GOLDEN EAGLE
MINING LIMITED

ANNUAL REPORT
30 JUNE 2016

GOLDEN EAGLE MINING LIMITED

ABN 53 145 676 900

COMPANY INFORMATION

DIRECTORS

Mr Bradd Granville
Mr Stewart Brown
Mr Paul Jago

COMPANY SECRETARY

Ms Susan Hunter

REGISTERED OFFICE

Unit 21, 5 Hines Road
O'Connor WA 6163

WEBSITE

www.goldeneaglemining.com.au

AUDITORS

Moore Stephens WA
Level 15, 2 The Esplanade
Perth WA 6000

SOLICITORS

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

SHARE REGISTER

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

TABLE OF CONTENTS

DIRECTOR'S **REPORT**

03

DIRECTORS' REPORT

Your directors present their report on Golden Eagle Mining Ltd for the year ended 30 June 2016.

DIRECTORS

The following persons were directors of Golden Eagle Mining Ltd during or since the end of the financial year and up to the date of this report:

Mr Bradd Granville
Mr Stewart Brown
Mr Paul Jago
Mr Shaun Melville (from 1st of July, until resigned 27th October 2016)

INFORMATION ON DIRECTORS

Mr Bradd Granville

Bradd has over 25 years of experience in the industry with a specific focus in business management commencing in the Pilbara area of Western Australia. As the operations manager of a north western national service and contracting company, he oversaw the facilitation & support that his company provided to the Oil/Gas and Mining industry throughout the region. The emphasis on gold came when he accepted the position of General Manager of Momentum Australia and thereafter was directly responsible for the acquisition, recommencement and operation, and final divestment of the Minjar Gold Mine. In 2010 Bradd became a founding director of Golden Eagle Mining and at that initial phase simultaneously held the position of Resource Development Manager. This additional role was held until he was elected Managing Director. During this latter period, he has also held Director positions in White Gold Kaolin and Grace Mining.

Mr Stewart Brown

A Ballarat School of Mines mining engineer and an MBA from La Trobe University with over 35 years experience in operations throughout Australia in gold, iron ore, coal and manganese. Stewart has held positions from engineering technical, resident manager and statutory manager roles; through to general manager, together with consultancy work within the area of expertise. Senior operation positions held in gold companies including Sons of Gwalia, Mt Edon Gold Mines, Dominion Mining, Ashton Mining, and Harbour Lights Mining. Gold sector related consultancy roles to Barminco and Sons of Gwalia in Western Australia, Anglo Gold Ashanti in Ghana and Tanzania, and Central Asia Resources in Kazakhstan.

Mr Paul Jago

Studied mining engineering at the WA School of Mines in Kalgoorlie with 25 years experience in the mining industry. Paul has had extensive experience in gold mining

focused particularly in Western Australia with a significant period at the Superpit in Kalgoorlie managing all of the mining engineering planning and technical related functions of the organisation. Other gold mines in WA include Ora Banda, Bronzewing and Jundee where the latter two also included involvement in the design and commissioning of the sites. He similarly participated in the design and construction of the Cawse Nickel mine. Paul was the Project Manager in the re-establishment of the Minjar Gold Mine and was also involved in the design and construction of the Penjom gold mine in Malaysia. Consultancy in technical and operational wise have focussed particularly on WA gold mines. Other consultant responsibilities include tendering and project management undertaken on behalf of a number of earthmoving contractors, and while principally in gold has included work in the Pilbara on the Jimblebar iron ore mine.

Mr Shaun Melville

Shaun Melville has extensive experience in global markets, working closely with a range of companies from blue chip down to start ups operating within the Resource and IT sectors to implement corporate strategies. Shaun is a co-founder of Raptor Global Corporation Ltd and also a director of Drilling Resource Partners Pty Ltd, both companies being involved with consulting to the mining sector. Shaun has been influential in assisting in the successful management of ASX listed and unlisted companies. Shaun holds a Bachelor of Psychology degree.

COMPANY SECRETARY

Ms Susan Hunter

Susan Hunter has over 18 years experience in the corporate finance industry. Susan holds a Bachelor of Commerce degree from the University of Western Australia, is a member of the Australian Institute of Chartered Accountants, a fellow of the Financial Services Institute of Australasia and a member of the Australian Institute of Company Directors. Susan is also a member of the Governance Institute of Australia and is currently Company Secretary for a number of ASX listed companies.

REVIEW OF OPERATIONS

30th June 2016

The Chairman and the Board of Directors of Golden Eagle Mining Limited (GEE) provide the following overview on the company's operations during the financial year from 1st July 2015 to 30th June 2016.

A message from the Managing Director Mr Bradd Granville

"The increase in gold price is providing a solid platform for GEE into the future, I look forward to providing further updates as they come to hand as we rapidly move the company towards gold production and seek quotation onto the ASX."

This year has been an exciting and progressive period for GEE, despite the difficult market conditions experienced in late 2015 by gold exploration companies in general. The dedicated commitment of the company to create value resulted with the company simultaneously withdrawing its prospectus in February 2016 and focusing on the development of the Geko Gold Open Pit Project.

The planned development of the Geko Gold Open Pit Project has had a positive impact on the company with the results of the scoping study being very favourable.
This combined with the improving market sentiment for Gold exploration companies places GEE in good stead moving forward with the following key highlights;

- GEE is now at the advanced stages of developing the Geko Gold Open Pit Project. The Company is currently completing a Bankable Feasability Study on the Geko Gold Project. We expect to be in a position to make the decision to mine by early 2017.
- Two emerging exploration targets at First Find and Endeavour with significant maiden resources expected on each project.
- During the reporting period your company has completed a diamond drilling program of approximately 1,600 metres at the First Find project. This program was designed to provide a clear understanding of the complex geological structures that host the gold mineralisation in the area.

The drill core is undergoing structural analysis prior to assay by an external specialised geological consultant. We look forward to providing the assay results later in the year.

- Several exploration targets identified that are potentially large scale ready to be drill tested.
- Potential to self-fund ongoing Exploration from internally generated cash-flows.
- Experienced WA based management team with a solid track record of bringing gold projects into profitable production on a timely basis.
- The combination of exceptionally high grade gold intersections and the capacity to host large deposits provides GEE with an exciting future of gold production and the next generation of gold discovery.

