



ZULEIKA GOLD
LIMITED

(formerly Dampier Gold Limited)

ABN 43 141 703 399

Financial Report for the half-year ended 31 December 2020

www.zuleikagold.com.au

CONTENTS

	Page
DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	3
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
STATEMENT OF FINANCIAL POSITION.....	5
STATEMENT OF CHANGES IN EQUITY	6
STATEMENT OF CASH FLOWS.....	7
CONDENSED NOTES TO THE FINANCIAL STATEMENTS.....	8
DIRECTORS' DECLARATION.....	18
INDEPENDENT AUDITOR'S REVIEW REPORT	19

CORPORATE DIRECTORY

Board of Directors

Malcolm Carson	Executive Chairman
Hui Guo	Managing Director (appointed as Managing Director on 9 October 2020)
Graeme Purcell	Non-Executive Director (appointed 8 March 2021)
Peiqi Zhang	Non-Executive Director (resigned 7 March 2021)

Company Secretary

Michael Higginson

Principal & Registered Office

36 Prestwick Drive
Twin Waters, Queensland 4564

Postal Address

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Twin Waters, Queensland 4564

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Share Registry

Advanced Share Registry Services Limited
110 Stirling Highway
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Auditors

Stantons International
Level 2, 1 Walker Avenue
West Perth, Western Australia 6005

DIRECTORS' REPORT

Your Directors submit the Financial Report of Zuleika Gold Limited ("Zuleika Gold" or the "Company") (formerly *Dampier Gold Limited*) for the half-year ended 31 December 2020.

Directors

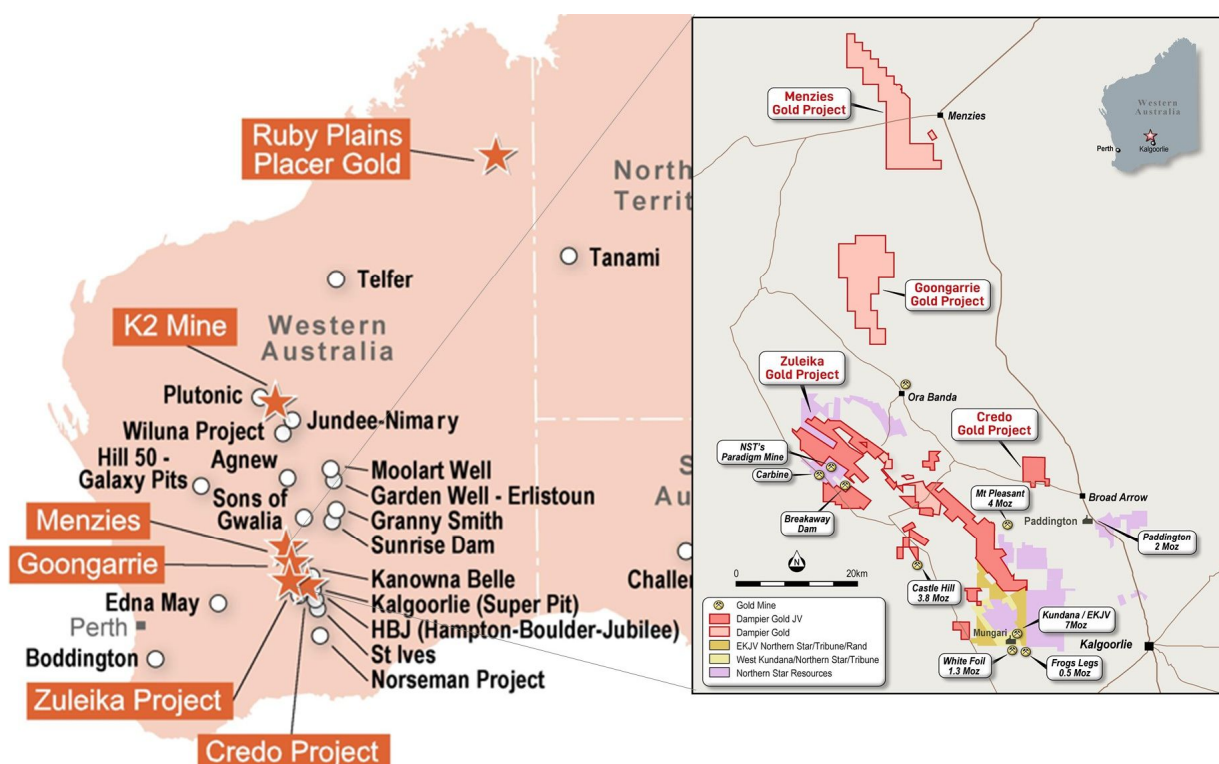
The names of the Directors of the Company in office during the half-year and to the date of this Report are:

Hui Guo	(Managing Director – appointed 9 October 2020)
Malcolm Carson	(Executive Chairman)
Graeme Purcell	(Non-Executive Director – appointed 8 March 2021)
Peiqi Zhang	(Non-Executive Director – resigned 7 March 2021)

Review of Operations

Exploration and Evaluation

Zuleika Gold's tenement portfolio is illustrated in the following figure.



