TopTung Limited

ANNUAL REPORT 2018

ABN 12 118 788 846

TOPTUNG LIMITED

ABN 12 118 788 846

Annual Report – 30 June 2018

Corporate directory

Directors	Leon Pretorius Martin Kavanagh Charles Thomas	Executive Chairman Non-Executive Director Non-Executive Director
Company Secretary	Suzanne Yeates	
Principal registered office in Australia	Level 8, 46 Edward Street, Brisbane QLD 4000	
Share register	Link Market Services Limited 324 Queen Street, Brisbane, QLD, 4000, Australia www.linkmarketservices.com.au	
Auditor	BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000 www.bdo.com.au	
Bankers	National Australia Bank	
Stock exchange listing	TopTung Limited shares are listed on the Australian Securities Exchange (ASX) under the code TTW.	
Website address	https://www.toptung.com.au	

Competent Person's Statement

The data in this report that relates to Exploration Results for the Torrington Tungsten Project is based on information evaluated by Dr Leon Pretorius who is a Fellow of The Australasian Institute of Mining and Metallurgy (FAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Dr Pretorius is the Executive Chairman of TopTung Ltd and he consents to the inclusion in the report of the Exploration Results in the form and context in which they appear. Dr Pretorius holds shares in TopTung Ltd

Chairman's letter

Dear Fellow Shareholders,

It is my pleasure to present to you the TopTung 2018 Annual Report and I set out below a summary of the activities and achievements over the past year:

Federal Government ARC Linkage Grant funding to further research into mullite fibre production from Torrington topaz, which was approved (ASX 3 August 2017) for a 3-year period and this collaborative UNSW research programme is starting to produce tangible results (ASX 25 July 2018).

The tungsten JORC resource outcome (ASX 22 March 2018) based on the Company's Torrington project 400-hole drilling programme completed in August 2017 (ASX 18 August 2017) was a great disappointment given it was designed to increase the existing resources. However, the large silexite body outlined at Wild Kate will underpin the topaz requirements in future should the promising collaborative UNSW research into advanced technology applications for topaz be proven (ASX 25 July 2018). Industrial applications for the topaz as an abrasive being researched by the Company and other third parties may also lead to mining of the silexite. In the event this occurs the Company will produce tungsten as a byproduct. The tungsten APT European price remains strong at US$340.

A Mining Lease application (ASX 27 October 2017) was lodged to ensure timely access to topaz (and tungsten) through the mining of silexite.

As a direct result of the JORC outcome, there was a change in the shareholder register of the Company with the previous largest shareholder selling out and GTT Global Opportunities Pty Ltd becoming a substantial shareholder (ASX 23 April 2018). The Company entered into a 12-month marketing mandate with GTT Ventures and one of its Directors Charles Thomas joined the TopTung Board, replacing Dennis Lovell.

Your Board believes that with the Company's stated objective of acquiring a new project or projects while continuing the collaborative UNSW research on the Torrington topaz derived mullite oriented fibre and other advanced derivatives, the coming year promises to herald a new era in the fortunes of the Company and its shareholders.

As at 30 June 2018, the Company had 153,247,653 ordinary shares on issue and $3.55 million cash resources. The Company is well placed to progress the Torrington Project and pursue new projects for the foreseeable future.

I wish to thank recently departed Company Director Dennis Lovell (23 April 2018) for his valuable corporate input and advice to the Board since November 2014; Martin Kavanagh's ongoing technical support and corporate Board input; Suzanne Yeates' professionalism as Company Secretary and CFO; Prof. Chris Sorrell and team at the UNSW involved in the topaz research; all the contract staff involved with the Company's activities during the year and welcome to Charles Thomas as a Board Member and the team at GTT Ventures as Corporate advisors (23 April 2018).

Last but not least, a special word of thanks to all the loyal shareholders for their continuing support.

Leon Pretorius

Directors' report

TopTung Limited ("the Company" or "TopTung") is an Australian company listed on the Australian Securities Exchange Limited (ASX) with code TTW. The Company has two wholly owned subsidiary, Torrington Minerals Pty Ltd and TopFibre Pty Ltd which collectively forms a consolidated group ("Group").

The Directors present their report together with the financial statements of the Company and Group for the year ended 30 June 2018 and the auditor's report thereon.

Directors and Company Secretary

The following persons were Directors of TopTung Limited during the whole of the financial year and up to the date of this report:

Leon Pretorius was appointed as a Director on 11 November 2014.
Martin Kavanagh appointed as Director on 27 April 2016.

Dennis Lovell was a Director from the beginning of the financial year until his resignation on 23 April 2018.

Charles Thomas was appointed as a Director on 23 April 2018 and continues in office at the date of this report.

Suzanne Yeates was appointed to the position of Company Secretary on 1 December 2016. She is a Chartered Accountant, Founder and Principal of Outsourced Accounting Solutions Pty Ltd. She holds similar positions with other public and private companies.

Principal Activities

The principal activities of the Group during the financial year were:

(a) the carrying out of mineral exploration activities; and

(b) the carrying out of advanced research into the various possible industrial and technology applications of topaz; and

(c) assessing other business development and research opportunities associated with the minerals industry.

There were no significant changes in the principal activities during the year.

Dividends

No dividends have been paid or declared by the company since the end of the previous financial period, and no dividend will be paid for the current financial year.

Review of Operations

The net operating loss of the Group was $712,708 (compared with 2017: loss $356,915)

TopTung Limited (the Company), through its wholly owned subsidiary Torrington Minerals Pty Ltd, holds contiguous ELs 8258 and 8355 in north-eastern New South Wales, which cover an area of approximately 51 square kilometre and comprise the Torrington Tungsten and Topaz Project. This Project has been the sole focus of the Company until recently, when the Company announced it will be seeking an additional project or projects to broaden its activity base (ASX 23 April 2018) due to disappointing tungsten resource drilling results and expected protracted topaz research results.

After long delays due to permitting issues and adverse weather conditions, the 400-hole drilling programme on the Torrington Project commenced in January 2017 and was completed in August 2017 (ASX 18 August 2017). The resultant reduced tungsten JORC resource (ASX 22 March 2018) was a great disappointment for the Company and its shareholders given the drilling programme was designed to increase the existing JORC resources. It appears that the assumptions made by the Competent Person's interpretations while compiling the previous data and style of mineralisation and its continuity were incorrect. However, the large silexite body (which consists of nominally of 80% quartz and 20% topaz is the host rock to the tungsten mineralisation) outlined at Wild Kate will underpin the topaz requirements in the future should the promising collaborative UNSW research into Company's advanced high-value technology applications for topaz be proven (ASX 25 July 2018). Additionally the industrial applications for the topaz as an abrasive being researched by the Company and other third parties may also lead to mining of the silexite body on a larger scale. In the event that either application proves commercially viable, the Company will produce tungsten as a byproduct from the silexite mining and beneficiation to produce a topaz concentrate. The Company notes that the tungsten APT European price has remained strong over the last year and is presently at US$340/mtu.

