ABN 37 148 168 825

Interim Financial Report

Half-Year ended 31 December 2019

Page

Your directors submit the financial report of Great Southern Mining Limited (GSN or Company) for the half-year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

John Terpu – Executive Chairman
(Appointed Non – Executive Chairman 12 January 2011, appointed Executive Chairman 1 July 2013)

Kathleen Bozanic B. Com, ACA, AICD – Non-executive Director
(Appointed 26 April 2018)

Andrew Caruso B. Eng (Mining)(Hons), – Non-executive Director
(Appointed 26 April 2018)

Company Secretary
Mark Petricevic CA, AGIA, B. Com, GradDipAppCorpGov
(Appointed 30 April 2018)

Operating and Financial Review

In August 2019 the Company announced the acquisition of the historical high-grade Cox's Find Gold Project (Cox's Find) in Laverton Western Australia. The Project is a shear hosted Archaean orogenic gold deposit located in the Duketon Greenstone Belt, located along strike from, and within 12kms of, Regis multi-million-ounce Garden Well. The mine was operated by Western Mining Corporation's (WMC) for a short period between 1937 and 1942 producing approximately 77,000 ounces of gold at a reported head grade of ~22 g/t from a narrow vein stope operation.

The acquisition comprised acquiring a 100% interest in three (3) granted Mining Leases; (M38/170, M38/578, M38/740). As part of the agreed consideration, GSN has made cash payments totalling $200,000 during the period to 31 December 2019 to the Vendor. The Company has also agreed to pay $800,000 to the vendor on or before 23 August 2020 (being Deferred Payment 1) and an amount of $1,000,000 to the vendor on the declaration of a mineral resource of 500,000 ounces of gold on the Mining Leases (Deferred Payment 2). GSN has also agreed to pay a 1.5% net smelter return royalty (NSR) on all gold extracted and recovered from the Project including from any stockpiles currently on the mining tenements.

During the period ended 31 December 2019 the Company undertook its maiden drilling and exploration campaign on the Project. A total of 17 Reverse Circulation (RC) holes were drilled for a total of 2,658m.

The Company also announced in October 2019 that it had entered an agreement with Evolution Mining Limited (ASX: EVN) to co-fund a hyperspectral survey over the Company's 100% owned Edinburgh Park and Johnnycake Projects in North Queensland. The survey is designed to gather substantial geophysical data to assist with target delineation and comes off the back of the reconnaissance drilling program undertaken earlier in 2019 (refer ASX announcement of 5 July 2019).

In October 2019 the Company completed a placement to institutional and sophisticated investors of 27,000,000 Fully Paid Ordinary Shares at $0.045 per share and 27,000,000 Listed Options exercisable at $0.05 per Option on or before 4 September 2022. Total funds raised was $1.485m (before costs).

In October 2019 the Company completed the placement of 17,548,997 Shortfall Options from the Entitlements Issue which was completed in September 2019. The total raised was $175,490 (before costs).

On 5 November 2019 the Company issued 1,450,000 Fully Paid Ordinary Shares and 2,000,000 Listed Options exercisable at $0.05 per Option on or before 4 September 2022. The securities were issued to consultants under the Company's Long-Term Incentive Plan.

Result of Operations

The loss from ordinary activities of the Company for the half-year ended 31 December 2019 was $712,707 (half-year to 31 December 2018 – loss of $640,533). Capitalised Exploration activity expenditure for the period including acquisition cost was $2,056,942 which includes the $800,000 deferred payment due to the Vendor of Cox's Find (half-year to 31 Dec 2018 - $705,437).

Events Subsequent to Reporting Date

On 27 February 2020 the Company announced it had appointed Mr Mark Major as the Chief Operating Officer.

On 10 March 2020 the Company announced its intention to issue 400,000 fully paid ordinary shares at a deemed price of $0.032 per share and 1,000,000 listed options at a deemed price of $0.013 per option, each to two advisors, in relation to competing tenement applications.