Zuleika Gold's presence in the gold-rich Kalgoorlie region gives the Company scope to undertake exploration on relatively under-explored ground in this world class gold region.

In October 2019, Zuleika Gold entered into two joint ventures on the world class gold conduit, the Zuleika Shear (220 km²) which has produced ~20 million ounces of gold and at Credo Well (12 km²) which historically has shown spectacular specimen gold and from drilling generated extraordinarily high-grade intersections. Zuleika and Credo areas have generated ~20 million ounces of gold and contain a number of producing gold mines operated by Northern Star, Evolution and Zijin.

In January 2019, Zuleika Gold acquired the rights to earn up to 80% in two tenements covering an area of ~400 km² north of Kalgoorlie in the gold mining centres of Goongarrie and Menzies.

In 2018, Zuleika Gold purchased 100% of the Ruby Plains Gold Project from private vendors. The project is located in the Kimberley region of Western Australia, 70km SSE of the township and historical goldfield at Halls Creek and covers ~1,000 km² of paleo-placer deposits which have characteristics similar in terms of age and genesis to the paleo-sedimentary multi-million-ounce gold deposits of the rich Californian goldfields.

DIRECTORS' REPORT

Review of Operations (CONTINUED)

Zuleika Gold is in dispute with Vango Mining Limited (ASX: VAN) over the Company's right to earn up to a 50% interest in the K2 Mine in accordance with a binding farm-in joint venture agreement, for the expenditure of up to \$3M on pre-development expenditure. The K2 Mine has a 1.4km developed decline to the ore blocks and contains Resources of 107,000 ounces at 8.9 g/t Au which includes 67,000 ounces at 10.9 g/t. The mine requires dewatering and refurbishment of the decline prior to gold production. Vango has challenged Zuleika Gold's rights to earn-in to the K2 Mine and the matter is now the subject of a legal dispute before the Courts of Western Australia.

Financial Result

The loss after tax for the half-year ended 31 December 2020 was \$4,623,969 (2019: Restated \$785,234).

Events Subsequent to Reporting Date

On 10 February 2021 the Company announced the issue of the following securities:

- 2,892,937 ordinary fully paid shares for the settlement of creditors with a fair value of \$142,973;
- 572,362 ordinary fully paid shares in consideration for the acquisition of the Ora Banda tenements;
- 64,585,809 ordinary fully paid shares for cash at an issue price of \$0.055 per share to raise \$3,552,219 in working capital (before costs); and
- 21,528,604 free attaching options issued on a 1 for 3 basis with each option exercisable at \$0.10 and expiring 31 January 2023.

Following the resignation of Mr Zhang as a Director on 7 March 2021, Mr Graeme Purcell was appointed as a Non-Executive Director on 8 March 2021.

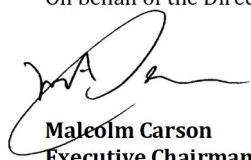
No other material subsequent events have occurred from balance date to the date of this report.

Auditor's independence declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3.

This Report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors.



Malcolm Carson
Executive Chairman

Dated this 16 March 2021

16 March 2021

Board of Directors
36 Prestwick Drive
TWIN WATERS
Queensland 4564

Dear Directors

RE: ZULEIKA GOLD LIMITED

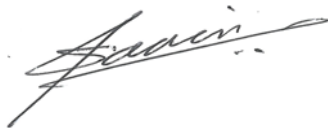
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Zuleika Gold Limited.

As Audit Director for the review of the financial statements of Zuleika Gold Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Samir Tirodkar
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2020

	Note	31 Dec 2020 \$	RESTATED 31 Dec 2019 \$
Continuing operations			
Revenue	4	5,759	8,586
Other income	4	174,988	-
Administration expenses		(762,658)	(601,912)
Exploration and evaluation expenses	5	-	(99,935)
Share-based payments expense	12	(4,042,058)	(91,973)
Loss from continuing operations before income tax		(4,623,969)	(785,234)
Income tax expense / (benefit)		-	-
Loss from continuing operations		(4,623,969)	(785,234)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be subsequently reclassified to profit or loss		-	-
Total comprehensive loss for the period		(4,623,969)	(785,234)
Loss attributable to owners of the Company		(4,623,969)	(785,234)
Total comprehensive loss attributable to owners of the Company		(4,623,969)	(785,234)
Loss per share:			
From continuing operations			
Basic (cents per share)	6	(1.61)	(0.42)
Diluted (cents per share)		(1.61)	(0.42)