In order to progress the topaz research, Topfibre Pty Ltd (a 100% owned subsidiary of TopTung) entered into a collaboration agreement with the University of New South Wales (UNSW) to conduct research at their School of Materials Science and Engineering into developing fibres of mullite from aluminosilicate raw materials and specifically the topaz found at Torrington as well as any other topaz derivatives. Following encouraging initial results an application was made for Federal Government ARC Linkage Grant funding which was approved in August 2017 (ASX 3 August 2017) for a 3-year period.

The highlight of the year is the progress made with the UNSW topaz research. The report TOPAZ RESEARCH PROJECT - POTENTIAL TRAJECTORIES covering the first 8-months' activities and results of the ARC programme to 30 June 2018 was only finalised on the 24th July and released to the ASX on 25th July 2018. The report includes summaries on the following:

- Proof-of-concept for templated mullite fibre growth achieved
- Potential for mullite fibre growth without templating indicated
- Unexpected observation of extractable single-crystal alumina platelets made
- Potential for mullite-reinforced composite fabrication established
- Feasibility of topaz-quartz quantification and isolation demonstrated

Two additional prospective silexite areas on EL 8355 were outlined and the review of environmental factors (REF) studies completed. The REF has been approved and both areas will be subjected to a limited drilling programme once new prospecting methods over high-grade tungsten mineralisation occurring in pipe-like features located at Wild Kate during the 2017 drilling programme have been completed. This will then be applied to the new areas and any anomalies generated will be drill tested.

Planned exploration and associated activities that will occur at Torrington during the period to 30 June 2019 comprise:

- Progress and manage the UNSW R&D research programmes. The late-breaking developments highlighted in the 25th July 2018 ASX report will form the basis for more detail research and proof-of-concept studies.
- Continue exploring the granted Torrington Project licences and specifically the REF approved areas by drilling for additional silexite bodies and tungsten mineralisation; and,
- Continue the ML547 application to allow mine development, subject to results, approvals and financing. This process is expected to take 12 - 18 months and is dependent upon success of the topaz research and access to water amongst others.

As stated the Company is seeking to introduce a new project or projects into the Company's portfolio. Refer to the "Events Subsequent to Balance Date" section of this report for further detail.

TENEMENT LIST

The table below sets out the Company's interest in Exploration tenements at the date of this report.

Tenement	Permit Holder	Grant date	Interest	Expiry date
EL 8258	Torrington Minerals Pty Ltd	16/04/2014	100%	16/04/2020
EL 8355	Torrington Minerals Pty Ltd	18/03/2015	100%	18/03/2021

Environmental Regulation

The Company's operations are subject to significant environmental regulation principally under the provisions of the Mining Act 1992 and requirements of the Exploration Licences.

The Company believes it has met its obligations in all areas to date.

Significant changes in the state of affairs

Other than as disclosed in this report, in the opinion of the directors there were no significant changes in the state of affairs of the company during the financial year under review.

Events subsequent to balance date

Since 30 June 2018 the Company has entered into an agreement to acquire Zeus Minerals Limited, an Australian company focused on advanced nickel-copper sulphide projects. Zeus Minerals Limited has two principal projects areas that encompass three highly prospective sub-projects located in Quebec, Canada.

Consideration for the acquisition of Zeus Minerals Limited consists of a $50,000 non-refundable cash deposit and $1,250,000 share consideration, payable by the issue of 35,714,286 fully paid ordinary shares at an issue price of $0.035 per share.

The acquisition is subject to due diligence and shareholder approval will be sought for the issue of the share consideration noted above.

There are no other events that have occurred subsequent to year end that are material or unusual in nature that are likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Information on Directors

The following information is current as at the date of this report.

Leon Pretorius. *Chair – Executive Director*	
Experience and expertise	Dr. Pretorius is a Geochemist with over 46 years' international mineral and mining experience. Since settling in Brisbane in 1978, he has worked on varied commodities with discovery success in gold, industrial minerals and uranium both in Queensland and South Africa. Mining (open cut) and processing experience has been gained in Gold, Industrial Minerals, Uranium and Tungsten. Corporately, he has also been involved as a public listed company director in Australia and overseas since 1985. In the ten years prior to joining TopTung's Board as its Executive Chairman, he was a Director of ASX listed Paladin Energy; Managing Director of Deep Yellow Limited; and Executive Chairman of Carbine Tungsten.
Other current directorships	None.
Former listed directorships in last 3 years	None.
Special responsibilities	Chairman of the Board
Interests in shares and options	13,000,000 ordinary shares

Martin Kavanagh. *Non-Executive Director*	
Experience and expertise	Mr. Kavanagh is the Principal of KEM Resources - Mineral Industry Consultants, and has been consulting to the Company since November 2014. As a senior executive and consultant in the resource industry, he has developed a multi-commodity skill set primarily as an exploration geologist with a strong background in resource development, open-pit and underground mining, metallurgy and process plant operations. Until May 2013, he was an Executive Director of Deep Yellow Limited (ASX: DYL), a Namibian-focused uranium exploration company. Prior to joining Deep Yellow, he held both Executive and Non-Executive Director positions at Tanami Gold (ASX: TAM) from 1995 to 2007. He has over 47 years exploration and mining experience acquired through fieldwork, research and management of Australia-wide and offshore programmes, and has worked widely within the exploration and mining industry in Australia and offshore in Indonesia, North America, the Southwest Pacific region and South Africa for Dominion Mining Ltd, Anaconda Australia Ltd and International Nickel Australia Ltd.
Other current directorships	None.
Former listed directorships in last 3 years	None.
Special responsibilities	None.
Interests in shares and options	540,000 ordinary shares

Charles Thomas. *Non-Executive Director*	
Experience and expertise	Mr. Thomas holds a Bachelor of Commerce from UWA majoring in Corporate Finance. He is an Executive director and Founding Partner of GTT a leading boutique corporate advisory firm based in Australia. Mr. Thomas has worked in the financial service industry for more than a decade and has extensive experience in capital markets as well as the structuring of corporate transactions.
Other current directorships	Managing director of Marquee Resources Limited (ASX: MQR) since 2016. Non-executive director of Viking Mines Ltd (ASX: VKA) since 2017.
Former listed directorships in last 3 years	Non-executive director of AVZ Minerals Ltd (ASX: AVZ). Non-executive director of Force Commodities Ltd (ASX: 4CE). Non-executive director of Search Party Group Ltd (ASX: SP1). Non-executive director of Liberty Resources Ltd (ASX: LBY). Non-executive director of XTV Networks Ltd (ASX: XTV). Non-executive director of Applabs Technologies Ltd (ASX: ALA).
Special responsibilities	None.
Interests in shares and options	4,064,339 ordinary shares

Dennis Lovell. *Non-Executive Director until 23 April 2018*	
Experience and expertise	Mr. Lovell is a Chartered Accountant with extensive experience in corporate financial management in a range of industries including mineral exploration, mining, manufacturing, and wholesale and retail operations in Australia and overseas. He has consulted for a number of ASX listing and capital raising projects, and has acted as Company Secretary, Chief Financial Officer (CFO) and financial Director to a number of public listed companies.
Other current directorships	None.
Former listed directorships in last 3 years	None.
Special responsibilities	None.

