares to Samphire (at a deemed price of $0.006 per AGE share), who plan to immediately in-specie distribute the Alligator shares to its shareholders. Samphire has share capital of 226,520,536 ordinary shares, hence each Samphire shareholder will receive three Alligator shares for every Samphire share they hold. Upon successful completion of the transaction (subject to certain conditions precedent, including regulatory and both company's shareholders approvals) the current 1,650 Samphire shareholders will collectively hold 32% of the expanded capital structure of Alligator.

The Directors of Samphire advise that, upon completion of the in-specie distribution, they intend to wind up the Company. The Directors do not expect that Samphire shareholders will receive any distribution in the wind up of the Samphire following the distribution of the Alligator shares.

Due to the intention to liquidate Samphire, the directors have determined that the financial statements have not been prepared on a "going concern" basis but rather have been prepared on an "alternate" basis representing a planned orderly realisation of assets and settlement of liabilities. As at 30 June 2020, the Company has accumulated losses of $10,680,617 and net assets of $4,116,902.

Realisation Basis of Accounting

The "realisation basis" of accounting adopted by the Company in the preparation of its financial statements continues to apply the requirements of Australian Accounting Standards considering that the Company is not expected to continue as a going concern in its present form in the foreseeable future.

The financial report has been prepared on an accrual basis. The carrying value of assets at 30 June 2020 reflects the recoverable value based on fair value (being the Consideration pursuant to the Sale Agreement with Alligator) less costs to sell. No additional provisions or liabilities have been recognised as a result of adopting the alternate basis of accounting as the Directors have not incurred any additional legal or contractual obligations.

a) Principles of Consolidation

The parent entity controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

A list of controlled entities is contained in Note 8 to the financial statements.

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the reporting period. Where controlled entities have entered/(left) the Consolidated Group during the reporting period, their operating results have been included/(excluded) from the date control was obtained/(ceased).

Note 1 - Statement of Significant Accounting Policies…continued

All inter-group balances and transactions between entities in the Consolidated Group, including any recognised profits or losses, have been eliminated on consolidation.

Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with those adopted by the parent entity.

b) Income Tax

The income tax expense/(revenue) for the reporting period comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the reporting period as well as unused tax losses. Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset recognised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Samphire Uranium Limited and its wholly-owned Australian subsidiaries have formed an income tax Consolidated Group under tax consolidation legislation. The Group notified the Australian Tax Office that it had formed an income tax Consolidated Group to apply from 30 June 2016. The tax Consolidated Group has not entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group’s taxable income. If a tax funding arrangement was in place, differences between the amounts of net tax assets and liabilities recognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

c) Property, Plant and Equipment

Property, plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment losses.

Note 1 - Statement of Significant Accounting Policies…continued

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred

Depreciation

The depreciable amount of all fixed assets, with the exception of land, are depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the assets are held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the Lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of Non-Current Asset	Depreciation Rate	Basis of Depreciation
Plant and equipment	10 - 33%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of Profit or Loss and Other Comprehensive Income.

d) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

e) Financial Instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

Note 1 - Statement of Significant Accounting Policies…continued

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Note 1 - Statement of Significant Accounting Policies…continued

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

f) Impairment of Non-financial Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g) Interests in Joint Arrangements

The Consolidated Group's share of assets, liabilities, revenue and expenses of joint operations are included in the appropriate items of the consolidated financial statements. Details of the Consolidated Group's interest are shown in Note 13.

Note 1 - Statement of Significant Accounting Policies…continued

h) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

i) Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

j) 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. 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.

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.

k) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments 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.

Key estimates

(i) Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in use calculations performed in assessing recoverable amounts incorporate a number of key estimates. An amount of $10,689,888 was recognised in respect of exploration and evaluation assets for the year ended 30 June 2020 (2019: $Nil) and related to the write-down of the Company's exploration assets to their net realisable value (being the consideration payable less an estimate of costs to sell) pursuant to the Sale Agreement for the sale of S Uranium Pty Ltd (wholly owned subsidiary that holds the Company's exploration assets) to Alligator.