On 10 March 2020 the Company announced it had applied for a strategic tenement immediately adjacent to the Cox's Find Gold Project.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the next page and forms part of this directors' report for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

John Terpu
Executive Chairman
10 March 2020

The information in this report that relates to results the results on the Cox's Find Gold Project in Western Australia and the Edinburgh Park Project in North Queensland can be found in the announcements lodged on the ASX dated 26 August 2019, 17 September 2019, 8 October 2019, 11 October 2019, 4 December 2019 and 19 December 2019. Also refer to the "Quarterly Activities Report" released 3 October 2019 and 31 20 January 2020. The Competent Person named in these releases is Dr Bryce Healy. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Great Southern Mining Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia	**M R Ohm**
10 March 2020	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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	Notes	31 December 2019	31 December 2018
		$	$
Revenue	2	420	2,217
Expenses			
Administration expenses	2	(236,807)	(220,472)
Consulting fees		(63,163)	(80,193)
Depreciation expense		(33,684)	(2,648)
Employee benefits expense		(101,031)	(101,491)
Legal fees		(73,228)	(44,365)
Directors fees		(147,825)	(147,825)
Exploration and evaluation expenditure not capitalised		(32,992)	-
Interest expense	2	(24,397)	-
Share based payment expense	7B	-	(45,756)
Total expenses		(713,127)	(642,750)
Loss before income tax expense		(712,707)	(640,533)
Income tax expense		-	-
Net loss for the period		(712,707)	(640,533)
Other comprehensive loss, net of income tax			
Items that may be reclassified to profit or loss:			
Net loss on equity instruments designated at fair value through other comprehensive income		-	(25,729)
Total comprehensive loss for the period		(712,707)	(666,262)
Basic and diluted loss per share (cents per share)		(0.23)	(0.24)

The accompanying notes form part of these financial statements.

	Notes	31 December 2019 $	30 June 2019 $
CURRENT ASSETS			
Cash and cash equivalents		1,118,045	208,044
Other assets		56,803	31,409
Total Current Assets		1,174,848	239,453
NON-CURRENT ASSETS			
Other receivables		14,000	12,500
Plant and equipment		32,548	14,913
Right-of-Use asset	11A	247,773	-
Exploration and evaluation expenditure	3	6,420,129	4,363,187
Total Non-Current Assets		6,714,450	4,390,600
TOTAL ASSETS		7,889,298	4,630,053
CURRENT LIABILITIES			
Trade and other payables	4	871,518	523,836
Deferred consideration	5	800,000	-
Lease liability	11B	51,824	-
Employee benefits		98,089	78,172
Total Current Liabilities		1,821,431	602,008
NON-CURRENT LIABILITIES			
Lease liability	11B	198,346	-
Total Non-Current Liabilities		198,346	-
TOTAL LIABILITIES		2,019,777	602,008
NET ASSETS		5,869,521	4,028,045
EQUITY			
Issued capital	6	24,824,569	23,611,759
Reserves	7	1,341,374	80,756
Accumulated losses		(20,296,422)	(19,664,471)
TOTAL EQUITY		5,869,521	4,028,045

The accompanying notes form part of these financial statements.

	Notes	Issued Capital $	Accumulated Losses $	Fair Value Reserve through Other Comprehensive Income (FVOCI) $	Listed Option Reserve $	Share Option Reserve $	Total $
Company							
Balance at 1 July 2018		21,750,349	(18,296,697)	93,470	-	35,000	3,582,122
Total comprehensive income:							
- Loss for the period		-	(640,533)	-	-	-	(640,533)
Fair value loss on equity instruments at FVOCI		-	-	(25,729)	-	-	(25,729)
Total comprehensive loss		-	(640,533)	(25,729)	-	-	(666.262)
Transfer of fair value reserve of equity instruments designated at FVOCI		-	(67,741)	-	-	-	
Transactions recorded directly in equity							
- Issue of options during the period		-	-	-	-	45,756	45,756
- Exercise of options during the period		30,000	-	-	-	-	30,000
- Issue of share capital		1,194,250	-	-	-	-	1,194,250
- Share issue costs		(77,840)	-	-	-	-	(77,840)
- Issue of shares on tenement acquisition		35,000	-	-	-	-	35,000
Balance at 31 December 2018		**22,931,759**	**(18,869,489)**	**-**	**-**	**80,756**	**4,143,027**
Company							
Balance at 1 July 2019		23,611,759	(19,664,471)	-	-	80,756	4,028,044
Total comprehensive income:							
- Loss for the period		-	(712,707)	-	-	-	(712,707)
Total comprehensive loss		-	(712,707)	-	-	-	(712,707)
Transfer of Share Option Reserve to accumulated losses on cancellation/exercise of options.		-	80,756	-	-	(80,756)	-
Transactions recorded directly in equity							
- Issue of Listed Options during the period	7A	-	-	-	1,341,374	-	1,341,374
- Exercise of options during the period	6	6,000	-	-	-	-	6,000
- Issue of share capital	6	1,295,910	-	-	-	-	1,295,910
- Share issue costs	6	(89,100)	-	-	-	-	(89,100)
Balance at 31 December 2019		**24,824,569**	**(20,296,422)**	**-**	**1,341,374**	**-**	**5,869,521**

The accompanying notes form part of these financial statements.