The accompanying condensed notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	Note	31 Dec 2020 \$	RESTATED 30 Jun 2020 \$	RESTATED 1 Jul 2019 \$
Current assets				
Cash and cash equivalents	7	3,135,060	2,178,953	1,530,152
Other receivables		324,265	74,916	23,690
Other assets		17,768	1,916	1,785
Total current assets		3,477,093	2,255,785	1,555,627
Non-current assets				
Property, plant and equipment		18,788	44,378	3,130
Exploration and evaluation expenditure	8	2,657,065	1,681,422	1,099,420
Total non-current assets		2,675,853	1,725,800	1,102,550
TOTAL ASSETS		6,152,946	3,981,585	2,658,177
Current liabilities				
Trade and other payables		413,583	462,108	146,756
Provisions	9	130,000	78,600	-
Lease liability	10	17,115	42,144	-
Total current liabilities		560,698	582,852	146,756
Non-current liabilities				
Lease liability	10	-	-	-
Total non-current liabilities		-	-	-
TOTAL LIABILITIES		560,698	582,852	146,756
NET ASSETS		5,592,248	3,398,733	2,511,421
Equity				
Issued capital	11	31,155,846	28,380,420	25,994,122
Reserves	12	4,438,163	396,105	236,200
Accumulated losses		(30,001,761)	(25,377,792)	(23,718,901)
TOTAL EQUITY		5,592,248	3,398,733	2,511,421

The accompanying condensed notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2020

Company	RESTATED				Total Equity
	Attributable to equity holders				
For the six months ended 31 December 2019	Ordinary Shares	Option Reserve	Other Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance as at 1 July 2019	25,994,122	236,200	-	(23,981,821)	2,248,501
RESTATEMENT – change in accounting policy	-	-	-	262,920	262,920
Restated Balance as at 1 July 2019	25,994,122	236,200	-	(23,718,901)	2,511,421
Issue of shares (cash)	324,400	-	-	-	324,400
Cost of share issue	(3,501)	-	-	-	(3,501)
Issue of shares to consultants	63,284	-	-	-	63,284
Issue of performance rights	-	-	1,973	-	1,973
Shares to be issued to directors	90,000	-	-	-	90,000
Total comprehensive income					
Profit/(Loss) for the period	-	-	-	(785,234)	(785,234)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive (loss) for the period	-	-	-	(785,234)	(785,234)
Balance as at 31 Dec 2019	26,468,305	236,200	1,973	(24,504,135)	2,202,343

Company	Attributable to equity holders				Total Equity
	Ordinary Shares	Option Reserve	Other Reserve	Accumulated Losses	
For the six months ended 31 December 2020	\$	\$	\$	\$	\$
Balance at 1 July 2020	28,380,420	391,132	4,973	(26,186,844)	2,589,681
RESTATEMENT – change in accounting policy	-	-	-	809,052	809,052
Restated Balance as at 1 July 2020	28,380,420	391,132	4,973	(25,377,792)	3,398,733
Issue of shares (cash)	2,757,780	-	-	-	2,757,780
Conversion of options	32,143	-	-	-	32,143
Shares to be issued	13,025	-	-	-	13,025
Cost of share issue	(130,372)	-	-	-	(130,372)
Issue of shares other than cash	102,850	-	-	-	102,850
Issue of performance rights	-	-	27,427	-	27,427
Options issued to directors, consultants and issued for loan facility	-	4,014,631	-	-	4,014,631
Total comprehensive income					
Profit/(Loss) for the half-year	-	-	-	(4,623,969)	(4,623,969)
Total comprehensive loss for the half-year	-	-	-	(4,623,969)	(4,623,969)
Balance as at 31 December 2020	31,155,846	4,405,763	32,400	(30,001,761)	5,592,248

The accompanying condensed notes form part of the financial statements.

STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
Cash flows from operating activities			
Interest received		2,347	14,961
Payments for exploration and evaluation		-	(248,399)
Payments to suppliers and employees		(665,476)	(544,091)
Interest paid		(971)	(2,452)
Net cash (used in) operating activities		(664,100)	(779,981)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(4,206)
Payments for exploration and evaluation		(934,802)	-
Payments for acquisition of tenements		(31,818)	-
Net cash (used in) investing activities		(966,620)	(4,206)
Cash flows from financing activities			
Proceeds from issues of ordinary shares		2,802,948	324,400
Payment of share issue costs		(191,092)	(3,501)
Repayment of lease liability		(25,029)	(23,548)
Net cash provided by financing activities		2,586,827	297,351
Net increase/(decrease) in cash and cash equivalents		956,107	(486,836)
Cash and cash equivalents at the beginning of the half-year		2,178,953	1,530,152
Cash and cash equivalents at the end of the half-year	7	3,135,060	1,043,316

The accompanying condensed notes form part of the financial statements.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

1. Basis of preparation of interim financial report

Zuleika Gold Limited (**Zuleika** or **Company, formerly Dampier Gold Limited**) is a public company limited by shares incorporated in Australia whose shares are quoted on the Australian Securities Exchange.

These financial statements comprise the Company and a dormant subsidiary. The half-year financial statements are therefore prepared as a Company. The half-year financial statements were authorised for issue by the Board of Directors on 16 March 2021.

This interim financial report for the half-year period ended 31 December 2020 has been prepared in accordance with accounting standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the financial year ended 30 June 2020 and considered together with any public announcements made by Zuleika during the half-year ended 31 December 2020 in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the new or amended standards became applicable for the current reporting period and the retrospective adjustments as a result of a voluntary change in accounting policy. Refer to note 2(a) for further information.