(ii) Exploration and evaluation

The Group's policy for exploration and evaluation is discussed at Note 1(d). The application of this policy requires the directors to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available.

If, after having capitalised exploration and evaluation expenditure, the directors conclude that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off though the statement of profit or loss.

l) Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australia Accounting Standards and Interpretations applicable to its operations which became mandatory. The Group has assessed the adoption of these standards to have no impact on the Group's financial results.

m) Accounting standards issued but not yet effective and not been adopted early by the Group

The Group financial report is prepared on a realisation basis for the reasons outlined in Note 1 "Basis of Preparation" above. As a result, Australian Accounting Standards currently on issue but not yet effective are not expected to have any impact on the Group.

The financial report was authorised for issue on the 21 August 2020 by the Board of Directors.

	Consolidated Group	
	30 June 2020 $	30 June 2019 $
Note 2 – Other Income		
- Interest received	14,938	15,188
- Commonwealth Government COVID cashflow stimulus	10,000	-
- Profit on sale of property, plant and equipment	9,940	352,820
	34,878	368,008
Note 3 - Income Tax Benefit		
a) The components of income tax benefit comprise:		
Current tax	-	-
	-	-
b) The prima facie tax on loss before income tax is reconciled to the income tax as follows: 30% (2019: 30%):		
Net (loss) / profit	(10,769,714)	236,355
Prima facie tax (benefit) / expense on (loss) / profit from ordinary activities before income tax at 30% (2019: 30%)	(3,230,914)	70,907
Add/(less):		
Tax effect of:		
- Non-assessable items	(3,000)	
- Non-allowable items	3,206,966	-
	(26,948)	70,907
Utilisation of carry forward tax losses	-	(105,846)
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	26,948	34,939
Income Tax attributable to operating loss	-	-
c) Unused tax losses for which no deferred tax asset has been recognised		
- Revenue	6,145,766	901,757
- Capital	4,155,054	-
Note 4 - Auditors' Remuneration		
Remuneration of the auditor for:		
- auditing or review of the financial report	8,000	6,000
- taxation services provided by the practice of the auditor	9,500	2,500
	17,500	8,500

	Consolidated Group 30 June 2020 $	Consolidated Group 30 June 2019 $
Note 5 - Cash and Cash Equivalents		
Short term deposit	685,000	885,000
Cash at bank and on hand	103,930	3,988
	788,930	888,988

The effective interest rate on short term bank deposits during the reporting period was 1.55% p.a (2019: 2.43% p.a.).

The deposits have an average maturity of 137 days (2019: 142 days). The Group's exposure to interest rate risk is summarised at Note 19.

	Consolidated Group 30 June 2020 $	Consolidated Group 30 June 2019 $
Note 6 - Trade and Other Receivables		
GST receivable (net)	2,721	8,084
Accrued interest	3,467	3,534
Other receivables	8,474	-
	14,622	11,618
Note 7 - Other Assets		
Prepayments	6,186	8,881

Note 8 - Investments in Controlled Entities

	Country of Incorporation	*Percentage Owned* 2020	*Percentage Owned* 2019
Parent Entity			
Samphire Uranium Limited	*Australia*	*100%*	*100%*
Subsidiaries of Samphire Uranium Limited			
S Uranium Pty Ltd [1]	*Australia*	*100%*	*100%*
Angus Resources Pty Ltd [1]	*Australia*	*100%*	*100%*

1 On 31 July 2020 Samphire executed a Sale Agreement with Alligator Energy Limited (ASX: AGE, 'Alligator') for the sale of Samphire's subsidiary, S Uranium Pty Ltd (SUPL), which includes Angus Resources Pty Ltd which is a wholly owned subsidiary of SUPL.

	Consolidated Group	
	30 June 2020	30 June 2019
Note 9 - Exploration and Evaluation Assets	$	$
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases at net realisable value [1]	3,337,370	14,009,529
	3,337,370	14,009,529

[1] On 31 July 2020 Samphire executed a Sale Agreement with Alligator Energy Limited (ASX: AGE, 'Alligator') for the sale of Samphire's subsidiary, S Uranium Pty Ltd (SUPL). The exploration assets were written down to their realisable value pursuant to the sale transaction. Refer to '*Significant changes in the state of affairs'* in the Directors' Report for further details regarding the sale transaction and consideration payable.