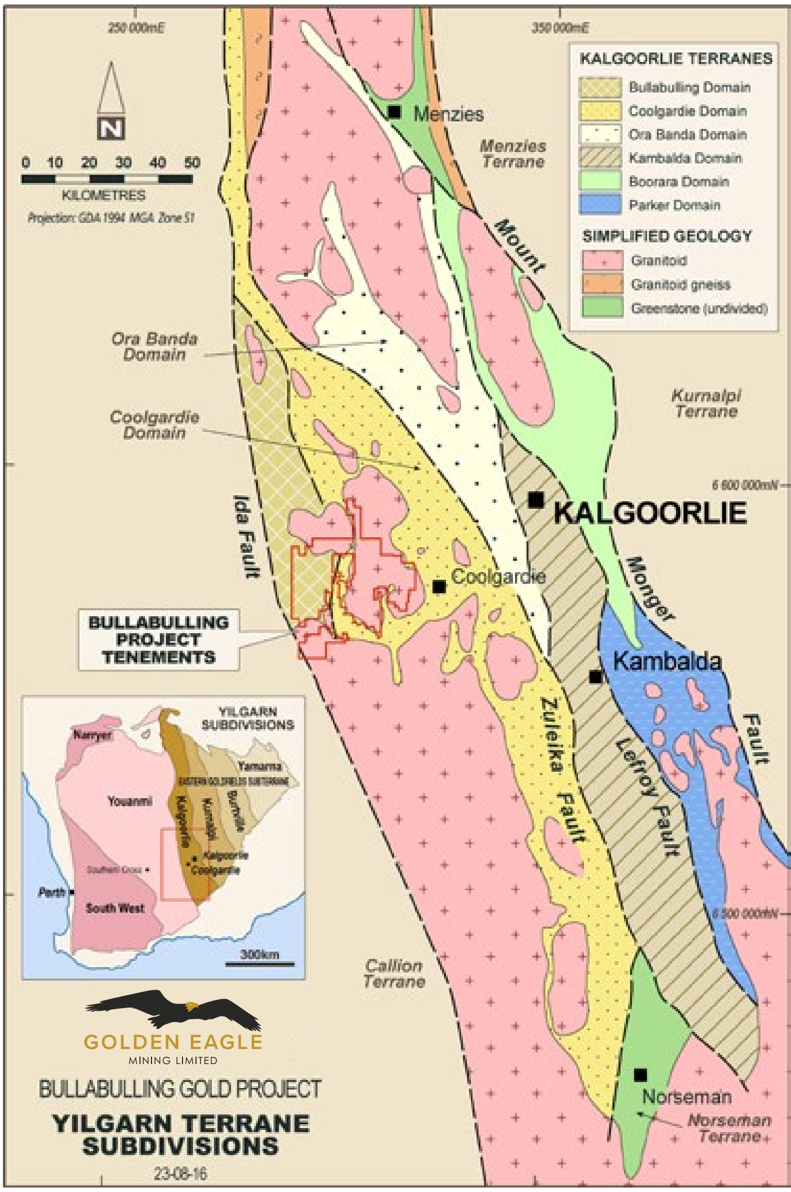
BULLABULLING PROJECT

AREAS

BULLABULLING PROJECT AREAS - LOCATION AND TENURE

The Bullabulling North and South projects are located within the Kalgoorlie Terrane of the Yilgarn Craton in Western Australia. The project comprises an alluvium covered Archaean-aged greenstone belt including mafic and ultramafic greenstones and minor felsic volcanic and volcaniclastic sediments that are in contact with intrusive granitic rocks.

Prospect areas include Geko, First Find, Ubini, Bungarra, Sunchaser and Endeavour. In particular, the Geko prospect is hosted within altered mafic and hosts a mineralised zone approximately 50m wide with a strike length of 500m. The First Find prospect comprises a north-south trending thrust with multiple, narrow, high grade gold intercepts within an interpreted dilation zone. The remaining prospects tend to be associated with sheared ultramafic contacts and present good opportunity for further gold discoveries.

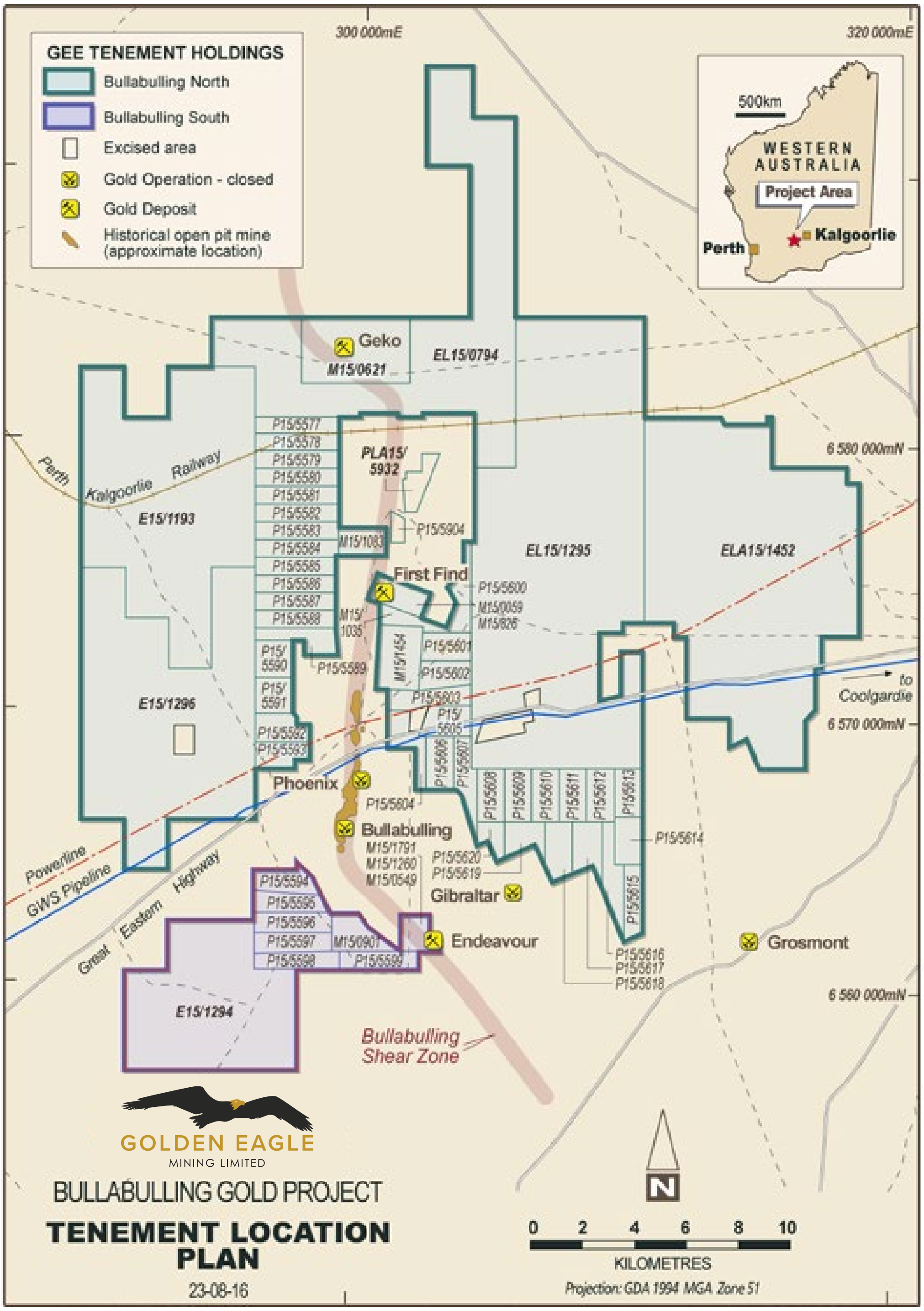


- GEE has strategically consolidated a highly prospective tenement package located within the WA Eastern Goldfields, 70km West of Kalgoorlie.
- Quality asset package of over 463km2 located predominantly in the Bullabulling Domain, a prolific gold province within the Eastern Goldfields.
- The land holding is ideally located close to existing infrastructure including Rail, Great Eastern Highway, Water and serviced via Coolgardie.
- The ground position is rich in gold hosting ultramafic greenstones, felsic and volcanoclastic sediments with extensive soil, colluvium and alluvial cover.

Identifying large targets under the shallow cover is the core focus of GEE's growth strategy.

The Bullabulling Shear hosts the 3.5M oz deposit of which GEE's tenure surrounds, the Python, Reptile & Ida faults are major structures within GEE's tenure.

The total Bullabulling project comprises 62 tenements for a combined total area of 463 km^2. This includes 5 Exploration Licences ("ELs"), 10 Mining Leases ("MLs") 46 Prospecting Licences ("PLs"), 1 Prospect Licence Application ("PLA") and one Miscellaneous Licence ("L").