2. Summary of Significant Accounting Policies

(a) Exploration and evaluation expenditure

During the period the Company changed its accounting policy to capitalise its exploration and evaluation expenditure as an asset. The new accounting policy is as follows:

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

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities directly related to each area of interest. Consultants fees related to the overall exploration programmes are allocated across the tenements on a pro-rata basis. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The assessment of impairment indicators as per AASB 6 is undertaken at least annually. Where there are impairment indicators, the recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to

- (i) abandon the entire area of interest; or
- (ii) allow the entire area of interest to expire without renewal; or
- (iii) it is reasonably likely that the area of interest will expiry in the near future; or
- (iv) a decision is made to no longer undertaken exploration work,

then the exploration and evaluation assets will be written off.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

2. Summary of Significant Accounting Policies (cont)

(b) Voluntary change in accounting policy

The Company's exploration and evaluation expenditure accounting policy for the year ended 30 June 2020 was to capitalise acquisition costs to the exploration and evaluation asset and expense all remaining exploration and evaluation expenditure in the statement of profit or loss. The Board has changed the accounting policy for exploration and evaluation expenditure to capitalise all costs to an asset within the statement of financial position for each area of interest as at 1 July 2020 subject to the requirements outlined in the new accounting policy (see note 2(a)).

The Board believes that this change in accounting policy more accurately reflect the change in its business strategy and the nature of the exploration activities undertaken. The change in accounting policy has been made because:

- (a) the Company strategy has been to secure highly prospective assets through acquisition or execution of farm-in agreements which it has now achieved;
- (b) the exploration and evaluation costs are now considered to be incurred to define targets and progress the areas of interest towards resource definition and development and in the Board's view, it is more appropriate for these costs to be classified as exploration and evaluation assets as prescribed under AASB 6 Exploration for and Evaluation of Mineral Resources;
- (c) under the new accounting policy, the users of the financial statements (including the Company's partners and stakeholders) are able to clearly identify the costs incurred to progress the assets as the accounting standard, AASB 6 Exploration for and Evaluation of Mineral Resources, requires the Company to meet defined criteria before costs can be recognised as an asset; and
- (d) the Board believes that the economic substance of the work performed to progress the areas of interest represents the major asset of the Company and it is more appropriate to classify the costs as an asset rather than general exploration and evaluation costs within the income statement.

The change has been made retrospectively in accordance with the requirements of AASB 108 from the earliest reporting period and the effect of the change and the impact on the financial statements is outlined in note 5.

(c) New accounting standards not yet effective

All the new standards and interpretations effective from 1 July 2020 were adopted. The adoption of the new or amended standards and interpretations did not result in any significant changes to the Company's accounting policies. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(d) Going concern

The financial report has been prepared on a going concern basis.

The Board considers that there are sufficient grounds to believe that the Company will be able to continue to pay its debts as and when they fall due. This is based on future cash forecasts, existing cash reserves and the ability to significantly reduce activity to preserve cash if necessary. Furthermore, the Directors are also of the opinion that a capital raising could be achieved to raise additional funds if required. Subsequent to the end of the half-year, the Company raised \$3,552,219 (before costs) from the issue of 64,585,809 ordinary fully paid shares.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

3. Segment information

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

4. Loss from continuing operations

	31 Dec 2020	31 Dec 2019
	\$	\$
Loss from continuing operations before income tax has been determined after:		
(a) Revenue		
Interest revenue	5,759	8,586
(b) Other income		
Research and development tax incentive	174,988	-
(c) Expenses		
Depreciation	25,590	26,284

5. Change in accounting policy

The Board has changed the Company's accounting policy to capitalise its exploration and evaluation costs to an asset within the statement of financial position. This has resulted in prior period adjustments to the income statement and balance sheet as follows:

As at 30 June

	Previously Reported 1 July 2019	Effect of accounting policy change	RESTATED 1 July 2019
Adjustments made to statement of financial position			
Capitalised mineral exploration and evaluation expenditure	836,500	262,920	1,099,420
Net assets	2,248,501	262,920	2,511,421
Equity			
Issued capital	25,994,122	-	25,994,122
Reserves	236,200	-	236,200
Retained earnings/(accumulated losses)	(23,981,821)	262,920	(23,718,901)
	2,248,501	262,920	2,511,421
Adjustments made to statement of financial position			
Capitalised mineral exploration and evaluation expenditure	872,370	809,052	1,681,422
Net assets	2,589,681	809,052	3,398,733
Equity			
Issued capital	28,380,420	-	28,380,420
Reserves	396,105	-	396,105
Retained earnings/(accumulated losses)	(26,186,844)	809,052	(25,377,792)
	2,589,681	809,052	3,398,733
Adjustments made to profit and loss and other comprehensive income for 31 December 2019			
Exploration and evaluation expenses	(247,057)	147,122	(99,935)
(Loss) from continuing operations before income tax benefit	(932,356)	147,122	(785,234)
Income tax (expense) / benefit	-	-	-
(Loss) from continuing operations after income tax benefit	(932,356)	147,122	(785,234)

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

6. Profit/(Loss) per share

	31 Dec 2020 Cents per share	RESTATED 31 Dec 2019 Cents per share
From continuing and discontinued operations		
Basic (cents per share)	(1.61)	(0.42)
Diluted (cents per share)	(1.61)	(0.42)
From continuing operations		
Basic (cents per share)	(1.61)	(0.42)
Diluted (cents per share)	(1.61)	(0.42)
a. Reconciliation of earnings used in calculating loss per share		
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	(4,623,969)	(785,234)
	2020	2019
	No. of shares	No. of shares
b. Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	287,423,347	187,701,774

The shares under option at the end of the period are not considered dilutive as the average market price of ordinary shares during the period did not exceed the exercise price of the options and the Company has made a loss.