Movements in carrying amounts:		
Exploration and evaluation		
Balance at the beginning of the year	14,009,529	13,935,514
Amounts capitalised during the year	17,729	74,015
Impairment expense	(10,689,888)	-
Balance 30 June	3,337,370	14,009,529

A summary by tenement is included at Note 13.

Note 10 – Trade and Other Payables	$	$
Trade payables	20,746	14,900
Other payables	9,500	17,500
	30,246	32,400

Note 11 - Issued Capital

30 June 2020	**Consolidated Group Number of Shares**	**30 June 2020 $**
a) Issued and paid up capital		
Fully paid ordinary shares	226,520,536	14,797,519
Movements in fully paid ordinary shares		
Balance as at 1 July 2019	226,520,536	14,797,519
Balance as at 30 June 2020	226,520,536	14,797,519

30 June 2019	**Number of Shares**	**30 June 2019 $**
a) Issued and paid up capital		
Fully paid ordinary shares	226,520,536	14,797,519
Movements in fully paid ordinary shares		
Balance as at 1 July 2018	226,520,536	14,797,519
Balance as at 30 June 2019	226,520,536	14,797,519

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b) Options on Issue

There were no share options outstanding as at the end of the reporting period.

c) Capital Management

The Group has no externally imposed capital requirements.

Note 12 - Earnings Per Share (EPS)

	30 June 2020 $	**30 June 2019 $**
Reconciliation of earnings to Loss		
(Loss) / profit for year used to calculate basic EPS	(10,769,714)	236,355
	Number	Number
a) Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted EPS	226,520,536	226,520,536

b) In accordance with AASB 133 “Earnings per Share” as potential ordinary shares may only result in a situation where their conversion results in decrease on profit per share or increase in loss per share, no dilutive effect has been taken into account.

Note 13 - Tenements and Joint Operations

The Group's interest in tenements and unincorporated joint ventures are as follows:

Project	Tenement	Commodity	Consolidated Group 30 June 2020 $ Carrying value $	Consolidated Group 30 June 2019 $ Carrying value $
Wild Horse Plain [1]	EL 5804	Uranium	-	472,759
Mullaquana [1]	EL 5926	Uranium, Base Metals	3,337,370	13,176,781
Midgee [1]	EL 6350	Uranium, Base Metals	-	359,989
Carrying value of exploration costs			3,337,370	14,009,529

[1] On 31 July 2020 Samphire executed a Sale Agreement with Alligator Energy Limited (ASX: AGE, 'Alligator') for the sale of Samphire's subsidiary, S Uranium Pty Ltd (SUPL). The exploration assets were written down to their realisable value pursuant to the sale transaction. Refer to '*Significant changes in the state of affairs*' in the Directors' Report for further details regarding the sale transaction and consideration payable.

All tenements are within South Australia.

The Group's farmed-in interests in unincorporated joint venture operations are noted below:

Name of EL	Principal activity	Joint venture partner	% Interest as at 30 June 2020	% Interest as at 30 June 2019
Midgee [2]	Mineral exploration	Hiltaba Gold Pty Ltd	0%	0%
Wild Horse Plain [3]	Mineral exploration	Archer Exploration Limited	0%	0%

The group does not have any farmed-out interests in unincorporated joint venture operations.

[2] The Company has rights to 100% of uranium on the tenement under the Wild Horse Plain Agreement between the Company and Archer Energy and Resources Pty Ltd (a wholly owned subsidiary of Archer Exploration Limited).

[3] The Company has the right to earn a 73% interest in all minerals upon the identification of a JORC resource under the Eyre Peninsula Joint Venture agreement between the two parties.