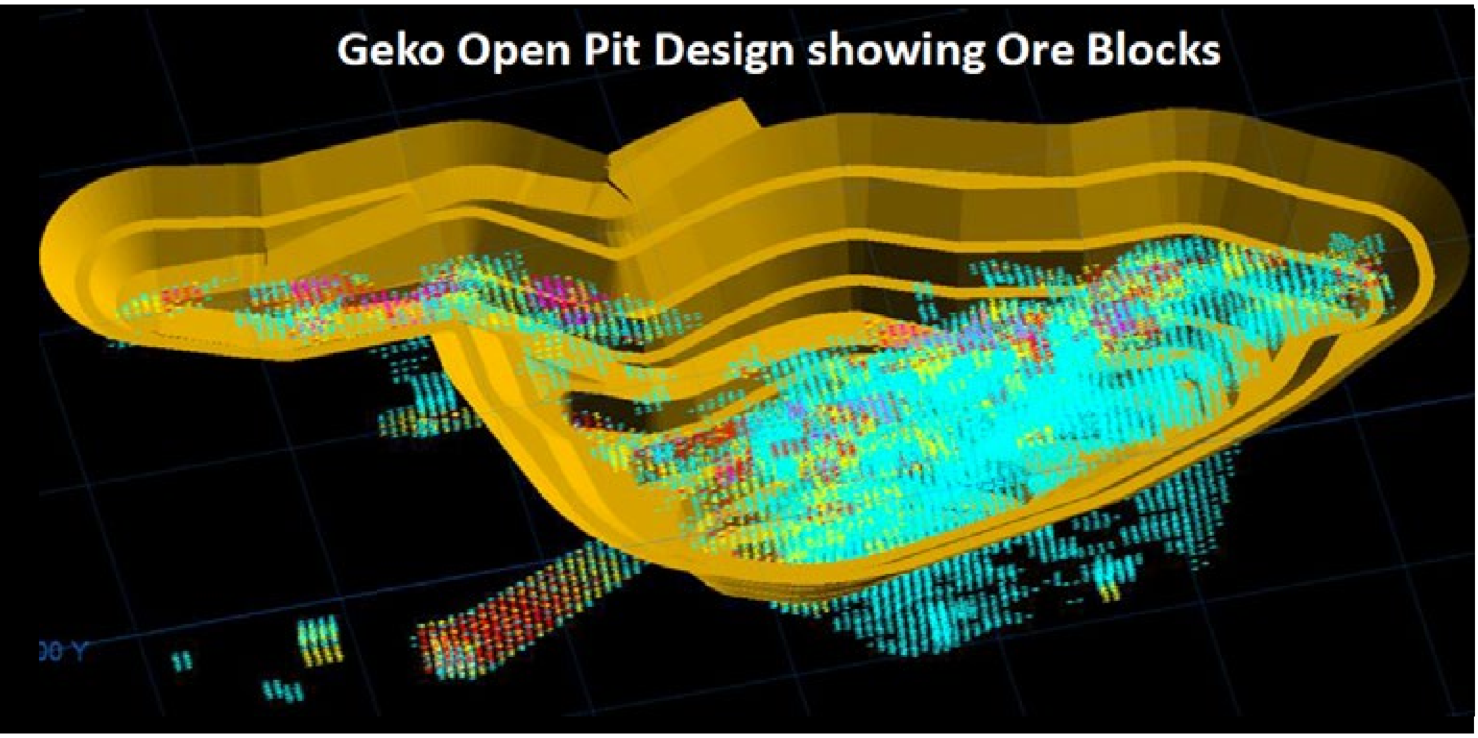


Total area under licences is approximately 463 km2

OPERATIONAL HIGHLIGHTS – ADVANCING TOWARDS GOLD PRODUCTION

Geko Gold Open Pit Project

- GAP Analysis commissioned on the Geko Gold Open Pit Project in October 2015 and completed in March 2016 by Mining Plus.
- Mining Plus commissioned in March 2016 to undertake the operational readiness program and scoping study on the Geko Gold Project.
- MWH appointed in April 2016 to prepare and submit the Geko Gold Open Pit Mining proposal to the Department of Minerals and Energy.
- Geko Gold Mineral Resource upgrade completed in May 2016 reported in accordance with the JORC Code (2012).
- Scoping Study completed in May 2016 with favourable project economics, commissioned Mining Plus to prepare a Bankable Feasibility Study for the development of the Geko Gold Open Pit Project.



Ordinary Kriging and Inverse Distance Weighted estimation techniques have been used for a total of 2.7 Mt @ 1.7 g/t for 145 koz gold. A breakdown of Mineral Resource by resource category is listed in the table below.

	Indicated Resource			Inferred Resource		
Commodity	Tonnes (kT)	Grade (g/t)	Ounces (Koz)	Tonnes (kT)	Grade (g/t)	Ounces (Koz)
Gold	2,515	1.6	127	175	3.1	18

Mineral Resources of the Geko gold deposit

ADVANCED EXPLORATION PROJECTS

First Find

The First Find prospect is interpreted as a north-south striking, west dipping thrust repeated sequence of komatiite rocks overlain by felsic to intermediate metasedimentary rocks. The area is further intruded by pegmatites. Amphibolites and dolerite/gabbro occur locally within the deformation sequence including north-south thrusting followed by folding, faulting and granitoid intrusion. The north-south striking shear corridor is considered to represent a dilation zone of variable thickness up to approximately 50 m wide. Where the corridor is intercepted by a second northeast trending structure high grade gold mineralisation has been intersected. The corridor has a near-vertical dip to the west and underlies historic mine workings that include the South, Hat and Main Shafts.

Drilling has intersected multiple, narrow, high-grade gold shoots within shear zones with further low-grade gold mineralisation within deformation zones. Recent drilling shows that the main gold shoot intersected to date plunges north at about 45° near the South Shaft. The potential for gold mineralised zones occurring at depths in excess of 200 m has been confirmed by the presence of gold-mineralised quartz veins intersected in deep drilling.

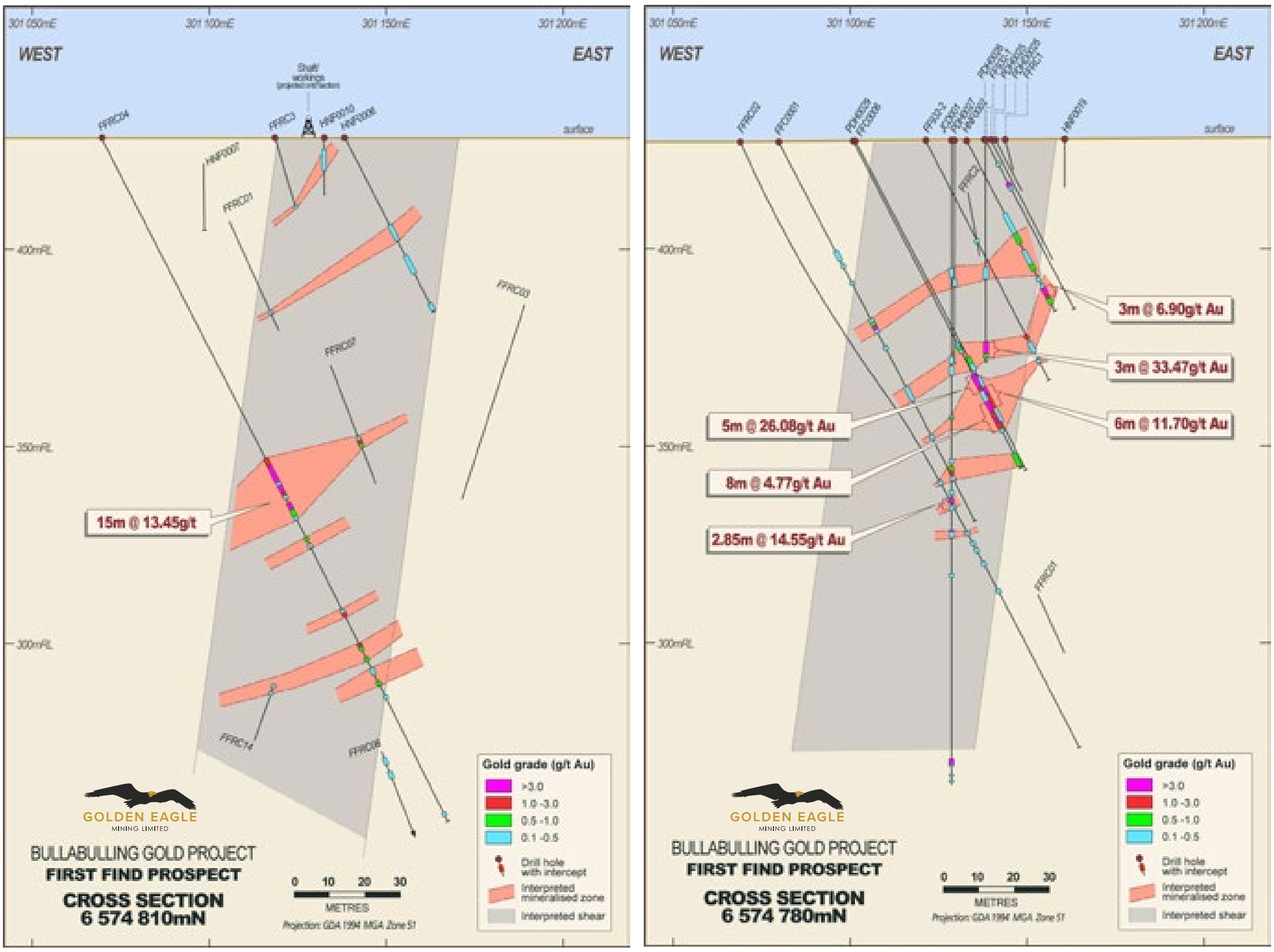
In December 2015 Golden Eagle Mining was successful in being granted a co-funded exploration grant for the First Find area from the Western Australian Governments Exploration Incentive Scheme. The funding was for a Stratigraphic Diamond Drilling Programme designed to help better understand the geological structure in the First Find area related to the Bullabulling Shear.