7. Current assets: Cash and cash equivalents

	31 Dec 2020 \$	30 Jun 2020 \$
Cash at bank and on hand (i)	316,549	1,112,089
Bank short term deposits (ii)	2,818,511	1,066,864
	3,135,060	2,178,953

(i) Cash at bank and on hand earns interest at floating rates based on daily bank deposits.

(ii) Available at short notice.

8. Non-current assets: Capitalised mineral exploration and evaluation expenditure

	31 Dec 2020 \$	RESTATED \$
Tenement acquisition costs carried forward in respect of mining areas of interest		
Opening balance at 1 July 2020	1,681,422	-
Tenement acquisition costs ¹	-	446,500
Tenement acquisition costs ²	-	390,000
Tenement acquisition costs ³	-	35,870
Tenement acquisition costs ⁴	66,818	-
Change in accounting policy ⁵	-	809,052
Add: Amount capitalised during the period ⁶	908,825	-
Closing net book amount	2,657,065	1,681,422

¹ In June 2018, the Company acquired the Ruby Plain area of interest for consideration of \$446,500.

² In January 2019, the Company acquired the Menzies and Goongarrie tenements for a consideration of 10,000,000 ordinary shares and a cash payment of \$20,000.

³ In April 2020, the Company issued 10,000,000 options to commence the farm-in for Zuleika area of interest.

⁴ During the current period the Company paid \$35,000 in cash and agreed to issue 572,362 fully paid ordinary shares for the acquisition of the Ora Banda area of interest.

⁵ During the current period the Company changed its accounting policy to capitalise exploration and evaluation expenditure to the statement of financial position rather than expense them as incurred. The Company has retrospectively adjusted retained losses and the exploration asset to reflect the change in policy.

⁶ Exploration and evaluation costs capitalised during the period.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

9. Provisions

	31 Dec 2020 \$	30 Jun 2020 \$
Provisions		
Current Provisions	130,000	78,600
Total	<u>130,000</u>	<u>78,600</u>

The Company has provided for some costs relating to the current stage of its ongoing legal action with Vango. These costs are expected to be incurred in the second half of the 2021 financial year. The prior period provision included the cost of a settlement with a supplier.

Reconciliation/movement for the year

Carrying amount at beginning of period	78,600	-
Additions	130,000	78,600
Less: Amounts used during the period	(78,600)	-
Less; Amounts reversed	-	-
Carrying amount at end of period	<u>130,000</u>	<u>78,600</u>

10. Lease liability

	31 Dec 2020 \$	30 Jun 2020 \$
Current		
Lease liability	17,115	42,144
Non-current		
Lease liability	-	-
	<u>17,115</u>	<u>42,144</u>
Reconciliation/movement for the year		
Opening balance	42,144	-
Amounts recognised on transition	-	89,969
Less: amount repaid	(25,029)	(47,825)
Other movements	-	-
Closing balance at end of period	<u>17,115</u>	<u>42,144</u>

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

11. Issued capital

Equity (number of shares on issue and the amount paid (or value attributed) for the shares)

342,042,265 fully paid ordinary shares (30 June 2020: 267,985,995)

The following changes to the shares on issue and the attributed value during the periods:

	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	Number	Number	\$	\$
Balance at the beginning of the year	267,985,995	176,640,141	28,380,420	25,994,122
Issue of shares to extinguish debt ¹	-	2,260,143	-	63,284
Issue of shares in a placement ²	-	11,585,711	-	324,400
Shares issued to directors ³	-	6,000,000	-	90,000
Issue of shares to consultants ⁴	-	1,500,000	-	30,000
Issue of shares in a placement ⁵	-	37,800,000	-	944,993
Issue of shares to extinguish debt ⁵	-	2,200,000	-	59,400
Issue of shares in a placement ⁶	-	30,000,000	-	660,000
Issue of shares in a placement ⁸	16,454,545	-	10,000	352,000
Issue of shares to consultants ⁹	520,000	-	15,600	-
Issue of shares upon exercise of options ¹⁰	535,715	-	32,143	-
Issue of shares in a placement ¹¹	44,505,101	-	2,447,780	-
Issue of shares under the Auracle Agreement ¹²	11,000,000	-	330,000	-
Issue of shares to extinguish debt ¹³	1,040,909	-	57,250	-
Share issue costs ⁷	-	-	(130,372)	(137,779)
Sub-total	342,042,265	267,985,995	31,142,821	28,380,420
Shares to be issued in a placement ¹⁴	-	-	13,025	-
	342,042,265	267,985,995	31,155,846	28,380,420