	Consolidated Group	
	30 June 2020 $	30 June 2019 $
Note 14 – Expenditure Commitments and Contingencies		
a) Expenditure Commitments		
Capital commitments relating to joint ventures and tenements		
The Group is required to meet minimum expenditure requirements of various Australian Government bodies. These obligations are subject to re-negotiation, may be farmed out or may be relinquished and have not been provided for in the financial statements.		
Exploration expenditure commitments		
- Expenditure commitment	360,000	360,000
Lease expenditure commitments		
The Group had no lease commitments at 30 June 2020 (30 June 2019: Nil)		

b) Contingencies

The Group did not have any contingent liabilities as at 30 June 2020 (2019: None). The Group has minimum expenditure commitments on exploration licences as per the terms of the exploration licences. Unexpended commitment for a particular year can be deferred or rolled over to subsequent years of the licence term.

Note 15 - Segment Information

The Directors have considered the requirements of AASB 8 - Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources have concluded at this time there are no separately identifiable segments.

	Consolidated Group	
	30 June 2020 $	30 June 2019 $
Note 16 - Cash Flow Information		
Reconciliation of cash flows from operations with Profit / (Loss) after income tax		
(Loss)/ profit after income tax	(10,769,714)	236,355
Non-cash flows in loss:		
- Exploration expenditure expensed	1,600	-
- Exploration impairment expense	10,689,888	-
- Net gain on disposal of property, plant and equipment	(9,940)	(352,820)
Changes in assets and liabilities;		
- Increase in trade and other receivables	(348)	(14,508)
- Increase / (decrease) in trade and other payables	5,322	(35,195)
Net cash used in operating activities	(83,192)	(166,168)

Note 17 - Events after the Reporting Date

Other than the sale of SUPL as disclosed in Note 1, no other matters or circumstances have arisen since the end of the reporting period, which has significantly or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Note 18 - Related Party Transactions

a) Subsidiaries

Interests in subsidiaries are disclosed in Note 8.

b) Key Management Personnel

Key management of the Group are the Directors and CFO/Company Secretary (**Key Management Personnel**).

The Key Management Personnel are as follows:

- Martin Janes *Non-Executive Director*
- Eric Whittaker *Non-Executive Director*
- Lindsay Carthew [1] *Non-Executive Director*
- Russel Bluck [2] *Non-Executive Director*
- Damien Connor *Company Secretary/CFO*

1 Lindsay Cathew was appointed as a Director on 30 January 2020.

2 Russel Bluck resigned as a Director on 30 January 2020.

Key Management Personnel remuneration includes the following expenses:

	For the year ended 30 June 2020 $			For the year ended 30 June 2019 $		
Short term employee benefits	**Paid**	**Unpaid**	**Total**	**Paid**	**Unpaid**	**Total**
Director fees	17,500	-	17,500	8,000	9,000	17,000
Company Secretary/CFO fees	30,037	8,441	38,478	31,845	1,537	33,382
Total short term employee benefits	**47,537**	**8,441**	**55,978**	**39,845**	**10,537**	**50,382**

As at the date of this report, all amounts outstanding have been settled in cash.

c) Other transactions with related parties

There were no transactions with related parties during the reporting period.

Note 19 - Financial Risk Management

a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payables. The Group does not currently undertake hedging of any kind and is not directly exposed to currency risk.

The Group does not have a formally established treasury function. The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Note 19 - Financial Risk Management…continued

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The main risk the Group is exposed to through its financial instruments is interest rate risk. The Group holds the following financial instruments:

	Weighted Average Effective Interest Rate		Interest Bearing		Non-Interest Bearing		Total	
	2020 %	2019 %	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Financial Assets								
Cash at bank	-	-	103,930	3,988	-	-	103,930	3,988
Deposits	1.55	2.43	685,000	885,000	-	-	685,000	885,000
Trade and other receivables	-	-	-	-	14,662	11,618	14,662	11,618
Total Financial Assets			**788,930**	**888,988**	**14,662**	**11,618**	**803,592**	**900,606**
Financial Liabilities								
Trade and other payables	-	-	-	-	(30,246)	(32,400)	(30,246)	(32,400)
Total Financial Liabilities			-	-	(30,246)	(32,400)	(30,246)	(32,400)
Total Net Financial Assets			**788,930**	**888,988**	**(15,584)**	**(20,782)**	**773,346**	**868,206**

Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non- interest bearing monetary financial assets and financial liabilities of the Group approximate their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based on discounting future cash flows by the current interest rates for assets and liabilities with similar risk profiles. The balances are not materially different from those disclosed in the Statement of Financial Position of the Group.

b) Interest Rate Risk & Sensitivity Analysis

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. The Group aims to keep surplus cash in higher yielding deposits.

