

Petratherm Limited

ABN 17 106 806 884

Annual Report - 30 June 2018

Petratherm Limited
Corporate directory
30 June 2018

Directors	Derek Carter Simon O'Loughlin Donald Stephens
Company secretary	Donald Stephens
Registered office	C/- HLB Mann Judd (SA) Pty Ltd 169 Fullarton Road DULWICH SA 5065
Principal place of business	C/- HLB Mann Judd (SA) Pty Ltd 169 Fullarton Road DULWICH SA 5065
Share register	Computershare Investor Services Pty Ltd Level 5, 115 Grenfell Street ADELAIDE SA 5000
Auditor	Grant Thornton Audit Pty Ltd Level 3, 170 Frome Road ADELAIDE SA 5000
Solicitors	O'Loughlins Lawyers Level 2, 99 Frome Street ADELAIDE SA 5000
Bankers	National Australia Bank 22 - 28 King William Street ADELAIDE SA 5000
Stock exchange listing	Petratherm Limited shares are listed on the Australian Securities Exchange (ASX code: PTR)
Website	www.petratherm.com.au

Petratherm Limited

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Petratherm Limited
Directors' report
30 June 2018

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Petratherm Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Information on Directors

The following persons were Directors of Petratherm Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name:	Derek Carter
Title:	Non-Executive Chairman (appointed 17 April 2018)
Qualifications:	BSc, MSc, FAusIMM(CP)
Experience and expertise:	<p>Mr. Carter has over 40 years' experience in exploration and mining geology and management. He held senior positions in the Shell Group of Companies and Burmine Ltd before founding Minotaur Gold Ltd in 1993.</p> <p>Mr. Carter is a former President of the South Australian Chamber of Mines and Energy, former board member of the Australian Gold Council, is a member of the South Australian Minerals and Energy Advisory Council and the South Australian Minerals and Energy Council, and a former Chairman of the Minerals Exploration Advisory Group. He was awarded AMEC's Prospector of the Year Award (jointly) in 2003 and is a Centenary Medallist.</p>
Other current directorships:	Highfield Resources Ltd
Former directorships (last 3 years):	Minotaur Exploration Ltd (resigned November 2016) Intrepid Mines Ltd (resigned November 2015)
Special responsibilities:	Member of the Audit Committee
Interests in shares:	1,311,167 ordinary shares
Interests in options:	1,000,000 unlisted options

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Name:	Simon O'Loughlin
Title:	Non-Executive Director
Qualifications:	BA(Acc), Law Society Certificate in Law
Experience and expertise:	<p>Simon O'Loughlin is the founder of O'Loughlins Lawyers, an Adelaide based, specialist commercial law firm. He has extensive experience in the corporate and commercial law fields while practising in Sydney and Adelaide, and also holds accounting qualifications.</p> <p>Mr O'Loughlin has extensive experience and involvement with companies in the small industrial and resources sectors. He has also been involved in the listing and back-door listing of numerous companies on the ASX. He is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division).</p>
Other current directorships:	<p>Bod Australia Limited</p> <p>Chesser Resources Limited</p>
Former directorships (last 3 years):	<p>Arc Exploration Limited (from October 2016 to May 2018)</p> <p>Odin Metals Limited (formerly Lawson Gold Limited) (from July 2013 to February 2018)</p> <p>Gooroo Ventures Limited (from July 2016 to November 2017)</p> <p>Xref Limited (from October 2014 to August 2016)</p> <p>WCP Resources Limited (from March 2015 to February 2016)</p> <p>Food Revolution Group Limited (from May 2014 to February 2016)</p>
Special responsibilities:	Chair of the Audit Committee
Interests in shares:	1,740,401 ordinary shares
Interests in options:	1,625,000 unlisted options
Name:	Donald Stephens
Title:	Non-Executive Director and Company Secretary
Qualifications:	BA(Acc), FCA
Experience and expertise:	<p>Donald Stephens is a Chartered Accountant and corporate advisor with over 25 years' experience in the accounting, mining and services industries, including 14 years as a partner of HLB Mann Judd (SA), a firm of Chartered Accountants. He is a Chartered Accountant and corporate adviser specialising in small cap ASX listed entities. Mr Stephens is a director of a number of ASX listed companies. Additionally, he is the Company Secretary of Highfield Resources Limited and Duxton Water Limited.</p>
Other current directorships:	Gooroo Ventures Limited
Former directorships (last 3 years):	<p>Mithril Resources Limited</p> <p>Odin Metals Limited (formerly Lawson Gold Limited) (from July 2013 to February 2018)</p>
Special responsibilities:	Member of the Audit Committee
Interests in shares:	1,332,733 ordinary shares
Interests in options:	1,625,000 unlisted options