- On 7 August 2019 the Company issued 2,260,143 shares at an issue price of \$0.028 per share to repay liabilities.
- On 7 August 2019 the Company issued 11,585,711 shares at an issue price of \$0.028 per share to raise \$324,400 in working capital (before costs).
- On 19 December 2019 the Company received shareholder approval to issue 6,000,000 shares to two Directors for services rendered. The share price at the date of the general meeting was \$0.015 per share and the shares were issued on 14 January 2020.
- On 14 January 2020 the Company issued 1,500,000 shares at an issue price of \$0.02 to a consultant for corporate services rendered.
- On 10 March 2020 the Company issued 37,800,000 shares at an issue price of \$0.025 per share to raise \$944,993 in working capital (before costs) and issued 2,200,000 shares at an issue price of \$0.025 per share to extinguish debt. The fair value of the extinguishment of the debt was \$59,400.
- On 24 June 2020 the Company issued 30,000,000 shares at an issue price of \$0.022 per share to raise \$660,000 in working capital (before costs).
- Share issue costs incurred during the period.
- At a general meeting held on 30 July 2020, shareholders approved the issue of 15,454,545 shares at an issue price of \$0.022 and on 3 August 2020 the 15,454,545 shares were issued, raising \$340,000 (before costs) in working capital for the Company. The Company further issued 1,000,000 shares at an issue price of \$0.022 in oversubscriptions to raise an additional \$22,000. An amount of \$352,000 was received before 30 June with \$10,000 received post year end.
- On 13 August 2020 the Company issued 520,000 shares as settlement of liabilities at a fair value was \$15,600.
- On 30 November 2020 the Company issued 535,715 shares following the exercise of 535,715 options each exercisable at \$0.06 and expiring 30 November 2020.
- On 14 December 2020 the Company issued 44,505,101 shares an issue price of \$0.055 per share to raise \$2,447,780 in working capital (before costs).
- Following the receipt of shareholder approval on 11 December 2020, the Company issued 10,000,000 shares at an issue price of \$0.03 to raise \$300,000 pursuant to a Loan Agreement with Auracle Group Pty Ltd (**Auracle**), a company associated with H Guo. In addition, a further 1,000,000 shares at an issue price of \$0.03 per share were issued to Auracle in consideration for the payment of a loan facility fee of \$30,000.
- On 14 December 2020 the Company issued 1,040,909 shares at an issue price of \$0.055 to repay creditors at a fair value of \$57,250.
- The Company received funds in advance of the issue of shares pursuant to shareholder approval in January 2021.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

12. Reserves

	31 Dec 2020 \$	30 June 2020 \$
Option reserves (a)	4,405,763	391,132
Other reserves (b)	32,400	4,973
	4,438,163	396,105

(a) The following changes to the options on issue and the attributed value during the periods:

	31 Dec 2020 Number	30 June 2020 Number	31 Dec 2020 \$	30 June 2020 \$
Balance at the beginning of the year	17,100,000	12,000,000	391,132	236,200
Options expired		(6,000,000)	-	-
Issue of Options to consultants ¹	-	2,000,000	-	21,725
Issue of Options to consultants ¹	-	1,000,000	-	13,275
Issue of Options to consultants ²	-	8,100,000	-	16,200
Issue of Options - Farm-in ³	10,000,000	-	-	35,870
Options issues to consultants ⁴	5,000,000	-	-	67,862
Options issued to consultant ⁵	1,200,000	-	10,000	-
Options issues for funding facility ⁶	80,000,000	-	3,308,111	-
Options issues as remuneration to directors ⁷	20,000,000	-	696,520	-
Sub-total	133,300,000	17,100,000	4,405,763	391,132
Balance as at 31 December 2020	133,300,000	17,100,000	4,405,763	391,132

- On 14 January 2020 and 20 February 2020 the Company issued 2,000,000 and 1,000,000 options to consultants for corporate services with an exercise price of \$0.02 expiry on 31 January 2022. The fair value of the options was based on the fair value of the services which was \$35,000.
- On 7 April 2020 the Company issued 8,100,000 options each with an exercise price of \$0.05 and expiring 7 April 2022 to consultants in consideration for the provision of corporate services. The fair value of the options was based on the fair value of the services which was \$16,200.
- On 3 August 2020 the Company has issued 10,000,000 options each exercisable at \$0.15 and expiring 1 August 2022 to Torian Resources Limited in consideration for the Company entering into the Zuleika Project Term Sheet. The fair value of each option is \$0.0036 and the total cost recognised in the prior period was \$35,870. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
 - Grant Date - 20 April 2020
 - Expiry date - 1 August 2022
 - Market price of securities - \$0.022
 - Exercise price of securities - \$0.15
 - Risk free rate - 0.23%
 - Volatility - 107.83%.
- On 3 August 2020 the Company has issued 5,000,000 options each exercisable at \$0.05 and expiring 31 March 2022 to Alto Capital for corporate services. The fair value of each option was \$0.0136 and the total cost recognised in the prior period was \$67,862. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
 - Grant Date - 16 June 2020
 - Expiry date - 31 March 2022
 - Market price of securities - \$0.03
 - Exercise price of securities - \$0.05
 - Risk free rate - 0.26%
 - Volatility - 116.68%
- On 14 December 2020 the Company issued 1,200,000 options each exercisable at \$0.05 and expiring 14 December 2022 to a consultant in consideration for the provision of corporate services. The fair value of the options was based on the fair value of the services which was \$10,000.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