Meetings of Directors

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2018, and the number of meetings attended by each Director were:

	Full meetings of Directors	
	A	**B**
Leon Pretorius	7	7
Dennis Lovell	6	6
Martin Kavanagh	7	7
Charles Thomas	1	1

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

There were no separately constituted committees of the Company. Given the limited size of the Board and the Company and its operations, these are combined with the normal Board Meetings of the Company.

Remuneration report - Audited

The Directors present the TopTung Limited 2018 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

(a) Key management personnel (KMP) covered in this report
(b) Remuneration policy and link to performance
(c) Elements of remuneration
(d) Link between remuneration and performance
(e) Remuneration expenses for KMP
(f) Contractual arrangements for executive KMP
(g) Non-Executive Director arrangements
(h) Other statutory information

(a) Key management personnel covered in this report

Non-executive and Executive Directors (see pages 8 to 10 for details about each Director)
Leon Pretorius
Dennis Lovell
Martin Kavanagh
Charles Thomas
Other Key Management Personnel
Michael Meintjes (until 1 December 2016)

Remuneration report – Audited (continued)

(b) Remuneration policy and link to performance

The role of a remuneration committee is performed by the full Board of Directors. The board reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs, and meets our remuneration principles. In particular, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent
- aligned to the Company's strategic and business objectives and the creation of shareholder value
- transparent and easily understood, and
- acceptable to shareholders

Element	Purpose	Performance metrics	Potential value	Changes for FY 2018
Fixed remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at median market rate	None

(c) Elements of remuneration

(i) Fixed annual remuneration (FR)

Executives receive their fixed remuneration as cash. FR is reviewed annually. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The board has the flexibility to take into account capability, experience, value to the organisation and performance of the individual. The Group has not engaged an external remuneration consultant during FY2018.

Superannuation is included in FR for executives. In FY 2018, fixed remuneration was not increased.

(ii) Short term incentives

Short term incentives are currently not available to executive.

Remuneration report (continued)

(d) Link between remuneration and performance

The Company is focused on driving sustained growth in shareholder wealth, principally through mineral exploration, evaluation and commercialisation of discoveries each designed to increase the share price.

The mineral discovery focus of the Company is based on exploration and evaluation activities with the objective of proving up a resource that can be commercialised through development, joint venture or sale. As the Company is still in the exploration and evaluation stage, the link between remuneration, Company performance and shareholder wealth is tenuous. Share prices are subject to the influence of mineral prices and market sentiment towards the sector and, as such, increases or decreases may occur quite independent of Executive performance or remuneration.

Given the nature of the Group's activities and the consequential operating results, no dividends have been paid. There have been no returns of capital in the current financial year. The details of the market price movements, compared to the operating profit/loss for the previous five years is set out below:

Financial Year	Net Operating Profit/(Loss) ($)	Share Price at Year End ($)
30 June 2018	(581,595)	0.036
30 June 2017	(356,915)	0.035
30 June 2016	(165,942)	0.023*
30 June 2015	(3,229,328)	0.071
30 June 2014	6,813,982	0.049

* In August 2015, shareholders approved a capital return of 5 cents per share.

Remuneration report – Audited (continued)

(e) Remuneration expenses for KMP

The following table shows details of the remuneration expense recognised for the Group's key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

		Fixed remuneration			Variable remuneration	
Name	**Year**	**Salary & Fees**	**Non-cash benefits***	**Post-employment benefits**	**Options**	**Total**
Executive Directors						
Leon Pretorius	**2018**	219,178	3,196	20,822	-	243,196
	2017	219,178	5,839	20,822	-	245,839
Total Executive Directors	**2018**	**219,178**	**3,196**	**20,822**	**-**	**243,196**
	2017	219,178	5,839	20,822	-	245,839
Non-executive Directors						
Dennis Lovell	**2018**	36,500	-	-	-	36,500
	2017	43,800	-	-	-	43,800
Martin Kavanagh	**2018**	69,260	-	-	-	69,260
	2017	50,000	-	3,800	-	53,800
Charles Thomas	**2018**	9,067	-	861	-	9,928
	2017	-	-	-	-	-
Total Non-Executive Directors	**2018**	**114,827**		**861**	**-**	**115,688**
	2017	**93,800**	**-**	**-**	**-**	**97,600**
Other Key Management Personnel						
Michael Meintjes	**2018**	-	-	-	-	-
(to 1/12/16)	2017	21,611	-	-	-	21,611
Total KMP remuneration expensed	**2018**	**334,005**	**3,196**	**21,683**	**-**	**358,884**
	2017	**334,589**	**5,839**	**24,622**	**-**	**365,050**

** Non-cash benefits include airfares provided under the terms of Leon Pretorius's employment contract, along with an allocation of rent paid by the Company, for a field office / house in Tenterfield in which he resides.*

Remuneration report (continued)

(f) Contractual arrangements with executive KMP's

Remuneration of the Executive Chairman, Leon Pretorius, is by way of an executive employment contract for the services provided to the company at a rate of $240,000 per annum inclusive of superannuation commencing on 1 July 2016 and is ongoing. The notice period required under the contract, by either the employee or the Company, is twelve months. The contract states that although the Executive Chairman will reside on the east coast of Australia, he may from time to time choose to reside in South Africa and that up to three return business class airfares to South Africa will be reimbursed to him by the Company for himself and similarly for no more than one family member, i.e. a total of 6 return airfares during any one 12-month period. This may be varied by the Board if additional overseas travel for the Company's business is required and may be included in the planned trips to South Africa. These airfares have no monetary value if not utilised. Fees paid to him included in the Remuneration Report within the Directors' Report.