ADVANCED EXPLORATION PROJECTS

First Find

Hole ID	From m	To m	Width m	Grade g/t Au
FFFRC04	92	107	15	13.5
FFFRC01	90	97	7	19.7
PDH0029	67	72	5	26.1
PDH0026	51	54	3	33.5
FFC0006	71	77	6	11.7
FF917-3	6	15	9	6.9
PDH0021	75	83	8	4.8
FFRC13	96	99	3	11.1
PDH0021	36	39	4	11
HNF0016	0	3	3	10.9
FF910-5	42	46	4	6.8

The 4 Diamond Holes were drilled to a depth ranging from 180m to 760m and were completed by 30th June 2016 with assay results pending.



First Find Prospect Cross Sections

ADVANCED EXPLORATION PROJECTS

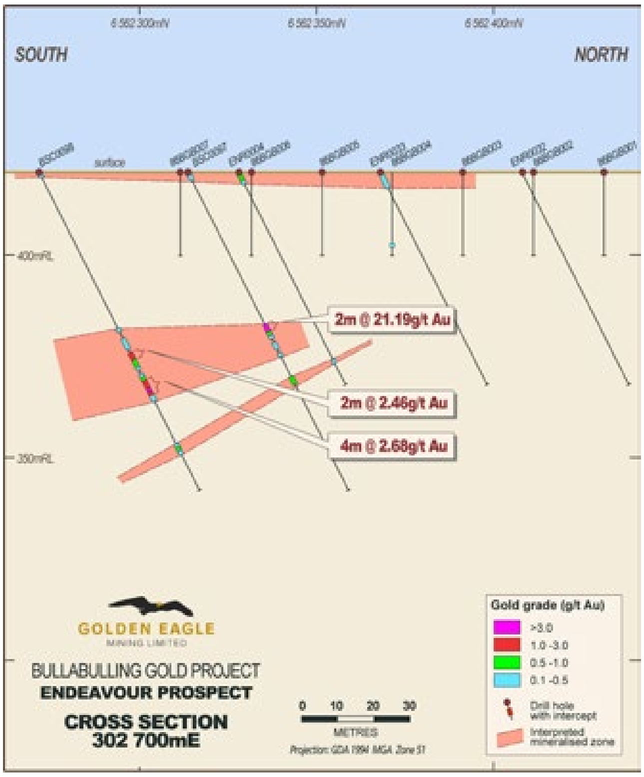
Endeavour

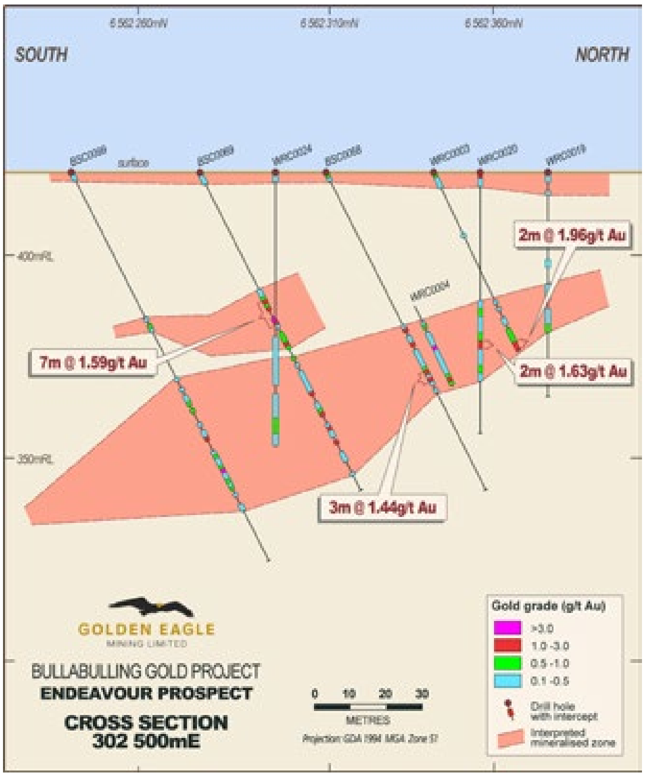
The Endeavour prospect is located within the Bullabulling South project area. The prospect area represents the southern extension of the Bullabulling ultramafic mineralised trend which becomes folded to the east and flattens through M15/1791. Geological mapping in the area has identified northwest trending quartz and quartz-pegmatite veining suggesting possible northwest mineralised structural trends. This is in line with the structures controlling mineralisation at the Lloyd George and Gibraltar open pits owned by Norton.

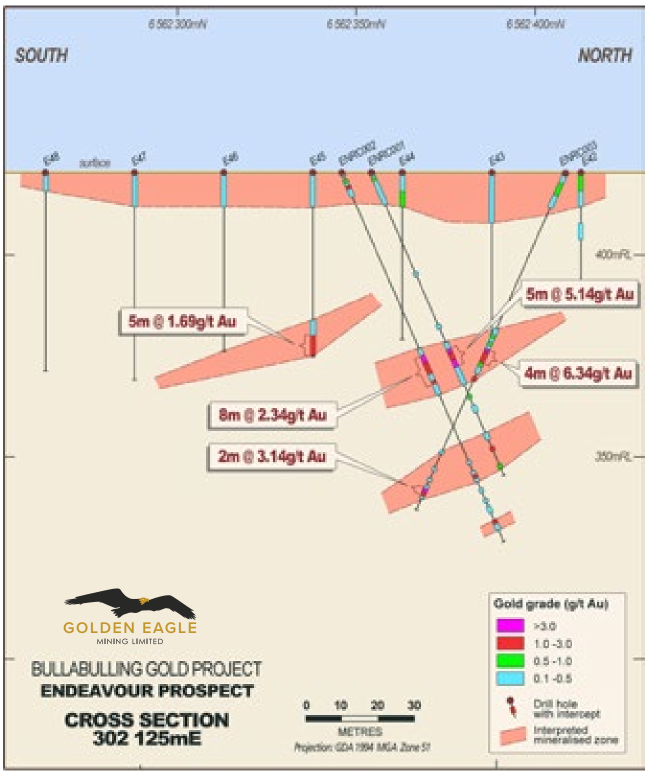
A Rotary Air Blast drilling programme was completed in September 2015 at the Endeavour project with assays confirming extended Gold Mineralisation continuing 300 metres to the west of the existing drilling. The Endeavour project will continue to be explored with a Reverse Circulation drilling program being planned for the 1st quarter 2017.

Hole ID	From m	To m	Width m	g/t Au
BSC0097	43	45	2	21.2
ENRC001	50	55	5	5.1
ENRC003	50	54	4	6.3
ENR0037	45	47	2	9.97
ENRC002	52	60	8	2.3
ENRC006	35	39	4	4.6
ENRC005	62	67	5	2.8
BSC0066	88	90	2	7.1
BSC0069	36	43	7	1.6
BSC0098	59	63	4	2.7

Endeavour







Endeavour Prospect Cross Sections

OPERATIONAL HIGHLIGHTS - GREENFIELDS EXPLORATION

Continuing the search for Large Exploration Targets (under shallow colluvium cover)