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Name:	Andrew Haythorpe
Title:	Former Non-Executive Director (resigned 17 April 2018)
Qualifications:	BSc(Hons), FAUSIMM, MAICD
Experience and expertise:	During the past 15 years Mr Haythorpe has been involved in a number of junior company turnarounds with ASX and TSX listed companies. In the past he has held numerous board positions including Managing Director of Michelago and Crescent Gold, Aurox Resources, Golden Heritage Mines, Central Kalgoorlie Gold Mines and Top End Uranium, as well as non-executive Director of 131 Shop, Club Crocodile PL.
Other current directorships:	None
Former directorships (last 3 years):	Cirrus Networks Holdings (formerly Liberty Resources Ltd; resigned 31 July 2015)
Special responsibilities:	Wangle Technologies Ltd (resigned 20 February 2017) Former Member of the Audit Committee
Interests in shares:	-

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Principal activities

During the financial year the principal continuing activities of the Group consisted of:

- Developing a portfolio of mineral exploration projects with high growth potential
- To facilitate the rehabilitation of the Paralana 2 geothermal well
- Re-instatement to quotation on the Australian Securities Exchange (ASX)

In December 2017 Petratherm ("the Company") signed a Letter Agreement to acquire up to a 75% interest in South Australian Exploration Licence 5497 (Corunna Project) from Musgrave Minerals Ltd (ASX Code: MGV) ("Musgrave"). The Letter Agreement sets out the terms and conditions by which Petratherm may acquire a 51% interest in the Tenement from Musgrave and, having acquired a 51% interest, may acquire a further 24% interest in the Tenement. For further details, please refer to the Company's ASX announcement on 15 December 2017.

In January 2018 the Company signed a Tenement Purchase Agreement with privately owned SAEX Pty Ltd ("SAEX"), to acquire two tenements, EL 5306 and EL 5717 (Walparuta Project), located in the gold and base-metal endowed Curnamona Province, of northeastern, South Australia. In consideration for the purchase of the Tenements, Petratherm issued to SAEX the value of \$50,000 of fully paid ordinary shares on 6 April 2018. For further details, please refer to the Company's ASX announcement on 27 December 2017.

On 17 April 2018, the Company was reinstated to official quotation on the ASX. The re-listing was the last condition precedent to be satisfied for the Company to acquire up to a 75% interest in Exploration Licence 5497 from Musgrave and the Tenement Purchase Agreement to acquire EL5306 and EL5717 from SAEX. The Company issued 119,597,500 ordinary fully paid shares at \$0.04 per share to raise \$4,783,500 before costs under its Offer in conjunction with the re-compliance listing.

Review of operations

The loss for the Group after providing for income tax amounted to \$552,631 (30 June 2017: \$640,785).

Beach Energy (Beach), as Manager of the Paralana Geothermal Energy Project (GEL 156 - 79% Petratherm, 21% Beach) completed planning studies to undertake the plugging and abandonment of the Paralana 2 geothermal well and surface rehabilitation of the site. Remediation works are expected to occur mid-September 2018.

The Company's new mineral exploration projects, Corunna (EL 5497) and Walparuta (EL5306 & EL5717), are located in two distinct geological provinces of South Australia, the Gawler Craton and Curnamona Province respectively (Figure 1). Details of the Corunna and Walparuta Project tenements are presented in the table below.

The Corunna Project is considered by the Company to be prospective for epithermal-style silver-lead-zinc and lead-zinc-silver skarn/carbonate replacement bodies, which are linked to the Hiltaba aged magmatism (Figure 2) in the region. There is also significant outcropping Corunna Conglomerate in the project area, which is considered prospective for unconformity related uranium mineralisation.

The Walparuta Project is considered by the Company to be prospective for a range of deposit types and styles (Figure 3). The main exploration focus is Broken Hill Type lead-zinc-silver, and various styles of copper-gold mineralisation including: shear hosted, magnetite skarn, and strataform/stratabound mineralisation. There is in addition recognised potential for cobalt associated with copper-gold mineralisation, and within pegmatites that occur across the basement inlier, lithium, rare-earth minerals, uranium and phosphate.