Sensitivity Analysis- Interest Rates
The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in these risks.

Note 19 - Financial Risk Management…continued

At 30 June 2020, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	30 June 2020 $	30 June 2019 $
Change in loss / (profit)		
Increase in interest rate by 2%	13,700	(17,700)
Decrease in interest rate by 2%	(13,700)	17,700
Change in equity		
Increase in interest rate by 2%	13,700	(17,700)
Decrease in interest rate by 2%	(13,700)	17,700

c) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions, and represents the potential financial loss if counterparties fail to perform as contracted.

The Group has no significant concentrations of credit risk and cash term deposits are limited to high credit quality financial institutions.

The carrying amount of the Group's financial assets represents the maximum credit exposure. Refer to the table above within Note 19(a) for weighted average interest rates and floating and fixed interest financial instruments.

d) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and close out market positions.

The Board of Directors are ultimately responsible for Group's liquidity risk management. Liquidity risk is managed by maintaining adequate reserves and investing surplus cash only in major financial institutions.

At the end of the reporting period the Group held cash and at call deposits of $788,930 (30 June 2019: $888,988).

Note 20 - Samphire Uranium Limited Parent Company Information

	Parent Entity	
	30 June 2020 $	30 June 2019 $
Parent Entity		
Assets		
Cash, receivables and prepayments	758,896	904,685
Investments in subsidiaries	2	2
Total Assets	758,898	904,687
Liabilities		
Trade and other payables	27,606	22,223
Total Liabilities	27,606	22,223
Net Assets	731,292	882,464
Equity		
Issued capital	14,797,519	14,797,519
Accumulated losses	(14,066,227)	(13,915,055)
Total Equity	731,292	882,464
Financial performance		
Loss for the year [1]	(151,172)	(13,714,494)
Other comprehensive income	-	-
Total comprehensive income	(151,172)	(13,714,494)

Guarantees in relation to the debts of subsidiaries

The Company has not entered into a deed of cross guarantee with its wholly-owned subsidiaries S Uranium Pty Ltd and Angus Resources Pty Ltd.

Contingent Liabilities

The Company did not have any contingent liabilities as at 30 June 2020 or 30 June 2019.

Contractual Commitments

The Company did not have any lease expenditure commitments as at 30 June 2020 (30 June 2019: None).

There are no contractual capital commitments for the acquisition of property, plant or equipment at the date of signing this report.

Directors' Declaration

The Directors of the Group declare that:

1. the Financial Statements and Notes as set out on pages 7 to 26 are in accordance with the *Corporations Act 2001* and:

    a) comply with Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 1; and

    b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Group;

2. the Chairman and the Chief Financial Officer have each declared that:

    a) the financial records of the Group for the year ended 30 June 2020 have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    b) the financial statements and notes for the financial year comply with the Accounting Standards; and

    c) the financial statements and notes give a true and fair view;

3 in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Martin Janes
Non-Executive Director

Adelaide
Dated this 21st day of August 2020

Grant Thornton

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Independent Auditor's Report

To the Members of Samphire Uranium Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Samphire Uranium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; 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 Group in accordance with 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.

Emphasis of matter – Realisation basis of accounting

We draw attention to Note 1 alternative basis of preparation (realisation basis) in the notes to the financial statements, which indicates the Group's determination that they are no longer a going concern. Our opinion is not modified in relation to this matter.

GrantThornton

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 Group's Director's report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, 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*. The Directors' responsibility also includes 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.

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 the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 21 August 2020