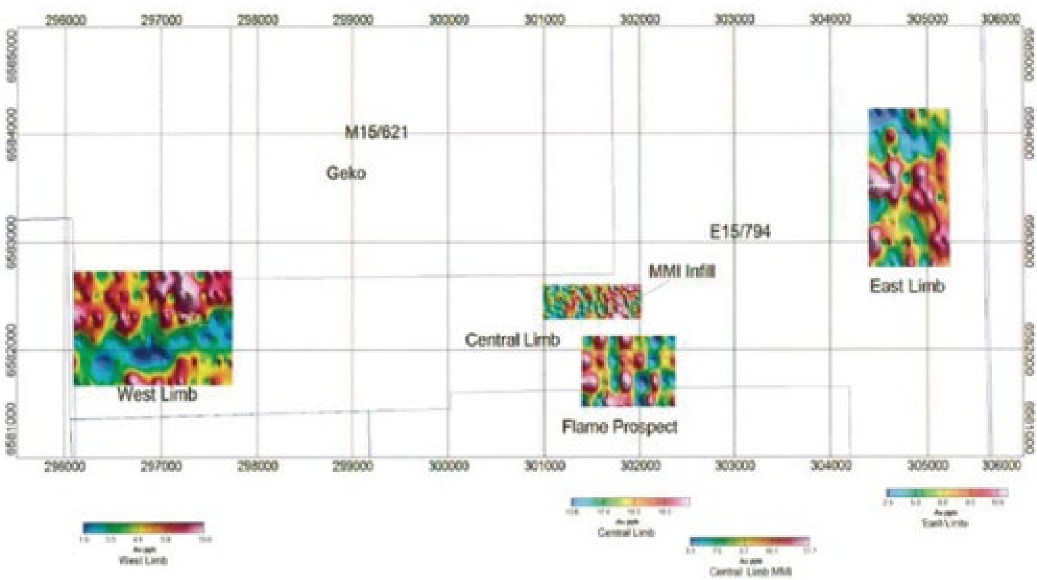
"GEE has progressed well during the year with its commitment of exploring the expansive landholding in search of large new mineral deposits. In no particular order of priority and although not exhaustive the following provides a snapshot of the ongoing Greenfield's exploration activities completed during FY 2016"

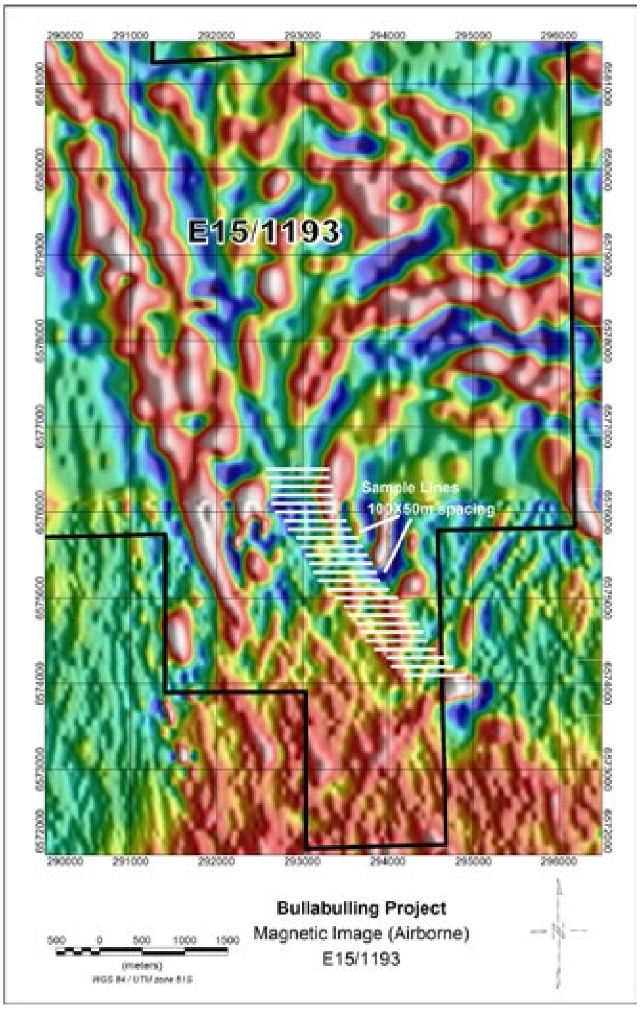
BUNGARRA

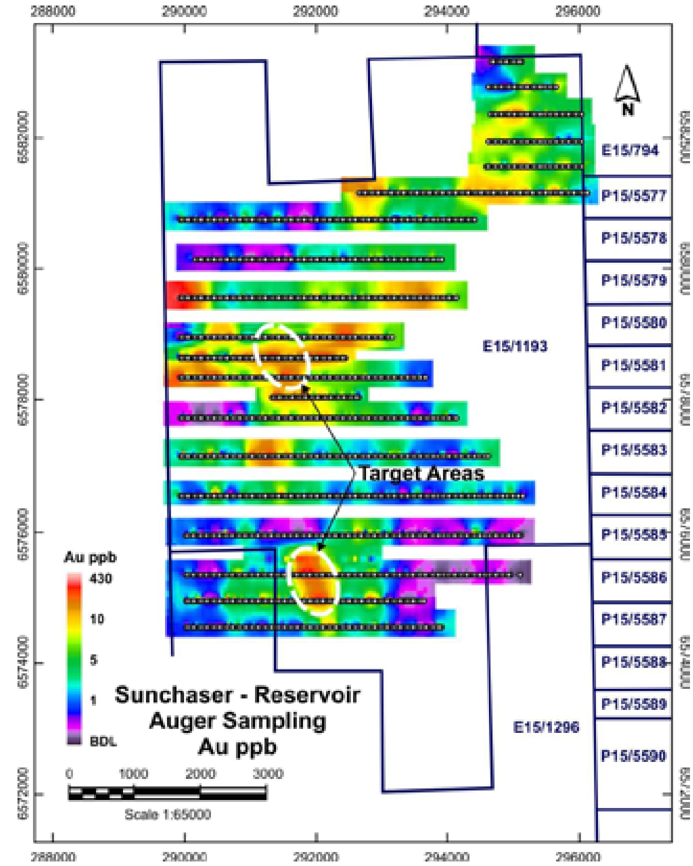
The Bungarra prospect is located to the south and southeast of the Geko Gold Project. The geology comprises a complex west plunging, synclinal fold comprising mafic and ultramafic stratigraphy. The central limb area covers an interpreted folded mafic-ultramafic sequence consistent with the stratigraphy and structure of the Geko gold deposit located 2 km to the northwest. Previous drilling in this area has returned anomalous gold similar to supergene mineralisation encountered at Geko.

" During the 2016 FY an Air Core Drilling programme comprising of 1,400m was completed at the Bungarra Prospect with assays pending. The programme was designed to test mineralisation for Gold and Nickel at the three drill locations. The drilling programme provided valuable information with follow-up drilling plans being prepared".

At the southern tenement boundary of the central limb area, previous drilling intersected anomalous gold at the confluence of two structural trends. The eastern limb area covers a mafic-ultramafic sequence which host quartz reefs, aplite and pegmatite dykes in a peridotitic host rock.







SUNCHASER-RESERVOIR

The interpretation of magnetic imagery, with follow-up soil and auger sampling has delineated two significant north-northwest trending faults that run through the project area – the northern Python Fault and the southern Reptile Fault.