(g) Non-executive Director arrangements

The Non-Executive Directors receive fees of $48,000 per annum excluding GST. Fees are reviewed annually by the board taking into account comparable roles. The current base fees were reviewed with effect from 23 April 2018.

During the financial year, Mr Kavanagh was paid additional fees of $24,000 for consulting services carried out by him.

The maximum annual aggregate Directors' fee pool limit is currently set at $200,000.

All Non-executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of Director.

(h) Additional statutory information

(i) Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expenses in the table on page 14:

Relative proportion of fixed vs variable remuneration expense

Name	Fixed remuneration		At risk – LTI	
	2018	2017	2018	2017
Executive Directors				
Leon Pretorius	100%	100%	-	-
Non-Executive Directors	100%	100%	-	-
Dennis Lovell	100%	100%	-	-
Martin Kavanagh				
Charles Thomas	100%	100%	-	-

(iii) Reconciliation of options, performance rights and ordinary shares held by KMP

The table below shows a reconciliation of ordinary shares held by each KMP from the beginning to the end of FY2018. There are no options granted to KMP.

Remuneration report (continued)

Shareholdings

2018 Name	Balance at the start of the year	Purchased during the year	Other changes during the year *	Balance at the end of the year
Ordinary shares				
Leon Pretorius	13,000,000			13,000,000
Dennis Lovell	3,000,000		(3,000,000)	-
Martin Kavanagh	540,000			540,000
Charles Thomas	-	-	4,064,339*	4,064,339
Total	**16,540,000**	**-**	**4,064,339**	**20,604,339**

* On 23 April 2018 Charles Thomas was appointed as a director and Dennis Lovell resigned as a director.

End of remuneration report (audited)

Shares under performance rights

Unissued ordinary shares of TopTung Limited under performance right at the date of this report total 6,000,000. These performance rights are the performance rights granted as remuneration to GTT Corporate Advisory during the financial year. 3,000,000 performance rights vest if the TTW share price trades at a VWAP greater than or equal to 7.5 cents per share for a period of 10 consecutive trading days within 18 months from issue. The remaining 3,000,000 performance rights vest if the TTW share price trade at a VWAP greater than of equal to 10 cents per share for a period of 10 consecutive trading days within 18 months from issue. In addition to the above vesting conditions, half of all of these performance rights are also subject to GTT introducing a project to TTW.

No performance right holder has any right to participate in any other share issue of the Company or any other entity.

Since the end of the financial year 7,500,000 performance rights have been granted to directors and executives of the Company. 7,000,000 of these have been granted to directors and are subject to shareholder approval.

3,750,000 of these performance rights vest if the TTW share price trades at a VWAP greater than or equal to 7.5 cents per share for a period of 10 consecutive trading days within 18 months from issue. The remaining 3,750,000 performance rights vest if the TTW share price trade at a VWAP greater than or equal to 10 cents per share for a period of 10 consecutive trading days within 18 months from issue.

Insurance of officers and indemnities

(a) Insurance of officers

During the financial year, TopTung Limited paid a premium of $14,000 (GST inclusive) to insure the Directors and secretaries of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

(b) Indemnity of auditors

TopTung Limited has not agreed to indemnify their auditors.

Proceedings on behalf of the Company

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

During the year, no non-audit services were provided by the auditor.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

This report is made in accordance with a resolution of Directors.

Leon Pretorius
Chairman

Brisbane
17 August 2018

AUDITOR'S INDEPENDENCE DECLARATION

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DECLARATION OF INDEPENDENCE BY A J WHYTE TO DIRECTORS OF TOPTUNG LIMITED

As lead auditor of TopTung Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of TopTung Limited and the entities it controlled during the year.

A J Whyte
Director

BDO Audit Pty Ltd

Brisbane, 17 August 2018

Corporate governance statement

TopTung Limited and the board are committed to achieving and demonstrating the highest standards of corporate governance. TopTung Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2018 corporate governance statement is dated as at 30 June 2018 and reflects the corporate governance practices in place throughout the 2018 financial year. The 2018 corporate governance statement was approved by the board on 17 August 2018. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at http://www.toptung.com.au/About/Corporate-Governance.

TOPTUNG LIMITED

ABN 12 118 788 846

Annual financial report – 30 June 2018

These financial statements are consolidated financial statements for the Group consisting of TopTung Limited and its subsidiaries. A list of major subsidiaries is included in note 12.

The financial statements are presented in the Australian currency.

TopTung Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

TopTung Limited
Level 8, 46 Edward Street
Brisbane QLD 4000

All press releases, financial reports and other information are available at our website: www.toptung.com.au.

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2018

		Consolidated	
		2018	**2017**
	Notes	**$**	**$**
Revenue		77,466	121,760
Expenses			
Depreciation and amortisation expense		(12,719)	(15,672)
Employee benefits expense		(167,928)	(224,766)
Research and development expensed		(202,347)	(62,353)
Corporate advisory fees		(170,000)	-
Administration expenses		(237,180)	(175,884)
Loss before income tax expense		(712,708)	(356,915)
Income tax benefit	5	-	-
Loss from continuing operations		(712,708)	(356,915)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(712,708)	(356,915)
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share	8	(0.47 cents)	(0.28 cents)
Diluted earnings per share	8	(0.47 cents)	(0.28 cents)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet
As at 30 June 2018

	Notes	Consolidated 2018 $	Consolidated 2017 $
ASSETS			
Current assets			
Cash and cash equivalents	9	1,147,110	927,289
Investments	10	2,404,979	3,738,135
Trade and other receivables	11	25,527	50,224
Total current assets		3,577,616	4,715,648
Non-current assets			
Plant and equipment	13	58,939	71,658
Exploration and evaluation assets	14	2,695,838	2,140,615
Trade and other receivables	11	36,100	31,100
Total non-current assets		2,790,877	2,243,373
Total assets		6,368,493	6,959,021
LIABILITIES			
Current liabilities			
Trade and other payables	15	85,047	112,867
Total current liabilities		85,047	112,867
Total liabilities		85,047	112,867
Net assets		6,283,446	6,846,154
EQUITY			
Contributed equity	16	9,203,969	9,203,969
Reserves		834,801	684,801
Accumulates losses		(3,755,324)	(3,042,616)
Total equity		6,283,446	6,846,154

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
For the year ended 30 June 2018

Consolidated Group			Reserves		
	Contributed equity $	Accumulated losses $	Share based payments reserve $	Contingent consideration reserve $	Total $
Balance at 1 July 2016	7,886,923	(2,685,701)	583,089	101,712	5,886,023
Loss for the year	-	(356,915)	-	-	(356,915)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	(356,915)	-	-	(356,915)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	1,317,046	-	-	-	1,317,046
Balance at 30 June 2017	9,203,969	(3,042,616)	583,089	101,712	6,846,154
Loss for the year	-	(712,708)	-	-	(712,708)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	(712,708)	-	-	(712,708)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	-	-	-	-	-
Share based payments	-	-	150,000	-	150,000
Balance at 30 June 2018	9,203,969	(3,755,324)	733,089	101,712	6,283,446