Table 1 Petratherm Project Tenements

Project	Tenement Name	Licence Nos.	Area (Km ²)	Status	Grant Date	Expiry Date
Corunna Project	Corunna North	EL 5497	260	Granted	13/10/2014	12/10/2018
	Gilles Downs	ELA 2017/250	721	Application	TBA	TBA
Walparuta Project	Whey Whey Creek	EL 5306	26	Granted	18/07/2013	17/07/2018
	Walparuta	EL 5717	52	Granted	21/06/2015	20/06/2019

Following landholder approval, initial field operations began on the Walparuta Project tenements in June, with reconnaissance rock chip sampling of historic mineral prospect sites and of pegmatite bodies.

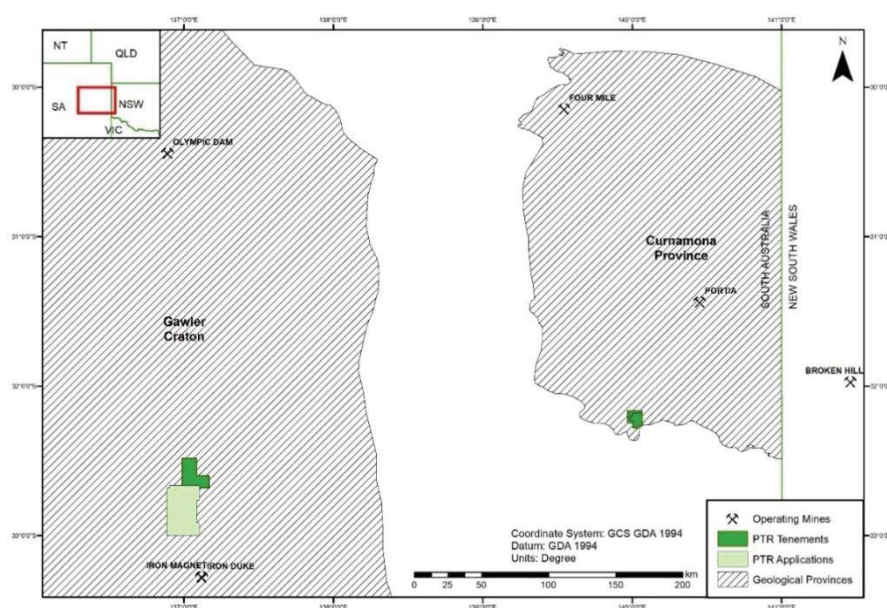


Figure 1 Petratherm tenements and outline of geological provinces

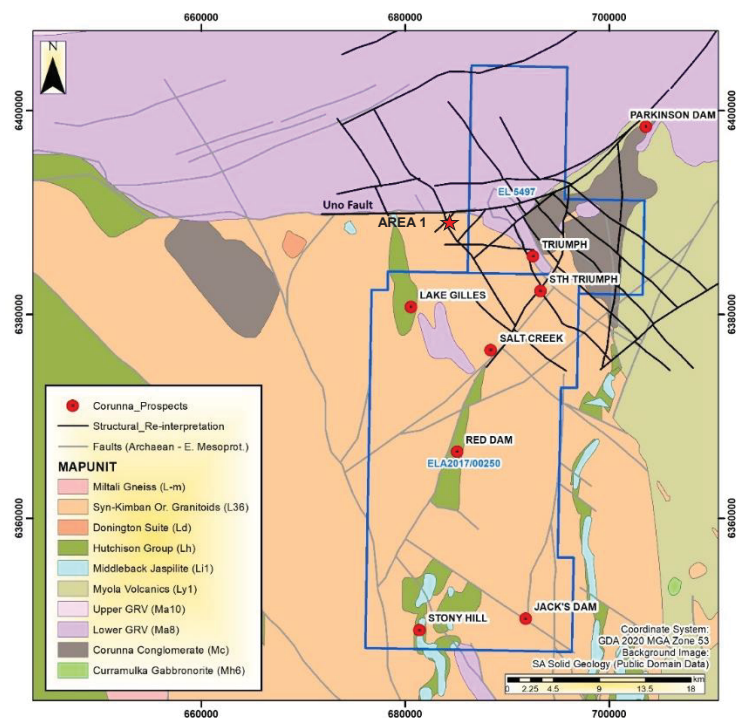


Figure 2 Corunna Project solid geology, tenements and prospect locations.