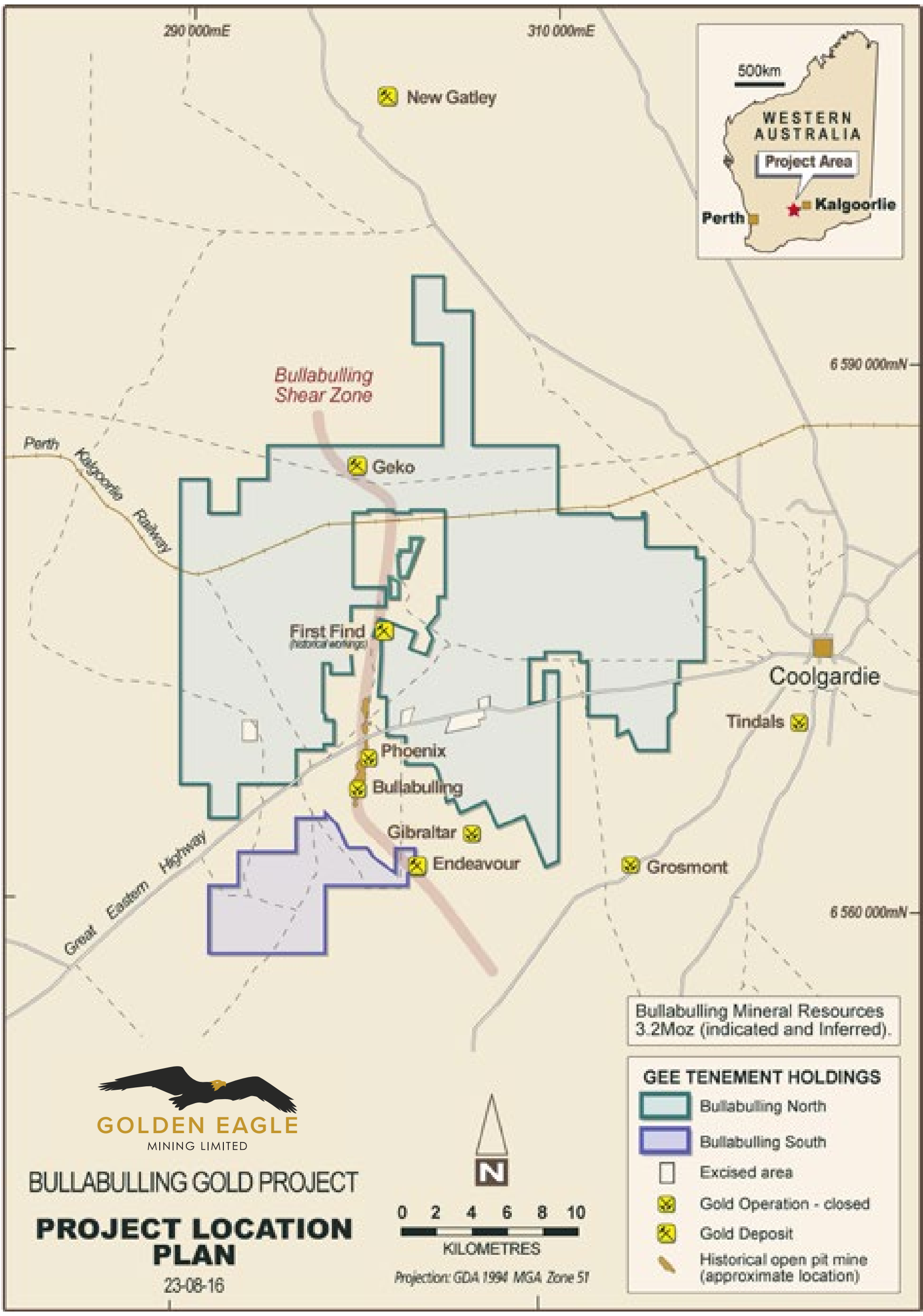
The faults are interpreted as relatively shallow angled thrust faults. Both faults are known to be mineralised; the Python Fault near Stewarts Siding in the north and the Reptile Fault where it trends towards the Bacchus/Phoenix open pits to the southeast of GEE's tenure.

GEE completed a ground magnetic survey over the majority of the prospect area to better define the structures likely to contain gold mineralisation. Targets were generated for an auger sampling programme and included areas with historical geochemical anomalies and areas of geological and structural complexity. Targets were identified near the intersections of known faults and an interpreted north-northeast lineation.

On tenements E15/1193 and E15/1296 there are a number of other soil geochemical anomalies and isolated discrete magnetic highs that warrant further investigation. On E15/1193, the intersection of quartz vein structures and a magnetic high immediately to the north constitutes a target of some 2 by 1.5 km in area. On E15/1296, the extension of the north-northeast lineament, its proximity to the Reptile Fault and the interpreted amphibolite/basalt contact constitutes a target area covering 1.5 by 2.5 km in area. The southern target was tested by a total of 338 auger holes. These samples are due to be analysed.

UBINI

The Ubini prospect is located north and south of the Great Eastern Highway within E15/1295 and the adjacent prospecting licences to the west and south. The prospect comprises a mineralised corridor which extends along the north-south contact with the Bali and Calooli Monzogranite and mafic greenstone units. This area represents a separate corridor located to the east of the Bullabulling Shear Zone.



Whilst it is analogous to the Bullabulling Shear Zone it remains relatively poorly tested by drilling. The contact continues to the southeast where it is folded into the southern portion of P15/5618 and dips shallowly to the southwest. The ultramafic contact in this area presents a conceptual exploration target similar to the Lloyd George mine owned by Norton.

To the north, the corridor continues to the historic Helen's Find and Lady Evelyn mines. Total strike length of the corridor and ultramafic contact within GEE's tenure is over 5 km.

Interpreted northeast fault trends continue to the southwest into the Endeavour prospect area and may influence mineralisation in this area. The northeast faults may have dragged the prospective ultramafic contact into the Bali Monzogranite to the northeast. GEE considers this to be a conceptual target that requires further testing in the future.

UBINI LITHIUM PROJECT

Licence E15/1295 contains a pegmatite which hosts an abandoned amblygonite lithium mine. The pegmatite was discovered in 1910 during prospecting for tin. At the time, the pegmatite was of interest for lithium, phosphorous and fluorine with a trial lot sent to London to test the market. The mine was reportedly operated until 1913 when it was abandoned after mining approximately six tonnes of amblygonite material of unknown grade.

The lithium mineralisation is hosted within a weathered quartz-albite-muscovite pegmatite. The grade, size and quality of lithium mineralisation at Ubini are currently unknown. GEE considers the project to be of interest and worthy of follow-up work considering the buoyant nature of the lithium market at present.

DIRECTOR'S
REPORT (CONT)

DIRECTORS' INTERESTS

The interests of the directors in securities of the company at the date of this report are:

Director	Fully Paid Ordinary Shares
Mr Bradd Granville	1,784,877
Mr Stewart Brown	547,112
Mr Paul Jago	487,672
Mr Shaun Melville	700,000

PRINCIPAL ACTIVITIES

The principal activity of the entity during the course of the financial year was to seek appropriate investment opportunities in exploration assets within Australia, offering investors excellent exposure to a range of commodities. There were no significant changes in the nature of the entity's principal activities during the year.

RESULTS

The loss of the company for the financial year was $2,438,570.

FINANCIAL POSITION AND SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The net liabilities of the company at 30 June 2016 were $1,964,458.

Cash on hand at 30 June 2016 totalled $813.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The company will continue to carry on its current business being the exploration of its mineral assets.

DIVIDENDS

No dividends have been provided for or paid by the entity in respect of the year ended 30 June 2016.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than as disclosed in Note 16 there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

- the company's operations in future years; or
- the results of those operations in future years; or
- the company's state of affairs in future years

DIRECTORS' MEETINGS

The number of meetings attended by each director during the year is as follows:

Director	Number of meetings held while in office	Number of meetings attended
Mr Bradd Granville	1	1
Mr Stewart Brown	1	1
Mr Paul Jago	1	1
Mr Shaun Melville	1	1

PROCEEDINGS OF THE COMPANY

No person has applied to the Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on the next page and forms part of the Directors' Report for the year ended 30 June 2016.

Signed in accordance with a resolution of the directors:

Mr Bradd Granville
Director

Perth, 31 October 2016

INDEPENDENT AUDITOR'S

REPORT

MOORE STEPHENS

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace,
WA 6831

T +61 (0)8 9225 5355
F +61 (0)8 9225 6181
www.moorestephens.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF GOLDEN EAGLE MINING LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Neil Pace

Neil Pace
Partner

Moore Stephens

Moore Stephens
Chartered Accountants

Signed at Perth this 31 day of October 2016

MOORE STEPHENS

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace,
WA 6831

T +61 (0)8 9225 5355
F +61 (0)8 9225 6181

www.moorestephens.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDEN EAGLE MINING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Golden Eagle Mining Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if provided to the directors as at the time of this auditor's report.

MOORE STEPHENS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDEN EAGLE MINING LIMITED *(continued)*

Auditor's Opinion

In our opinion:

a. the financial report of Golden Eagle Mining Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Inherent Uncertainty Regarding Going Concern

We draw attention to note 1(a) of the financial statements which states that the financial statements have been prepared on a going concern basis. The ability of the company to continue as a going concern for at least the next 12 months from the date of our reprot will require it to undertake further capital raisings during this period. Based on prior experience the directors of the company are confident of obtaining the necessary shareholder support if and when required. Notwithstanding this there is some uncertainty of the company achieving these outcomes and consequently we have significant uncertainty as to whether the company will continue as a going concern for a minimum period of the next 12 months. Should the company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts other than as stated in the financial report.