	Note	31 December 2019 $	31 December 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(578,953)	(542,840)
Interest received		420	2,217
Interest Paid on Related Party Loan		(19,110)	-
Net cash (used in) operating activities		(597,643)	(540,623)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(23,743)	-
Payments for exploration and evaluation expenditure		(1,359,024)	(935,736)
Proceeds from sale of financial assets		-	154,271
Net cash (used in)/from investing activities		(1,382,767)	(781,465)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares (net of costs)		1,131,900	1,146,410
Issue of listed options (net of costs)		1,281,374	-
Proceeds from director loan	4	500,000	300,000
Repayment of lease liability		(22,863)	-
Net cash provided by financing activities		2,890,411	1,446,410
Net increase in cash held		910,001	124,321
Cash at beginning of period		208,044	748,423
Cash at end of period		1,118,045	872,744

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of operations

Great Southern Mining Limited's (the Company) principal activities include the exploration and evaluation of projects held in the Laverton region of Western Australia and the Mt Carlton region of North Queensland.

(b) Basis of preparation

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

The interim financial statements were authorised for issue on 10 March 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as the full financial report. It is recommended these interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2019 and any public announcements made by the Company during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half year, except for the impact of the new Standards and Interpretations described in Note 1(d) and Note 1(f) below.

The interim financial statements have been prepared on a historical cost basis, unless otherwise noted. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. During the half year to 31 December 2019 the Company incorporated a wholly owned subsidiary, East Laverton Exploration Pty Ltd. No transactions have been incurred by this entity for the six-month period then ended and therefore the entity has not been consolidated into the results of the Company.

(c) Significant accounting judgments and key estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Except for the judgements made given the impact of the new Standards and Interpretations described in Note 1(d) below in preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's financial report for the year ended 30 June 2019.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Adoption of new and revised Accounting Standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the accounting period beginning on or after 1 January 2019. A summary of which is included below:

AASB 16 Leases replaces AASB 117 Leases and related interpretations.

AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Most leases will be capitalised on the statement of financial position by recognising a lease liability for the present value obligation and a 'right of use' asset. The right of use asset is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in the expense recognition with interest and depreciation replacing operating lease expense. There are exemptions for short-term leases and leases of low-value items.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019. The Company has applied AASB 16 from 1 July 2019 using the modified retrospective approach, with no restatement of comparative information.

The impact on the accounting policies, financial performance and financial position of the Company from the adoption of AASB 16 is detailed in Note 11.

The Directors have also reviewed all of the new and revised Standards and Interpretations on issue not yet effective for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet effective on the Company and, therefore, no change is necessary to Company accounting policies

(e) Going Concern

Notwithstanding the working capital deficiency of $646,583 (30 June 2019: deficiency of $362,555), the financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the period the Company incurred a net loss of $712,707 (2018: loss of $640,533). Net cash outflows from operating and investing activities during the period were $1,980,410 (2018: cash outflows of $1,322,088).

The ability of the Company to continue to pay its debts as and when they fall due is dependent upon:

- Continued cash management and monitoring of operating cashflows according to exploration success. Future exploration expenditure is generally discretionary in nature and exploration activities and corporate overheads may be reduced or suspended as part of the Company's cash management strategy; and
- The Company has historically been able to raise capital via equity placements and rights issues to shareholders. Given the strong support of shareholders and the prospectivity of the Company's current projects the directors are confident that any future capital raisings will be successful.

The Company also has the support of its significant shareholder and Executive Chairman John Terpu. In July 2019 an entity associated with Mr Terpu entered a loan agreement with the Company, advancing $500,000 on short-term, unsecured basis to fund working capital. Since this time the Company has successfully completed a Rights Issue to existing shareholders and a Placement of securities raising $2,502,374 net of costs. The Company also maintains its placement capacity of shares available to issue under the ASX Listing Rule capacity.

Given the cash potential funding strategies and cash management initiatives noted above, the directors believe the going concern basis is appropriate.