12. Reserves (CONTINUED)

(a) The following changes to the options on issue and the attributed value during the periods: (continued)

6. Following the receipt of shareholder approval, on 14 December 2020 the Company issued 80,000,000 options each exercisable at \$0.05 and expiring 14 December 2025 to Auracle Group Pty Ltd (a company associated with H Guo) in relation to a loan facility to fund the litigation against Vango Mining Limited. The fair value of each option is \$0.0414 and the total cost for the period was \$3,308,111. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
- (a) Grant Date – 11 December 2020
 - (b) Exercise date – 14 December 2025
 - (c) Market price of securities - \$0.06
 - (d) Exercise price of securities - \$0.05
 - (e) Risk free rate – 0.10%
 - (f) Volatility – 84.96%
7. Following the receipt of shareholder approval, on 14 December 2020 the Company issued a total of 20,000,000 options each exercisable at \$0.05 and expiring 14 December 2023 to two Directors to provide a performance linked incentive component in their remuneration. The fair value of each option is \$0.0348 and the total expense is \$696,520. The options vested immediately. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
- (a) Grant Date – 11 December 2020
 - (b) Exercise date – 14 December 2023
 - (c) Market price of securities - \$0.06
 - (d) Exercise price of securities - \$0.05
 - (e) Risk free rate – 0.10%
 - (f) Volatility – 84.96%

(b) Performance rights

	31 Dec 2020 Number	30 June 2020 Number	31 Dec 2020 \$	30 June 2020 \$
Balance at the beginning of the year	8,000,000	-	4,973	-
Rights granted during the prior year 1	-	8,000,000	3,781	4,973
Rights granted during the current year 2	24,000,000	-	23,646	-
Balance as at period end	32,000,000	8,000,000	32,400	4,973

1. On 19 December 2019 the Company obtained shareholder approval to issue 8,000,000 Rights to two Directors based on the following hurdles.

The following table outlines the Performance Rights terms, fair value and the probability of meeting the hurdles:

Class of Rights	Hurdle	Number	Fair value	Probability
Class A	48 Months – Defined JORC Resource of 25,000 ounces above 1 gmpt	2,000,000	\$0.015 per Right	100%
Class B	48 Months – Defined JORC Resource of 55,000 ounces above 1 gmpt	2,000,000	\$0.015 per Right	-%
Class C	48 Months – Defined JORC Resource of 75,000 ounces above 1 gmpt	2,000,000	\$0.015 per Right	-%
Class D	48 Months – Defined JORC Resource of 100,000 ounces above 1 gmpt	2,000,000	\$0.015 per Right	-%

The Company continues to monitor the performance of the hurdles during the period and no adjustment in probability was deemed necessary.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

12. Reserves (CONTINUED)

(b) Performance rights (continued)

On 11 December 2020 the Company obtained shareholder approval to issue 24,000,000 Performance Rights (8,000,000 per class and 4,000,000 per Director) to two Directors in order to provide a performance linked incentive component in their remuneration package. The Performance Rights will vest and convert into shares upon satisfaction of the following milestones:

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights
VWAP Milestone (\$) *	0.06	0.08	0.10
Methodology	Monte Carlo	Monte Carlo	Monte Carlo
Simulation iterations	50,000	50,000	50,000
Grant date	11 Dec 20	11 Dec 20	11 Dec 20
Assumed expiry date	11 Dec 23	11 Dec 23	11 Dec 23
Share price at grant date (\$)	0.06	0.06	0.06
Exercise price (\$)	Nil	Nil	Nil
Risk-free rate (%)	0.1001	0.1001	0.1001
Volatility (%)	84.96	84.96	84.96
Fair value per security (\$)	0.0577	0.0539	0.0502
Fair value (\$)	461,958	431,136	401,604

* The volume weighted average price for the Company's Shares as traded on ASX over 20 consecutive trading days must exceed the milestone.

The fair value of the performance rights is being expensed over the assumed vesting period.

13. Commitments and contingencies

(a) Exploration commitments

The Company's exploration commitments are consistent with those disclosed as at 30 June 2020 (less amounts spent during this period) other than the acquisition of the Ora Banda area of interest which comprised the purchase of two prospecting licenses from private vendors. The minimum commitments for these tenements over 5 years is \$90,180.

(b) Contingent assets and liabilities

The contingent assets and liabilities are consistent with those disclosed in the 30 June 2020 annual report with the following update for the current dispute with Vango Mining Limited.