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
For the year ended 30 June 2018

	Notes	Consolidated 2018 $	2017 $
Cash flows from operating activities			
Receipts from customers (GST inclusive)		67,263	87,381
Payments to suppliers and employees (GST inclusive)		(654,038)	(539,970)
Interest received		89,094	124,945
Net cash outflow from operating activities	18	(497,681)	(327,644)
Cash flows from investing activities			
Payments for exploration and evaluation		(610,654)	(871,136)
Payment for security bonds		(5,000)	(11,100)
Net cash outflow from investing activities		(615,654)	(882,236)
Cash flows from financing activities			
Proceeds on issue of shares		-	1,340,916
Payment of capital raising costs and listing expenses		-	(23,870)
Net cash inflow from financing activities		-	1,317,046
Net increase (decrease) in cash and cash equivalents		(1,113,335)	107,166
Cash and cash equivalents at the beginning of the year		4,665,424	4,558,258
Cash and cash equivalents at the end of the year	18(b)	3,552,089	4,665,424

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements for the year ended 30 June 2018

Note 1 Summary of significant accounting policies

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 Group 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.

The financial report has 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 normal course of business.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity be unable to continue as a going concern.

The financial statements were authorised for issue by the Directors on 17 August 2018. The Directors have the power to amend and reissue the financial statements.

a. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of TopTung Limited ('Company' or 'Parent Entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. TopTung Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated entity'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Note 1 Summary of significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

b. Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Notes to the financial statements for the year ended 30 June 2018

Note 1 Summary of significant accounting policies

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

TopTung Limited and its wholly owned subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and the subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the ‘separate taxpayer within the group’ approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the subsidiary.

The group does not have a tax funding or sharing agreement in place in relation to tax liabilities that might arise.

c. Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Notes to the financial statements for the year ended 30 June 2018

Note 1 Summary of significant accounting policies

d. Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

e. Current and non-current classification

Assets and liabilities are presented in the consolidated balance sheet based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

f. 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.

For the consolidated statement of cash flows presentation purposes, cash and cash equivalents also includes fixed term deposits, which are shown within investments in current assets on the consolidated balance sheet.

g. Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 1 Summary of significant accounting policies (continued)

h. Exploration and evaluation assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A provision is raised against exploration and evaluation assets where the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

i. Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Equipment and furniture	8%-50%
Motor vehicles	19-30%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Notes to the financial statements for the year ended 30 June 2018

Note 1 Summary of significant accounting policies (continued)

j. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are on credit terms ranging between 7 and 60 days.

k. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

l. Issued capital

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.

m. Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Notes to the financial statements for the year ended 30 June 2018

Note 1 Summary of significant accounting policies (continued)

n. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of TopTung Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

o. Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

p. New and Amended Accounting Policies Adopted by the Group

The Group has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There has been no material impact on the financial statements by their adoption.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 1 Summary of significant accounting policies (continued)

AASB 9 *Financial Instruments*

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Company has reviewed its financial assets and liabilities and does not expect the standard to have any impact other than expanded disclosure requirements and changes in presentation.

AASB 15 *Revenue from Contracts with Customers*

The AASB has issued a new standard for the recognition of revenue. This will replace AAB 118 which covers revenue arising from the sale of goods and rendering of services and AASB 111 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The Standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management has assessed the effects of applying the new standard on the group's financial statements and has concluded that there are no areas that will be affected.

AASB *16 Leases*

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

Management has assessed the effects of applying the new standard and as the Company does not have any leases currently, there will be no impact.

q. Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Note 1 Summary of significant accounting policies (continued)

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group intend to commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Notes to the financial statements for the year ended 30 June 2018

Note 2 Parent information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	Notes	**2018** **$**	2017 $
Balance sheet			
ASSETS			
Current assets			
Cash and cash equivalents		1,147,110	927,289
Investments		2,404,979	3,738,135
Trade and other receivables		25,296	50,223
Total current assets		3,577,385	4,715,647
Non-current assets			
Plant and equipment		58,939	71,658
Intercompany receivables		2,961,023	2,202,967
Other assets		36,100	31,100
Total non-current assets		3,056,062	2,305,725
Total assets		6,633,447	7,021,372
LIABILITIES			
Current liabilities			
Payables		85,047	112,867
Total current liabilities		85,047	112,867
Total liabilities		85,047	112,867
Net assets		6,548,400	6,908,505

Notes to the financial statements for the year ended 30 June 2018

Note 2 Parent information (continued)

	Notes	2018 $	2017 $
Contributed equity		9,203,969	9,203,969
Reserves		834,801	684,801
Accumulates losses		(3,490,370)	(2,980,265)
Total equity		6,548,400	6,908,505
Statement of Profit or Loss and Other Comprehensive Income			
Total profit/(loss) for the year		(510,106)	(294,564)
Total comprehensive income		(510,106)	(294,564)

Guarantees

TopTung Limited has not entered into any guarantees, in the current or previous reporting period, in relation to the debts of its subsidiaries.

Contingent liabilities

At 30 June 2018, TopTung Limited did not have any contingent liabilities (30 June 2017: Nil).

Contractual commitments

At 30 June 2018, TopTung Limited was contracted to pay corporate advisory fees of $10,000 per month for a minimum period of twelve months. In the prior year, TopTung Limited did not have any contractual commitments.

Note 3 Revenue

	Consolidated	
	2018 **$**	2017 $
Other revenue:		
Interest received from unrelated parties	77,466	121,760
Other revenue	-	-
Total revenue	77,466	121,760

Notes to the financial statements for the year ended 30 June 2018

Note 4 Loss for the year

Loss before income tax from continuing operations includes the following specific expenses:

	Consolidated	
	2018	2017
	$	$
Superannuation expense	22,823	24,622
Share based payments expense	150,000	-

Note 5 Income tax expense

This note provides an analysis of the Group's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

	Consolidated	
	2018	2017
	$	$
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before income tax expense	(712,708)	(356,915)
Tax at the Australian tax rate of 27.5% (2017 – 27.5%)	(195,995)	(98,151)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible (income)/expenses	41,250	-
Restate opening balances to 27.5%	-	41,428
Adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	154,745	56,723
Income tax expense	-	-
(b) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	2,676,476	2,113,771
Potential tax benefit @ 27.5% (2017: 27.5%)	736,031	581,287
(c) Franking credits		
Franking credits available for use in subsequent financial years	153,452	153,452