Should the Company be unable to obtain sufficient future funding, there is a material uncertainty which may cast significant doubt as to whether the Company will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases

The Company as lessee
The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Company applies AASB 136 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy (as outlined in the financial report for the annual reporting period.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

	Half-Year Ended 31 December 2019 $	Half-Year Ended 31 December 2018 $
The following revenue and (expense) items are relevant in explaining the financial performance for the half-year:		
Interest earned	420	2,217
Interest paid (a)	(24,397)	-
Marketing fees	(77,582)	(32,338)

(a) This amount includes interest of $19,110 in interest paid to an entity associated with John Terpu in relation to the $500,000 loan provided in July 2019.

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	Half-year ended 31 December 2019 $	Year ended 30 June 2019 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	4,363,187	3,455,352
Acquisition of Cox's Find Gold Project (a)	150,000	-
Deferred consideration payable (a)	800,000	-
Acquisition of Mt Weld Tenements (b)	-	134,240
Impairment recognised for the period	-	(146,471)
Expenditure incurred	1,106,942	920,066
Total deferred exploration and evaluation expenditure	6,420,129	4,363,187

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

(a) In September 2019 the Company completed the acquisition of the Cox's Find Gold Project. The material terms of the transaction are outlined below:

Transaction Terms	
Consideration	$200,000. $50,000 of which was expensed in the June 2019 financial year.
Deferred Payment 1	$800,000 cash payment to be made within twelve (12) months of entering formal sale and purchase agreement. The amount has been classified as a current liability – refer Note **5**.
Deferred Payment 2	$1,000,000 payable in cash or shares (to be determined) subject to the declaration of a JORC 2012 Mineral Resource of at least 500,000 ounces of gold.
Royalty	1.5% Net Smelter Return (NSR).

Deferred Payment 1 of $800,000 has been recognised as a liability and is due in August 2020. Deferred Payment 2 would not be recognised as it is not possible to reliably estimate the timing of the payment to be made, or the amount of any payment required, if any. The exploration program required to declare a JORC 2012 Mineral Resource of at least 500,000 is at the discretion of the Company.

Under the Sale and Purchase agreement the Vendor has registered a mortgage over the Project and tenements M38/578, M38/170 and M38/740 in relation to Deferred Payment 1 and 2. The current carrying value of the Project is $1,596,456.

(b) In September 2018 the Company entered into an agreement to acquire a 100% interest in a tenement package from Central Australian Rare Earths Pty Ltd (CARE), an Australian registered entity. The Company acquired the rights to licences E38/2829, E38/2442; E38/2587 and E38/2856. Consideration payable for the transaction consisted of a cash payment of $99,240 in cash and 1,000,000 fully paid GSN shares (at an issue price of $0.045 per share), subject to voluntary escrow until 30 December 2018 (500,000 shares) and 30 June 2019 (500,000 shares). The shares were issued in the prior period to 31 December 2018.

NOTE 4: TRADE AND OTHER PAYABLES

	Half-year ended 31 December 2019 $	Year ended 30 June 2019 $
Trade and other payables	367,696	365,206
Related party payables (a)	3,822	8,630
Loan from director related entity (b)	500,000	-
Amount owing to related party - Mon Ami Gold Project (c)	-	150,000
	871,518	523,836

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

(a) Amount relates to interest payable on the outstanding loan balance (refer (b)) payable to a director related entity.

(b) On 30 July 2019 an entity associated with director John Terpu provided a $500,000 short-term loan to the Company. The loan is unsecured and bears an interest rate of 9.9% per annum.

(c) Amount was payable to an entity related to the Executive Chairman relating to the acquisition of the Mon Ami Gold Project in 2018. All amounts owing at 30 June 2019 have been paid during the current period.

NOTE 5: OTHER CURRENT LIABILITIES

	Half-year ended 31 December 2019 $	Year ended 30 June 2019 $
Deferred consideration	800,000	-
	800,000	-

Refer to Note 3 for further information on the Deferred Consideration payable following the acquisition of the Cox's Find Gold Project in September 2019.