Contingent liabilities

K2 Project: As advised to shareholders through an ASX announcement dated 19 November 2019, Vango Mining Limited ("Vango") and the Company are in dispute over various matters related to this project. On 12 February 2020 the Company announced that it had issued to Vango a letter of demand for the payment by Vango of \$21,573,813 being the estimated losses incurred to date by the Company. On 26 May 2020 Dampier commenced legal proceedings in the Supreme Court of Western Australia against Vango seeking damages, costs and an order requiring the transfer of its beneficial interest earned pursuant to the K2 Project Farm-in Joint Venture Binding Terms Sheet signed on 12th May 2017. The Supreme Court proceedings also includes a claim for unpaid royalty payments and milestone payments arising from the Plutonic Dome Purchase and Sale Agreement. On 23 June 2020 the Company announced the lodgement of a statement of claim in the Supreme Court of Western Australia to expediate the proceedings. On 3 August 2020 the Company provided a further update outlining the 2020 status of the court proceedings and the significant steps involved for the remaining 2020 year. On 11 November 2020 two Directors attended the mediation between the Company and Vango, however, despite best endeavours a settlement could not be reached. The Company is now preparing for the next stage of the proceedings.

The K2 Project has been re-named by Vango as PHB-1 and has become Vango's "flagship project".

No asset has been recorded in the financial report for this value as the outcome is unknown. In the event that the dispute does not conclude satisfactorily for the Company, material additional costs may be incurred.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

14. Related party transactions

During the period, the Company entered into a loan facility agreement with Auracle Group Pty Limited (**Auracle Group**) (after receiving shareholder approval). Auracle Group Pty Limited is associated with the Company's Managing Director, Hui Guo.

Auracle Group agreed to provide financial assistance to the Company by way of a Loan Agreement, with funds to be applied toward the associated costs of the K2 Project litigation against Vango.

The Loan Agreement is structured as follows:

- (a) an initial advance by Auracle Group to the Company of \$300,000 was converted to equity by the issue of 10,000,000 shares at an issue price of \$0.03 per share and the issue of 80,000,000 options each exercisable at \$0.05 and expiring 14 December 2025. Information on the issue of 10,000,000 shares is in note 11 and the fair value and information for the 80,000,000 options is in note 12;
- (b) At Auracle Group's sole discretion, a loan facility of up to \$700,000 which may be drawn down by the Company over a 5-year period commencing 11 December 2020. The maximum aggregate face value of the loan is \$700,000, depending on the litigation funding requirements;
- (c) On 11 December 2020 1,000,000 shares at an issue price of \$0.03 per share were issued to Auracle Group in consideration for the payment of a loan facility fee of \$30,000.
- (d) Interest is payable at 8% per annum and is accrued and calculated monthly from the date of each advance.

On successful completion of court proceedings with Vango or a settlement in favour of the Company (**Settlement**), Auracle Group is entitled to receive special consideration for providing the Loan as calculated below (**Special Consideration**).

If the amount provided by Auracle Group under the Loan Agreement covers 100% of the Action Costs, the Special Consideration is:

- 35% of the amount recovered either through the ultimate judgement or a settlement (**Recovery**); and
- Repayment of the Loan Agreement plus accrued interest.

All of the Special Consideration is paid in cash.

If the amount provided by Auracle Group under the Loan Agreement covers part but not all of the Action Costs, the Special consideration is calculated based on:

- the lower of 35% Recovery; or
- an amount equal to 5 multiples of the total Litigation Funds plus accrued interest; and
- repayment in full of the total drawn down amount under the Loan Agreement plus accrued interest.

In the event of an unsuccessful completion of litigation or settlement which is not in favour of the Company:

- Auracle Group is not entitled to receive a payment of any Special Consideration; and
- the Company bears any costs related to the litigation in excess of the Loan Agreement.

Performance rights and options as remuneration

The Company issued performance rights and options to two Directors during the period. The information on the number of securities, the fair value and impact on the financial statements is included in note 12.

15. Subsequent events

On 10 February 2021 the Company announced the issue of the following securities:

- 2,892,937 ordinary fully paid shares for the settlement of creditors with a fair value of \$142,972.73;
- 572,362 ordinary fully paid shares in consideration for the acquisition of the Ora Banda tenements;
- 64,585,809 ordinary fully paid shares for cash at an issue price of \$0.055 per share to raise \$3,552,219 in working capital (before costs); and
- 21,528,604 free attaching options issued on a 1 for 3 basis with each option exercisable at \$0.10 and expiring 31 January 2023.

Following the resignation of Mr Zhang as a Director on 7 March 2021, Mr Graeme Purcell was appointed as a Non-Executive Director on 8 March 2021.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

DIRECTORS' DECLARATION

The Directors declare that:

- (a) The financial statements and notes, as set out on pages 4 to 17, are in accordance with the Corporations Act 2001, including:
 - i. complying with Accounting Standard AASB 134 – Interim Financial Reporting and the Corporations Regulations 2001; and
 - ii. giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.
- (b) In the Directors' opinion there are reasonable grounds to believe that Zuleika Gold Limited (formerly Dampier Gold Limited) will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Malcolm Carson
Executive Chairman

Dated this 16 March 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ZULEIKA GOLD LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Zuleika Gold Limited, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Zuleika Gold Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Zuleika Gold Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 16 March 2021.

Responsibility of the Directors for the Financial Report

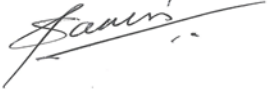
The directors of the Zuleika Gold Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd


Samir Tirodkar
Director

West Perth, Western Australia
16 March 2021