Notes to the financial statements for the year ended 30 June 2018

Note 5 Income tax expense (continued)

	Consolidated 2018 $	Consolidated 2017 $
(c) Deferred tax assets		
The balance comprises temporary differences attributable to:		
Tax losses	1,254,953	929,873
Employee entitlements	10,478	5,239
Share issue costs	7,002	14,003
Other	5,904	12,870
Total deferred tax assets	1,278,337	961,985
Set-off of deferred tax liabilities pursuant to set-off provisions	(542,306)	(380,698)
Deferred tax assets not recognised	(736,031)	(581,287)
Net deferred tax assets	-	-
(d) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Interest receivable	4,398	7,595
Prepayments	1,706	2,678
Exploration and evaluation assets	536,202	370,425
Total deferred tax liabilities	542,306	380,698
Set-off of deferred tax liabilities pursuant to set-off provisions	(542,306)	(380,698)
Net deferred tax liabilities	-	-

Unused losses which have not been recognised as an asset, will only be obtained if:

(i) the group derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;

(ii) the group continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the group in realising the losses.

The Group has carried forward unused capital losses totalling $221,710 (2017: $221,710).

Notes to the financial statements for the year ended 30 June 2018

Note 5 Income tax expense (continued)

Offsetting within tax consolidated entity

TopTung Limited and its wholly-owned Australian subsidiaries have applied the tax consolidation legislation which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

Note 6 Key Management Personnel Compensation

Refer to the remuneration report contained in the Directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2018.

The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:

	Consolidated	
	2018	2017
	$	$
Short-term employee benefits	337,201	340,428
Post-employment benefits	21,683	24,622
Share-based compensation	-	-
Total KMP compensation	358,884	365,050

Short-term employee benefits

These amounts include fees and benefits paid to the executive Chairman as well as all salary, paid leave benefits and fees paid to non-executive directors and Key Management Personnel.

Post-employment benefits

These amounts are the current-year's superannuation contributions made during the year.

Further information in relation to KMP remuneration can be found in the Directors report.

Notes to the financial statements for the year ended 30 June 2018

Note 7 Auditor's Remuneration

	Consolidated	
	2018	2017
	$	$
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	29,600	31,166
Remuneration for non-audit services		
- Taxation services	-	-
	29,600	31,166

Note 8 Earnings per share

	2018	2017
	Cents	Cents
(a) Basic earnings per share		
Total basic earnings per share attributable to the ordinary equity holders of the Company	(0.47 cents)	(0.28 cents)
(b) Diluted earnings per share		
Total diluted earnings per share attributable to the ordinary equity holders of the Company	(0.47 cents)	(0.28 cents)

(c) Reconciliations of earnings used in calculating earnings per share

	2018	2017
	$	$
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	(712,708)	(356,915)
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	(712,708)	(356,915)

(d) Weighted average number of shares used as the denominator

	2018	2017
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	153,247,653	128,161,222

Notes to the financial statements for the year ended 30 June 2018

Note 9 Cash and cash equivalents

	Consolidated	
	2018	2017
	$	$
Cash at bank	1,147,110	927,289
Total cash and cash equivalents	1,147,110	927,289

Note 10 Investments

	Consolidated	
	2018	2017
	$	$
CURRENT		
Fixed term cash deposits	2,404,979	3,738,135
Total investments	2,404,979	3,738,135

Note 11 Trade and other receivables

	Consolidated	
	2018	2017
	$	$
CURRENT		
Interest receivable	15,991	27,619
Other receivables	9,536	22,605
Total current trade and other receivables	25,527	50,224
NON-CURRENT		
Security deposits	36,100	31,100
Total non-current trade and other receivables	36,100	31,100

Credit risk

The Group has no significant concentration of credit risk with respect to any counterparties or on a geographical basis.

Note 12 Interests in subsidiaries

Information about Principal Subsidiaries

The Company has two subsidiaries being Torrington Minerals Pty Ltd and TopFibre Pty Ltd. All subsidiaries are wholly owned and each subsidiary's principal place of business and country of incorporation is Australia.

Torrington Minerals was incorporated in the 2016 financial year and is the holder of two mineral exploration licences in New South Wales (Torrington Tungsten Project). All expenditure associated with exploration activity on these two tenements is currently being met by TopTung Limited on behalf of the subsidiary.

TopFibre Pty Ltd was incorporated during the 2017 financial year and will be used in activities associated with topaz research and development.

Note 13 Property, plant and equipment

	Consolidated	
	2018	2017
	$	$
Field equipment		
At cost	53,151	53,151
Accumulated depreciation	(30,907)	(25,722)
Total field equipment	22,244	27,429
Computer equipment		
At cost	2,151	2,151
Accumulated depreciation	(2,151)	(2,151)
Total computer equipment	-	-
Office equipment and furniture		
At cost	5,404	5,404
Accumulated depreciation	(1,504)	(1,171)
Total office equipment and furniture	3,900	4,233
Motor vehicles		
At cost	145,000	145,000
Accumulated depreciation	(112,205)	(105,004)
Total motor vehicles	32,795	39,996
Total property, plant and equipment	58,939	71,658

Notes to the financial statements for the year ended 30 June 2018

Note 13 Property, plant and equipment (continued)

Reconciliations of the carrying amount of each class of property, plant and equipment at the beginning and end of the current financial period are set out below:

	Field equipment $	Computer equipment $	Office equipment and furniture $	Motor vehicles $	Total $
Opening balance	27,429	-	4,233	39,996	71,658
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation	(5,185)	-	(333)	(7,201)	(12,719)
Closing balance	22,244	-	3,900	32,795	58,939

Note 14 Exploration and evaluation assets

	Consolidated	
	2018 **$**	2017 $
Exploration and evaluation assets – at cost	2,695,838	2,140,615
The capitalised exploration and evaluation assets carried forward above have been determined as follows:		
Balance at the beginning of the year	2,140,615	1,239,881
R&D refund received	-	(47,603)
Expenditure incurred during the year	555,223	948,337
Balance at the end of the year	2,695,838	2,140,615

The recoverability of the carrying amount of the exploration and development expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Notes to the financial statements for the year ended 30 June 2018

Note 15 Trade and other payables

	Consolidated 2018 $	2017 $
CURRENT		
Trade payables	12,161	23,080
Sundry payables and accrued expenses	72,886	89,787
Total trade and other payables	85,047	112,867

Note 16 Issued capital

	2018 Shares	2017 Shares	2018 $	2017 $
(a) Share capital				
Ordinary shares				
Fully paid	153,247,653	153,247,653	9,203,969	9,203,969

(b) Movements in ordinary share capital

Date	Details	Note	Number of Shares	Issue Price	$
1 July 2016	Opening balance		114,935,740		7,886,923
	Rights issue	(c)	38,311,913	0.035	1,340,916
	Capital raising costs		-	-	(23,870)
30 June 2017	Balance		153,247,653		9,203,969
30 June 2018	Close balance		153,247,653		9,203,969

(c) Rights issue

On 24 February 2017, a Rights Issue was undertaken to raise funds to be used for ongoing exploration and feasibility study costs on the Torrington Tungsten and Topaz project, funding of the Topaz research project at NSW, and corporate and general administration costs. Transaction costs of $23,870 were incurred and were directly attributable to capital raising.