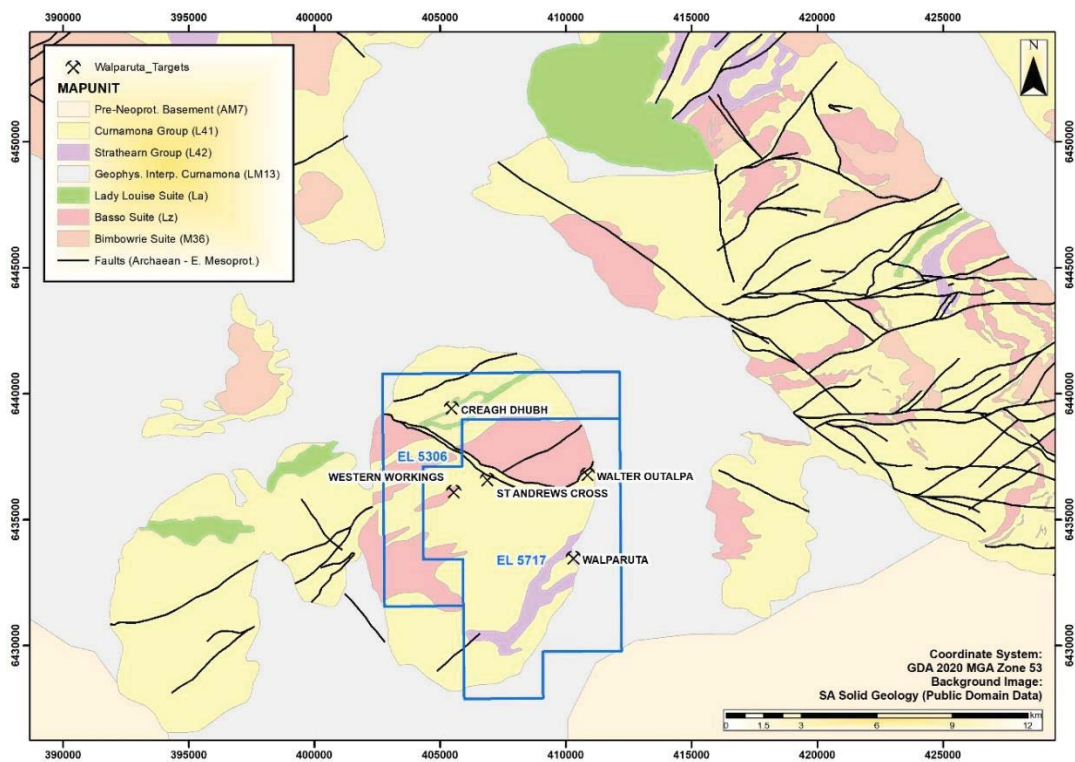


Figure 3 Walparuta Project solid geology, tenements and prospect locations.

Likely developments and expected results of operations

The Corunna Project occurs in the emerging Ag-Pb-Zn province of the Southern Gawler Craton which hosts the Menninnie Dam Zn-Pb-Ag deposit and the Paris epithermal silver deposit (Figure 4). The tenement covers 260km² and is well positioned in regards to infrastructure and proximity to the coast, being located approximately 50km west of Port Augusta. In September, Just after the reporting period, Petratherm commenced drilling on five high-priority silver-lead-zinc targets it had identified.

Recent historical shallow air-core drilling undertaken by Musgrave Minerals in August 2015 at its Area 1 Prospect, on Corunna, intersected anomalous silver, lead and zinc (Figure 2). Best intercepts include:

- CAOC17 - 11m @ 1.0% Pb, 0.5% Zn and 4.2g/t Ag from 19m
- CAOC18 - 6m @ 1.0% Pb, 0.2% Zn and 8.2g/t Ag from 14m
- CAOC19 - 13m @ 0.6% Pb, 0.4% Zn and 7.2g/t Ag from 32m
- CAOC21 - 22m @ 0.5% Pb, 0.2% Zn and 13.2g/t Ag from 17m

The silver-lead-zinc anomalism is present in five drill holes over a strike length of 300m and is open to both the north and south (refer to Musgrave Minerals 27/08/2015 ASX release for further details. Petratherm is not aware of any new data that materially affects the data within the referred announcement and that all material assumptions and technical parameters underpinning the referred announcement have not materially changed).