Neil Pace

Neil Pace
Partner

Moore Stephens

Moore Stephens
Chartered Accountants

Signed at Perth this 31 day of October 2016

FINANCIAL **STATEMENTS**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Note	2016 $	2015 $
Continuing operations			
Other income		114,382	377,394
		114,382	377,394
Expenses			
Administration expenses		(831,692)	(768,684)
Exploration and evaluation expenses		(1,323,285)	(363,198)
Tenement acquisition costs		(62,500)	(245,005)
Fundraising expenses		(209,403)	(27,382)
Other expenses		(126,072)	(15,372)
		(2,552,952)	(1,419,641)
Loss before income tax expense		(2,438,570)	(1,042,247)
Income tax expense	3	-	-
Total comprehensive loss for the year		(2,438,570)	(1,042,247)

This statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

	Note	2016 $	2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	813	3,808
Trade and other receivables	5	139,640	-
Loans receivable	7	-	10,000
Total Current Assets		140,453	13,808
Non-Current Assets			
Plant and equipment	6	157,078	40,567
Total Non-Current Assets		157,078	40,567
TOTAL ASSETS		297,531	54,375
LIABILITIES			
Current Liabilities			
Trade and other payables	8	1,876,510	716,873
Other amounts payable		154,562	140,562
Borrowings	9	230,917	9,500
Total Current Liabilities		2,261,989	866,935
TOTAL LIABILITIES		2,261,989	866,935
NET LIABILITIES		(1,964,458)	(812,560)
EQUITY			
Issued capital	10	7,522,642	6,235,971
Accumulated losses		(9,487,100)	(7,048,531)
TOTAL EQUITY		(1,964,458)	(812,560)

This statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2016

	Note	Issued Capital $	Accumulated Losses $	Total $
Balance at beginning of year		6,235,971	(7,048,531)	(812,560)
Total comprehensive income for the year		-	(2,438,569)	(2,438,569)
Issue of shares	10	1,306,603	-	1,306,603
Share issue costs	10	(19,932)	-	(19,932)
Balance at end of year		7,522,642	(9,487,100)	(1,964,458)

for the year ended 30 June 2015

	Note	Issued Capital $	Accumulated Losses $	Total $
Balance at beginning of year		5,220,150	(6,006,284)	(786,134)
Total comprehensive income for the year		-	(1,042,247)	(1,042,247)
Issue of shares	10	1,129,837	-	1,129,837
Share issue costs	10	(114,016)	-	(114,016)
Balance at end of year		6,235,971	(7,048,531)	(812,560)

This statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
for the year ended 30 June 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Cash receipts in the course of operations		11,982	115,504
Payments to suppliers and employees		(1,440,149)	(935,055)
Net cash outflow from operating activities	4	(1,428,167)	(819,551)
Cash flows from investing activities			
Payments for plant and equipment		(60,000)	(15,973)
Net cash outflow from investing activities		(60,000)	(15,973)
Cash flows from financing activities			
Proceeds from issue of shares		1,279,603	963,170
Payments for share issue costs		(19,932)	(113,943)
Proceeds from borrowings		215,501	-
Short-term loan	7	10,000	(10,000)
Net cash inflow from financing activities		1,485,172	839,227
Net increase (decrease) in cash and cash equivalents		(2,995)	3,703
Cash and cash equivalents at the beginning of the financial year		3,808	105
Cash at the end of the financial year	4	813	3,808

This statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. The ability of the company to continue as a going concern is dependent on the company raising additional funding when required over the 12 months from the date of approval of this report and/or the commercial development or sale of its exploration assets.

Should the company not achieve the matters set out above, the company may not be able to continue as a going concern or may have to dispose of assets other than in the normal course of business. No adjustments related to the recoverability and classification of recorded assets or liabilities related to the above have been made in the financial report.

(b) New and amended accounting policies adopted by the company

The company has adopted all new and revised accounting standards and interpretations that are relevant to its operations and effective for reporting periods beginning 1 July 2015. None of the new and revised standards and interpretations adopted during the year had a material impact.

(c) New accounting standards for application in future periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the company are not expected to impact significantly on the company when adopted in future periods.

(d) Exploration and evaluation assets

Exploration and evaluation expenditure in relation to the company's mineral tenements is expensed as incurred. When the Directors decide to progress the development of an area of interest all further expenditure incurred relating to the area will be capitalised. Projects are advanced to development status and classified as mine development when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest. Such expenditure is carried forward up to commencement of production at which time it is amortised over the life of the economically recoverable reserves. All projects are subject to detailed review on an annual basis and accumulated costs written off to the extent that they will not be recoverable in the future.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset during their expected useful life of 3 to 5 years.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not shown in the accounts at a value in excess of the recoverable amount from assets.

(g) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as shares in listed companies) is based on quoted market prices at 30 June 2016.

The nominal value, less any estimated credit adjustments, of trade receivables and payables are assumed to approximate their fair value.

(h) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(i) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed over an ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.
Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to note 1(h) for further discussion on the determination of impairment losses.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

(j) Trade and other payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(k) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

Interest

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

(l) Income tax

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

A deferred tax asset for unused tax losses is recognised only if it is probable that future taxable amounts will be available to utilise losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

(m) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments other then loans receivables and financial liabilities, the entity does not currently hold any other classification of financial assets.

(i) Financial assets at fair value through profit or loss
Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments
Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

(n) Contributed equity

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

(o) Employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

	2016 $	2015 $
3. INCOME TAX		
(a) Income tax expense in loss		
Current tax expense	-	-
The prima facie income tax on the pre-accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Reconciliation		
Loss before tax from continuing operations	(2,438,570)	(1,042,247)
Income tax expense calculated at 30%	(731,571)	(312,674)
Effect of unused tax losses not recognised as deferred tax assets	(731,571)	(312,674)
	-	-
(b) Deferred tax assets comprise:		
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	(8,991,224)	(6,719,043)
(c) Unutilised Australian tax losses	(8,991,224)	(6,719,043)

The company has no franking credits to offset against future taxable income.

No income tax expense has been provided in the accounts because the company has an operating loss for the year. No future tax benefit attributable to tax losses has been brought to account as recovery is not certain or assured.

The benefit will only be obtained if the company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised, continues to comply with the conditions for deductibility imposed by taxation legislation and there are no changes in tax legislation adversely affecting the consolidated entity in realising the benefit.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

		2016 $	2015 $
4.	**CASH AND CASH EQUIVALENTS**		
	Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
	Cash at bank	810	3,710
	Cash on hand	3	98
	Balance per statement of cash flows	813	3,808
(a)	**Reconciliation of the loss for the year to net cash flows from operating activities**		
	Operating loss	(2,438,570)	(1,042,247)
	Depreciation and amortisation	23,480	6,851
	Decrease/increase in operating assets and liabilities:		
	Trade and other receivables	(139,640)	139,699
	Trade and other payables	1,126,563	76,146
	Net cash outflow from operating activities	(1,428,167)	(819,551)
5.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	112,640	-
	Share application funds receivable	27,000	-
	Current tax assets	-	-
		139,640	-
6.	**PLANT AND EQUIPMENT**		
	Plant & equipment – at cost	221,906	81,915
	Accumulated depreciation	(64,828)	(41,348)
		157,078	40,567
7.	**LOANS RECEIVABLE**		
	Loans to related parties	-	-
	Loans to unrelated parties	-	10,000
		-	10,000
	The loans are payable on demand and are non interest bearing		
8.	**TRADE AND OTHER PAYABLES**		
	Trade creditors	1,421,368	385,562
	Current tax liabilities	-	38,226
	Payroll liabilities	455,142	293,085
		1,876,510	716,873

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

	2016 $	2015 $
9. BORROWINGS		
Loans from associated parties and sharholders	230,917	9,500
	230,917	9,500

The loans are for a fixed period and subect to fixed rates of interest.

10. ISSUED CAPITAL		
Ordinary and Convertible Preference Shares		
(a) Issued and Fully Paid	7,522.642	6,235,971
(b) Movement in ordinary shares on issue		
40,576,701 fully paid ordinary shares at the beginning of the year	6,235,971	5,220,150
Issued during the year:		
13,066,035 fully paid ordinary shares issued throughout the financial year.	1,286,671	1,015,821
53,642,736 fully paid ordinary shares at the end of the year	7,522,642	6,235,971

(c) Rights attaching to ordinary shares and convertible performance shares

Ordinary shares

i. Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

ii. At shareholder meetings, when a poll is called, each ordinary share is entitled to one vote otherwise each shareholder has one vote on a show of hands.