Note 16 Issued capital (continued)

(d) Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group includes equity attributable to equity holders, comprising of issued capital, reserves and accumulated losses. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the company.

The Group monitors capital on the basis of cash flow requirements for operational, and exploration and evaluation expenditure. The Group will continue to use capital market issues to satisfy anticipated funding requirements.

The Group has no externally imposed capital requirements. The Group's strategy for capital risk management is unchanged from prior years.

Note 17 Reserves

	Consolidated	
	2018	2017
	$	$
Share-based payment reserve	733,089	583,089
Contingent consideration reserve	101,712	101,712
	834,801	684,801

(a) Share-based payment reserve	Consolidated	
	2018	2017
	$	$
Share-based payment reserve	601,976	583,089
Movements:		
Balance 1 July	583,089	583,089
Share based payments	150,000	-
Balance 30 June	733,089	583,089

The share-based payment reserve records items recognised as expenses on valuation of director, employee and contractor options and performance rights.

Notes to the financial statements for the year ended 30 June 2018

Note 17 Reserves

(b) Contingent consideration reserve

	Consolidated	
	2018	2017
	$	$
Contingent consideration reserve	101,712	101,712

There have been no movements in the reserve during the current or prior financial years.

The contingent consideration reserve arises from valuing the contingent share-based consideration associated with the purchase of the Torrington Tungsten and Topaz Project.

Note 17 Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The Company is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board. The Group does not have any products/services where it derives revenue.

Management currently identifies the Group as having only one operating segment, being mineral exploration in Australia. All significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole.

Note 18 Cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated	
	2018	2017
	$	$
Profit / (loss) for the period	(712,708)	(356,915)
Adjustments for		
Depreciation expense	12,719	15,672
Share based payments	150,000	-
Change in operating assets and liabilities:		
(Increase)/decrease in other assets	24,852	(9,819)
Increase/(decrease) in trade and other creditors	8,405	23,418
Increase/(decrease) in provisions	19,051	-
Net cash inflow (outflow) from operating activities	(497,681)	(327,644)

Note 18 Cash flow information (continued)

(b) Cash and cash equivalents shown in the cashflow statement comprises the following:

		Consolidated	
		2018	2017
		$	$
Cash and cash equivalents	**9**	1,147,110	927,289
Investments	**10**	2,404,979	3,738,135
Net cash inflow (outflow) from operating activities		3,552,089	4,665,424

(c) Net debt reconciliation

The Company does not have any debt on its balance sheet and therefore no net debt reconciliation has been provided.

Note 19 Events after the reporting date

Since 30 June 2018 the Company has entered into an agreement to acquire 100% of Zeus Minerals Limited, an Australian company focused on advanced nickel-copper sulphide projects. Zeus Minerals Limited has two principal projects areas that encompass three highly prospective sub-projects located in Quebec, Canada.

Consideration for the acquisition of Zeus Minerals Limited consists of a $50,000 non-refundable cash deposit and $1,250,000 share consideration, payable by the issue of 35,714,286 fully paid ordinary shares at an issue price of $0.035 per share.

The acquisition is subject to due diligence and shareholder approval will be sought for the issue of the share consideration noted above.

There are no other events that have occurred after the reporting date that are material or unusual in nature that are likely to significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Note 20 Related party transactions

(a) Key management personnel - service agreements

Refer to the remuneration report, contained in the directors report, for details of service agreements.

(b) Other related parties

During the financial year the Group paid $20,000 to GTT Corporate Advisory, a company of which Charles Thomas is a shareholder and director, for corporate advisory services. At 30 June 2018, TopTung Limited was contracted to pay GTT Corporate Advisory fees of $10,000 per month for a minimum period of twelve months.

In addition, in the event of a capital raising of which GTT Corporate Advisory is the lead manager, a fee of 6% of the value of any shares placed to either GTT Corporate Advisory or investors introduced by GTT Corporate Advisory.

Further, GTT Corporate Advisory will earn a fee of 10% of any consideration, associated with any transaction as a result of a project introduced by GTT Corporate Advisory. This fee is capped at $500,000.

During the financial year the Group paid $12,000 of salary and wages to Ms L Osborne, who is the spouse of Mr L Pretorius.

There were no transactions with other related parties during the year and no balances held with other related parties at year end.

Note 21 Commitments

(a) Exploration commitments

		Consolidated	
		2018	2017
	Notes	**$**	$
Within one year		-	-
Later than one year but not later than 5 years		-	-
Later than 5 years		-	-
Total mineral tenement commitments		-	-

So as to maintain current rights to tenure of various exploration tenements, the Group will be required to outlay amounts in respect of tenement exploration expenditure commitments. These outlays, which arise in relation to granted tenements are noted above. The outlays may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished.

Notes to the financial statements for the year ended 30 June 2018

Note 21 Commitments (continued)

Exploration commitments are calculated on the assumption that each of these tenements will be held for its full term. But, in fact, commitments will decrease materially as exploration advances and ground that is shown to be unprospective is progressively surrendered. Expenditure commitments on prospective ground will be met out of existing funds and new capital raisings.

As at 30 June 2018, the company has met all of its minimum expenditure commitments on its tenements.

(b) Operating leases

		Consolidated	
		2018	2017
	Notes	**$**	$
Within one year		-	8,446
Later than one year but not later than 5 years		-	-
Later than 5 years		-	-
Total operating leases commitments		-	8,446

(c) Other contractual commitments

The Group has secured funding from the Australian Research Council (ARC) to partially fund the Company's Topaz research project in collaboration with the University of New South Wales.

Under the ARC Linkage agreement the Group is committed to contribute $195,000 in cash and $290,000 in-kind towards a Topaz research project. The in-kind contribution is Dr Leon Pretorius' time and supply of raw material (topaz concentrate). To 30 June 2018, the Group has contributed $100,699 of cash and in-kind contributions.

At 30 June 2018, TopTung Limited was contracted to pay corporate advisory fees of $10,000 per month for a minimum period of twelve months. In the prior year, TopTung Limited did not have any contractual commitments.