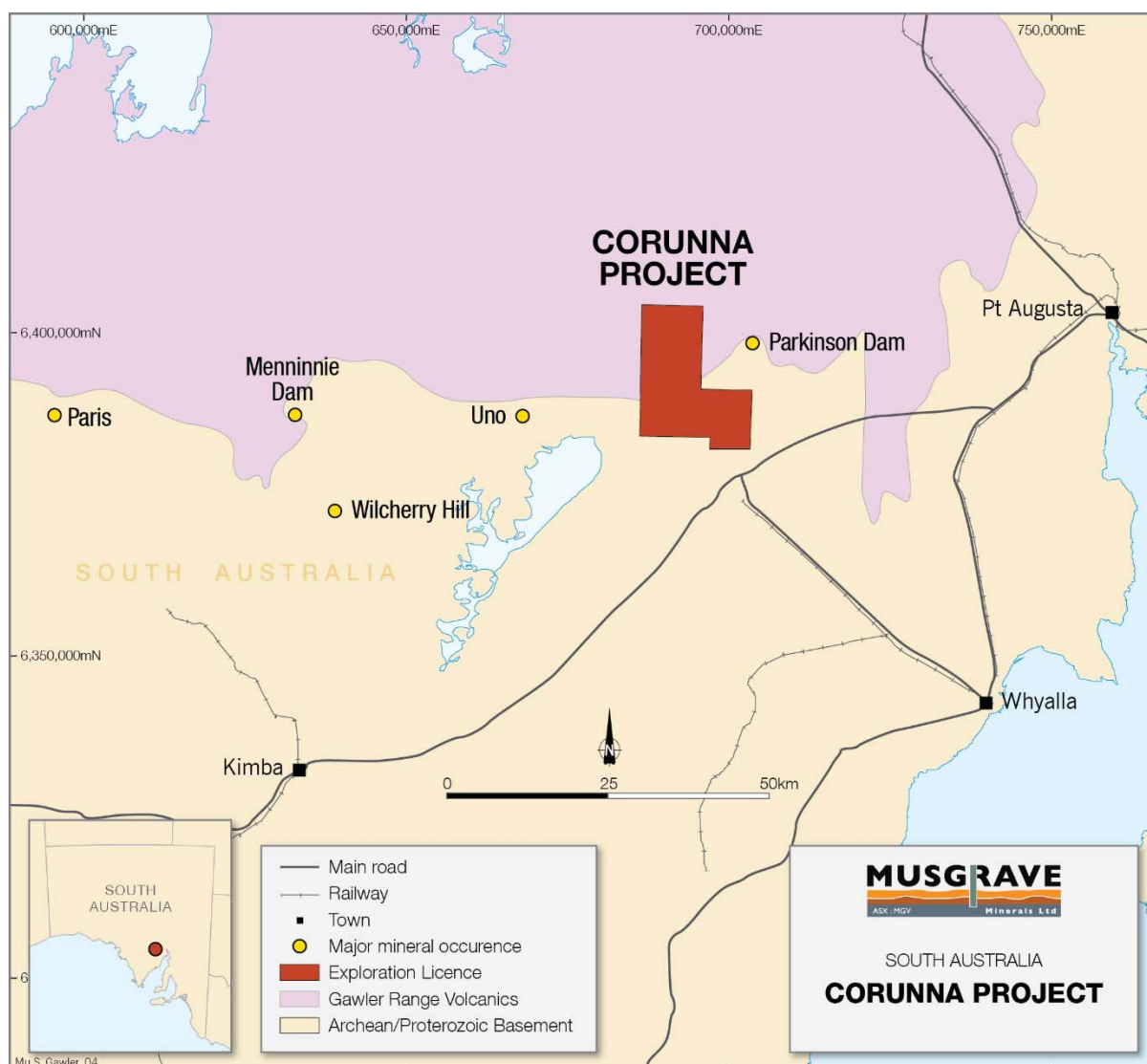


Figure 4 – Corunna Project Location Map and regional minerals occurrences
 (Image courtesy of Musgrave Minerals Ltd)

A recent infill ground magnetic survey completed by Petratherm in August 2018 highlighted five structural targets within the Area 1 Prospect. All five targets are associated with anomalous surface geochemistry and present compelling drill targets (Figure 5). In addition, the ground magnetic survey also defined some discrete, high intensity, magnetic targets on the southern side of the project area. A rock chip sample taken from an historic prospector's pit, located adjacent to the magnetic targets, contained 0.31% Ni and 855ppm Cr. This geochemical anomalism suggests the magnetic bodies could represent ultramafic intrusives, a potential host rock for magmatic Ni-Co-Cu sulphides. Assay results from recent rock chip sampling completed by Petratherm in July 2018 has identified further anomalism up to 0.19%Ni coincident with the magnetic targets (Figure 5).