The company has not issued any options to acquire its ordinary shares.

	2016 $	2015 $
11. AUDITORS' REMUNERATION		
Fee paid or payable for services provided by the auditors:		
(a) Audit services		
Audit and review of financial reports under the Corps Act	10,000	14,000
(b) Other services		
Preparation of investigating accountants report	-	6,000
Total remuneration of auditors	10,000	20,000

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

12. RELATED PARTY DISCLOSURES

Related party transactions are summarised below.

(a) Remuneration of key management personnel

Key management personnel (KMP) includes any person having authority and responsibility for planning, directing, and controlling the activities of the company including any director. The totals of remuneration paid or payable to the KMP of the company during the year are as follows:

	2016 $	2015 $
Short-term employee benefits	197,976	192,024
Post-employment benefits	18,808	18,242
	216,784	210,266

(b) Other related party transactions

Other related parties include close family members of key management personnel and entities that are controlled by those key management personnel, individually or collectively with their close family members. Loans Receivable (as set out in Note 7) and Borrowings (as set out in Note 9) are with entities associated with directors or shareholders.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial instruments comprise receivables, payables and cash which arise directly from its operations.

The company manages its exposure to key financial risks, in accordance with its financial risk management policy. The objective of the policy is to support the delivery of financial targets whilst protecting future financial security.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Risk Exposures and Responses

Interest rate risk

The company generates income from interest on surplus funds.

At balance date, the company had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2016 $	2015 $
Financial assets		
Cash and cash equivalents	813	3,808
Other amounts payable	(154,562)	(140,562)
Net exposure	153,749	136,754

The company periodically analyses its interest rate exposure. Within this analysis consideration is given to alternative financing, hedging positions and the mix of fixed and variable interest rates.

At 30 June 2016, if interest rates had moved, up or downwards by 10%, with all other variables held constant, post tax loss and equity would not have been significantly affected.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the company. The company's potential concentration of credit risk consists mainly of cash deposits with banks. The company's short term cash surpluses are placed with banks that have investment grade ratings. The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the balance sheet date. The company considers the credit standing of counterparties when making deposits to manage the credit risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The company holds the majority of its financial assets as cash deposits and has significant liabilities hence it does not have material liquidity risk at year end.

The remaining contractual maturities of the company's financial liabilities are:

	2016 $	2015 $
12 months or less	2,261,989	866,935
	2,261,989	866,935

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Maturity analysis of financial assets and liabilities based on management's expectation
The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. To monitor existing financial assets and liabilities as well as to enable effective control of future risks, the company has established risk reporting processes covering its business units that reflect expectations of management of expected settlement of financial assets and liabilities.

2016	≤6 months	6-12 months	1-5 years	>5 years	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	813	-	-	-	813
Trade and other receivables	139,640	-	-	-	139,640
Financial liabilities					
Borrowings	-	(230,917)	-	-	(230,917)
Other amounts payable	-	(154,562)	-	-	(154,562)
Trade and other payables	(1,876,510)	-	-	-	(1,876,510)
Net maturity	(1,736,057)	(385,479)	-	-	(2,121,536)

2015	≤6 months	6-12 months	1-5 years	>5 years	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	3,808	-	-	-	3,808
Trade and other receivables	10,000	-	-	-	10,000
Financial liabilities					
Borrowings	-	(9,500)	-	-	(9,500)
Other amounts payable	-	(140,562)	-	-	(140,562)
Trade and other payables	(726,373)	-	-	-	(726,373)
Net maturity	(712,565)	(150,062)	-	-	(862,627)

Fair values
Fair values of financial assets and liabilities are equivalent to carrying values due to their short terms to maturity.

14. COMMITMENTS

Farm-in and Joint Venture Agreements
The company has no farm-in joint venture agreements with other entities.

Office Rent
The company has no significant obligations in relation to its future rental arrangements.

Exploration Expenditure Commitments
In order to maintain current rights of tenure to exploration tenements, the company is required to meet rent and rate commitments and perform minimum exploration work to meet the minimum expenditure requirements specified by the relevant authorities. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report. The minimum expenditure obligations for the next 12 months are estimated to be $890,290.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

14. COMMITMENTS (continued)

Arrangements with Brokers

On 20 June 2016 the Company entered into a mandate agreement with a broking firm under which the broker has agreed to provide capital raising and corporate advisory services to the Company. The Company has agreed to pay the broker a placement fee of 6% of amounts raised. The broker will also receive a monthly fee of $8,000 for up to 12 months in consideration for advisory services provided. In addition the Company will pay a success fee of 2% of the market capitalisation of the Company on the closing day of listing, to be paid via the issue of fully paid ordinary shares (estimated to be 2,482,469) and 5,000,000 three year 30 cent options.

15. CONTINGENT LIABILITIES

The company has obligations to pay various royalties, based on minerals produced, pursuant to a number of tenement acquisition agreements. The royalties will only become due and payable when and if mining commences.

The directors are not aware of any other contingent liabilities that may have arisen from the company's operations as at 30 June 2016.

16. EVENTS AFTER THE REPORTING PERIOD

Subsequent to year end the company has:

Raised Additional Equity

The Company has continued to raise equity by way of the issue of ordinary fully paid shares so as to fund its operations. Since 1 July 2016 the Company has raised approximately $2.463 million in new equity.

Option Agreement in Relation to Tenement Acquisiton

On 24 November 2010 the company executed an option agreement with Mr Chitty and Devant Pty Ltd ("Grantors") for the acquisition of certain tenements. The tenement acquistion option agreement referred to the above has been extended and varied a number of times (the last variation was dated 25 August 2015). On 15 August 2016 the Company and the Grantors further varied the terms of the Devant/Chitty Tenement Option agreement and Grace Mining Limited agreed to become a party to the agreement. The Grantors and Grace Mining Limited (referred to as the "Sellers") agreed to sell all their rights, title and interest in the Devant/Chitty/Grace tenements. Pursuant to the latest variation the Company's principal obligations are summarised as follows:

- Payment of a variation fee of $125,000;
- Payment of a settlement fee of $196,801 to be paid on settlement;
- The company has agreed to settle certain debt obligations of the Grantor of approximately $1,186,000 via the issue of 5,830,695 fully paid ordinary shares in the company (to be issued to the trustee of a trust established for the benefit of members of the Chitty/Devant Syndicate) and a cash payment of $20,000. If the creditors refuse to accept the shares in settlement then the company has no further obligations to them;
- The Company is required to issue to Mr Chitty 5,000,100 ordinary shares at settlement;
- The Company must use its best endeavours to list on ASX by 31 March 2017. If this is not achieved then the Company must either, provide Devant and Chitty with a transfer in favour of Devant and Charles Chitty, together with the instrument of title and mining information in respect of E15/1193, or pay to Charles Chitty a break fee of $750,000, in which case Devant and Charles Chitty will have no further right to be transferred E15/1193 or the mining information relating to that tenement; and
- On and from the settlement date the Company must pay to Charles Chitty a royalty equally to 2% net smelter return in respect of any revenue received from the sale of gold, nickel, copper and lithium produced from E15/1193.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. EVENTS AFTER THE REPORTING PERIOD (Continued)

Settlement of the amended and restated option agreement, as referred to above, took place on 27 October 2016

Repayment of Other Amounts Payable

On 30 September 2016 these amounts were repaid by way of a cash payment of $157,652 (recorded at 30 June 2016 at a value of $154,562).

Agreement with Raptor Global Corporation Limited

The company had previously engaged Raptor Global Corporation Limited (RGC) to provide consulting services relating to the Offer and proposed ASX listing. The agreement was terminated on 6 September 2016, with effect from 30 June 2016, with the Company required to immediately pay a cash amount of $28,892 and to issue 363,000 fully paid ordinary shares, and to agree on listing on ASX to pay a further amount of $72,600.

Other than as noted above there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the company's operations in future years or the results of those operations in future years or the company's state of affairs in future years.

DIRECTOR'S **DECLARATION**

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements, notes and additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

    (a) complying with Accounting Standards and the Corporations Regulations 2001; and

    (b) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date.

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

3. this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

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

B. Gil

Mr Bradd Granville
Director

Perth, 31 October 2016