Notes to the financial statements for the year ended 30 June 2018

Note 22 Financial risk management

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated	
		2018	2017
	Notes	**$**	$
Financial assets			
Cash and cash equivalents		1,147,110	927,289
Investments		2,404,979	3,738,135
Trade and other receivables		61,627	81,324
Total financial assets		3,613,716	4,746,748
Financial liabilities			
Trade and other payables		12,161	29,528
Total financial liabilities		12,161	29,528

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises primarily from cash and cash equivalents and deposits with banks and financial institutions. For bank and financial institutions, only independently rated parties with a minimum rating equivalent of that of the big 4 Australia banks is accepted.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. No finance facilities were available to the Group at the end of the reporting period.

All financial liabilities mature within one year and are carried at their contractual cashflow value.

Notes to the financial statements for the year ended 30 June 2018

Note 22 Financial risk management (continued)

Market risk

Market risk is the risk that the change in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The Group is not exposed to market risks other than interest rate risk.

Cash flow and fair value interest rate risk

As the Group has interest-bearing cash assets, the Company's income and operating cash flows are exposed to changes in market interest rates. The Company manages its exposure to changes in interest rates by using fixed term deposits.

At 30 June 2018, if interest rates had changed by -/+ 100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $35,521 lower/higher (2017: $46,654), as a result of higher/lower interest income from cash and cash equivalents.

Fair Value

The carrying value of all financial assets and financial liabilities approximate their fair value.

Note 23 Contingencies

There were no contingent liabilities as at 30 June 2018 (2017: nil).

Note 24 Share based payments

PERFORMANCE RIGHTS

A summary of movements of all performance rights issued is as follows:

	Number
Performance rights outstanding as at 30 June 2017	**-**
Granted	6,000,000
Forfeited	-
Expired	-
Performance rights outstanding as at 30 June 2018	**6,000,000**

Note 24 Share based payments (continued)

The key terms of the performance rights are as follows:

Tranche	Number of Rights	Vesting conditions	Vesting date	Value per right
Tranche 1	3,000,000	VWAP is great than 7.5 cents for 10 consecutive trading days	When vesting conditions are satisfied.	$0.03
Tranche 2	3,000,000	VWAP is greater than 10 cents for 10 consecutive trading days	When vesting conditions are satisfied.	$0.02

The 6,000,000 performance rights noted in the table above were issued to GTT Ventures on 23 April 2018. The fair value of these performance rights was $150,000. This value was calculated using the Monte Carlo simulation model by applying the following inputs:

	Tranche 1	Tranche 2
Grant date	23 April 2018	23 April 2018
Expiry date	23 October 2019	23 October 2019
Vesting price trigger	7.5 cents	10 cents
Volatility	91.9%	91.9%
Dividend yield	0%	0%
Risk-free interest rate	2.65%	2.65%
Fair value at grant date	$0.03	$0.02

Directors' declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 20 to 51 are in accordance with the *Corporations Act 2001,* including:

  (I) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date, and

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

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Executive Chairman and Chief Financial Officer required by section 295A of the *Corporations Act 2001.*

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

Leon Pretorius
Director
Brisbane, 17 August 2018

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INDEPENDENT AUDITOR'S REPORT

To the members of TopTung Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of TopTung Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of exploration and evaluation assets

Key audit matter	*How the matter was addressed in our audit*
Refer to note 14 in the financial report The Group carries exploration and evaluation assets as at 30 June 2018 in relation to the application of the Group's accounting policy for exploration and evaluation assets. The recoverability of exploration and evaluation asset is a key audit matter due to the significance of the total balance and the level of procedures undertaken to evaluate management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources ('AASB 6') in light of any indicators of impairment that may be present.	Our procedures included, but were not limited to the following: • Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure by obtaining supporting documentation such as license agreements and also considering whether the Group maintains the tenements in good standing • Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest and assessing the Group's cash flow budget for the level of budgeted spend on exploration projects and held discussions with management of the Group as to their intentions and strategy. • Enquiring of management, reviewing ASX announcements and reviewing directors' minutes to ensure that the Group had not decided to discontinue activities in any applicable areas of interest and to assess whether there are any other facts or circumstances that existed to indicate impairment testing was required.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 16 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of TopTung Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

A J Whyte

Director

Brisbane, 17 August 2018

Shareholder information

The shareholder information set out below was applicable as at 6 August 2018.

A Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security
	Ordinary shares
1 - 1,000	39
1,001 – 5,000	75
5,001 – 10,000	116
10,001 – 100,000	300
100,001 and over	165
	695

There were 235 holders of less than a marketable parcel of ordinary shares.

B Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

	Ordinary shares	
Name	Number held	% of issued shares
Dr Leon Pretorius	13,000,000	8.48%
Southern Reaches Pty Ltd	9,034,869	5.90%
GTT Global Opportunities Pty Ltd	7,700,000	5.02%
Hustler Investments Pty Ltd	7,237,098	4.72%
Cryptodome Pty Ltd	5,799,079	3.78%
FWMI No 2 Pty Ltd	5,744,897	3.75%
Syracuse Capital Pty Ltd	4,400,000	2.87%
Mounts Bay Investments Pty Ltd	4,064,339	2.65%
Mr Dennis John Lovell & Mrs Janette Catherine Lovell	4,000,000	2.61%
Wythenshawe Pty Ltd	4,000,000	2.61%
Murdoch Capital Pty Ltd	3,800,000	2.48%
Mr Terrence Peter Williamson & Ms Jonine Maree Jancey	3,500,000	2.28%
Leanda Drilling (QLD) Pty Ltd	2,645,835	1.73%
Warramboo Holdings Pty Ltd	2,562,500	1.67%
Mark Steven Mladenis	2,375,000	1.55%
Moustafa Awada	2,041,211	1.33%
JMARC Holdings Pty Ltd	2,039,166	1.33%
TCH Holdings Pty Ltd	2,000,000	1.31%
Sean Reveille Llewelyn	1,800,000	1.17%
Newmek Investments Pty Ltd	1,799,999	1.17%
Total	**89,543,993**	58.41%

Unquoted equity securities

	Number of issue	Number of holders
Performance rights	6,000,000	1

Holders of more than 20% of unquoted performance rights on issue

	Number held	% of total on issue
GTT Global Opportunities Pty Ltd	6,000,000	100%

C Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage
Ordinary shares		
Dr Leon Pretorius	13,000,000	8.48%
Southern Reaches Pty Ltd	9,034,869	5.90%
GTT Global Opportunities Pty Ltd	7,700,000	5.02%

D Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Performance rights: No voting rights