NOTE 6: ISSUED CAPITAL	**Half-year ended 31 December 2019**		**Year ended 30 June 2019**	
	No.	$	No.	$
Issued capital comprises:				
Fully Paid Ordinary Shares	332,162,338	24,824,569	303,412,338	23,611,759

Movement in issued shares for the period	**No.**	**$**	**No.**	**$**
Balance at beginning of the period	303,412,338	23,611,759	245,899,003	21,750,349
Issued for cash:				
- 20 September 2019 – Exercise of Unlisted Options	300,000	6,000	-	-
- 16 October 2019 – Shares issued to consultant (a)	1,000,000	60,000	-	-
- 25 October 2019 - Share Placement	27,000,000	1,215,000	-	-
- 5 November 2019 – Shares issued to consultant (b)	1,450,000	80,910	-	-
- 27 November 2019 – Cancellation of shares issued to consultant (a)	(1,000,000)	(60,000)		
- 3 August 2018 – Share Placement	-	-	31,846,669	1,194,250
- 1 November 2018 – Acquisition of Mt Weld tenements	-	-	1,000,000	35,000
- 31 December 2018 - Exercise Options	-	-	1,500,000	30,000
- 11 March 2019 – Settlement of director loan	-	-	10,000,000	300,000
- 22 March 2019 - Placement	-	-	8,333,333	250,000
- 29 March 2019 - Exercise Options	-	-	1,500,000	30,000
- 30 April 2019 – Placement	-	-	3,333,333	100,000
Costs associated with the issue of shares	-	(89,100)	-	(77,840)
Balance at end of the period	332,162,338	24,824,569	303,412,338	23,611,759

(a) 1,000,000 fully paid ordinary shares issued at $0.06 per share, being the closing price as at 14 October 2019. The shares were cancelled pursuant to a meeting held 27 November 2019.
(b) 1,450,000 fully paid ordinary shares issued at a $0.056 per share in satisfaction of invoices outstanding. The securities were issued pursuant to the Company's adopted long-term incentive plan.

NOTE 7: RESERVES

7A: LISTED OPTION RESERVE

Movement in Listed Options for the period	Half-year ended 31 December 2019 No.	Half-year ended 31 December 2019 $	Year ended 30 June 2019 No.	Year ended 30 June 2019 $
Balance at beginning of the period	-	-	-	-
Issued for cash:				
- 2 September 2019 – Entitlement Issue (a)	83,588,449	835,884	-	-
- 25 October 2019 – Placement of Entitlement Issue Shortfall	17,548,997	175,490	-	-
- 25 October 2019 - Listed Options issued as part of Placement	27,000,000	270,000	-	-
- 5 November 2019 - Listed Options issued to consultant (b)	2,000,000	60,000		
Balance at end of the period	130,137,446	1,341,374	-	-

The Listed Options have an exercise price of $0.05 on or before 4 September 2022.

(a) Under the entitlements issue, the Directors took up their full entitlements to Listed Options as follows:

John Terpu	39,103,118
Kathleen Bozanic	400,000
Andrew Caruso	400,000

(b) 2,000,000 Listed Options were issued to the consultant. The Listed Options were issued at $0.03 per Listed Option being the trading price on the date of issue. The 1,450,000 fully paid ordinary shares issued at a $0.056 per share in satisfaction of invoices outstanding. The securities were issued pursuant to the Company's adopted long-term incentive plan for services rendered.

NOTE 7B: UNLISTED OPTIONS RESERVE

During the period, unlisted options previously issued to employees and consultants in line with the approved long-term incentive plan were either exercised or agreed to be cancelled.

Share options and weighted average exercise prices are as follows for the reporting periods presented:

	No. Unlisted Options	Unlisted Option Fair Value $
Outstanding at 30 June 2019	**12,100,000**	**80,756**
Exercised	(300,000)	(6,000)
Cancelled	(11,800,000)	(35,000)
Outstanding and exercisable at 31 December 2019	-	39,756
Reclassification to accumulated losses	-	(39,756)
Balance	-	-

Due to the cancellation and exercise of unlisted options during the period, the Company has reclassified the Option Reserve to accumulated losses in the Statement of Changes in Equity.

NOTE 8: CONTINGENT LIABILITIES

Refer to Note 3 for disclosure with regards to the potential payments of the Net Smelter Royalty and the Deferred Payment 2 to the Vendor on the Cox's Find Gold Project.

There has been no material change in contingent liabilities since the last annual reporting date. A number of tenements have been applied for and are currently being assessed. At balance date and up to the date of this report, the tenements have not been granted to the Company.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

On 27 February 2020 the Company announced it had appointed Mr Mark Major as the Chief Operating Officer.

On 10 March 2020 the Company announced its intention to issue 400,000 fully paid ordinary shares at a deemed price of $0.032 per share and 1,000,000 listed options at a deemed price of $0.017 per option, each to two advisors, in relation to competing tenement applications.

On 10 March 2020 the Company announced it had applied for a strategic tenement immediately adjacent to the Cox's Find Gold Project.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

NOTE 10: SEGMENT NOTE

The operating segments are consistent with those at 30 June 2019. Note references to December 2019 and June 2019 in the table below refer to the Half-Year ended 31 December 2019, and Year ended 30 June 2019.

	Western Australia		**Queensland**		**Corporate**		**Total**	
	DEC 2019 $	**JUN 2019 $**	**DEC 2019 $**	**JUN 2019 $**	**DEC 2019 $**	**JUN 2019 $**	**DEC 2019 $**	**JUN 2019 $**
Assets								
Exploration and Evaluation Expenditure	3,538,114	1,981,082	2,882,015	2,382,105	-	-	6,420,129	4,363,187
Cash and Cash Equivalents	-	-	-	-	1,118,045	208,044	1,118,045	208,044
Financial Instruments	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	351,124	58,822	351,124	58,822
Group assets	3,538,114	1,981,082	2,882,015	2,382,105	1,469,169	266,866	7,889,298	4,630,053
Liabilities	951,525	220,214	171,075	224,902	897,177	156,892	2,019,777	602,008

NOTE 11A: RIGHT OF USE ASSET

NOTE 11a: Leases

	Half-year ended 31 December 2019 $	Year ended 30 June 2019 $
RIGHT OF USE ASSET		
COST		
Recognised on 1 July 2019 on adoption of AASB 16	275,303	-
Additions	-	-
At 31 December 2019	275,303	-
Accumulated depreciation		
Recognised on 1 July 2019 on adoption of AASB 16	-	-
Charge for the year	(27,530)	-
At 31 December 2019	(27,530)	-
Carrying Amount		
At 1 July 2019	275,303	-
As at 31 December 2019	247,773	-

Amounts recognised in the Profit and loss		
Depreciation expense on right-of-use asset	(27,530)	-
Interest expense on lease liabilities	(5,287)	-
expense relating to short term leases.	(2,800)	-
Total cash outflow for leases	(25,133)	

AASB 16 has been adopted during the period, refer note 1(d) for details.
The Company leases its registered head office premises. The remaining lease term is 4.5yrs. (2018: 5.5yrs). Rent is paid to a director related entity.

At 31 December 2019 the Company is committed to $4,800 for short term leases (31 December 2018: $nil).
The Company has adopted the available exemption on short-term leases as per AASB 16.

NOTE 11B: LEASE LIABILITIES	Half-year ended 31 December 2019 $	Year ended 30 June 2019 $
Current	51,824	-
Non-Current	198,346	-
	250,170	-
RECONCILIATION		
Recognised on 1 July 2019 on adoption of AASB 16	275,303	-
Repayments	(25,133)	-
At 31 December 2019	250,170	-

NOTE 11B: LEASE LIABILITIES (CONTINUED)

A maturity analysis of future minimum lease payments is presented below:

Maturity Analysis	**<1year**	**1-2 years**	**3-4 years**	**4-5 years**	**>5 years**	**Total**
Lease Payments	60,840	60,840	60,840	60,840	30,420	273,780
Interest	(9,016)	(6,867)	(4,629)	(2,298)	(800)	(23,610)
Net Present Value	51,824	53,973	56,211	58,542	29,620	250,170

NOTE 12: FINANCIAL INSTRUMENTS

The Company has a number of financial instruments which are not measured at fair value in the condensed statement of financial position. The Directors consider that the carrying value of these financial instruments to be a reasonable approximation of their fair value.

In the opinion of the directors of Great Southern Mining Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

   a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b. giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the half-year then ended; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

John Terpu
Executive Chairman
10 March 2020

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Great Southern Mining Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Great Southern Mining Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising 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 interim financial report of Great Southern Mining is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the interim ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty related to going concern

We draw attention to Note 1(e) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim 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 31 December 2019 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*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
10 March 2020

ABN 37 148 168 825

Directors

John Terpu (Executive Chairman)
Kathleen Bozanic (Non-executive Director)
Andrew Caruso (Non-executive Director)

Company Secretary

Mark Petricevic

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and Principal Place of Business

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Securities Exchange Listing and domicile

Great Southern Mining Limited is an Australian Company limited by shares and listed on the Australian Securities Exchange (ASX: GSN)