The follow-up 40 hole, 1,600m aircore drilling program will have a primary focus on testing the potential north and south extensions of the previously intersected Ag mineralisation and targeting further potential shallow mineralisation on similar structures delineated from the detailed ground magnetic survey. The magnetic bodies associated with Ni-Cr will also be drill tested to confirm the presence of ultramafic intrusives and assess Ni potential. The program is expected to take 2-3 weeks to complete, with assay results expected in late October.

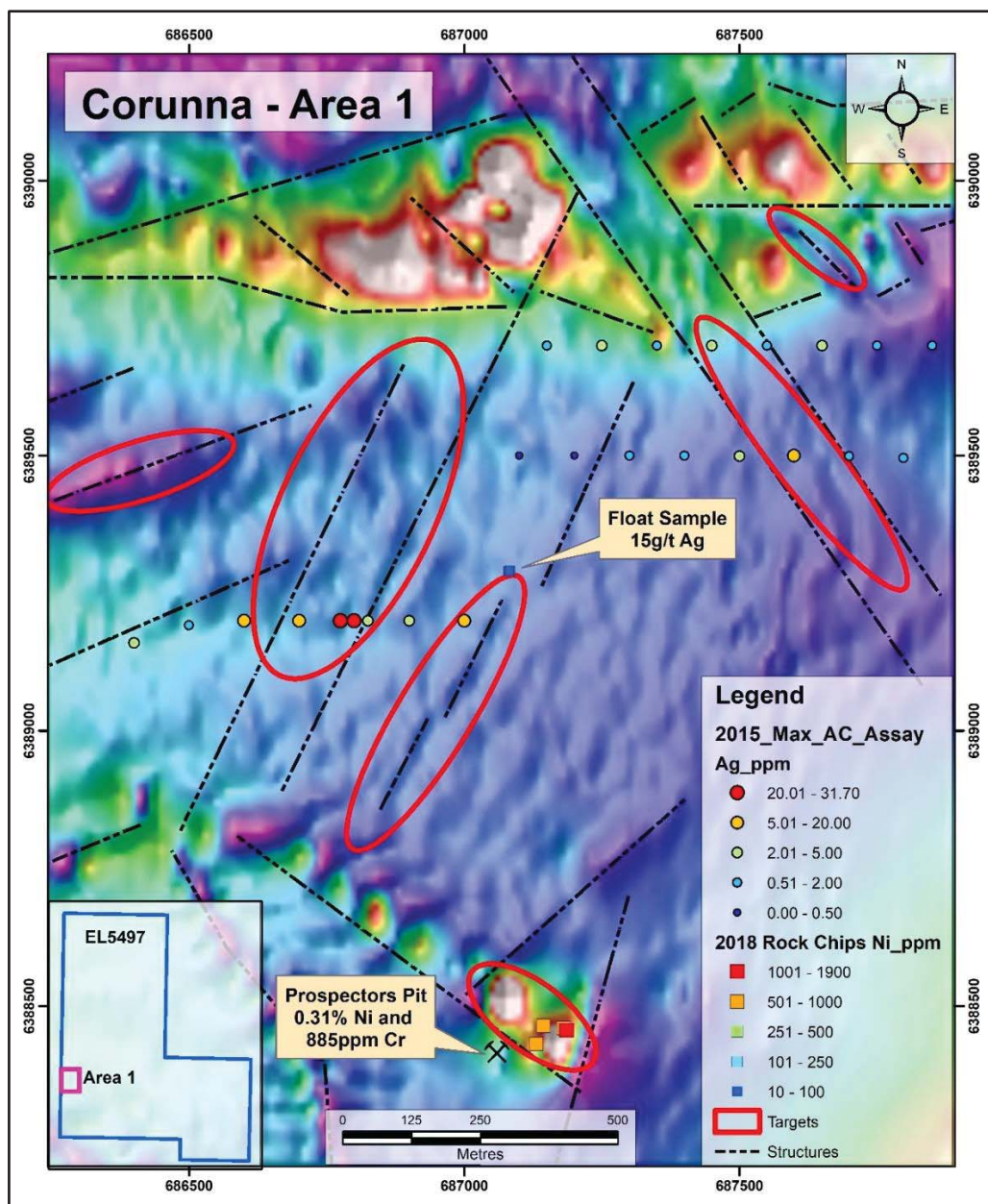


Figure 5 – High priority epithermal Ag-Pb-Zn targets shown on gridded ground magnetic survey (50m line spacing, east-west orientation, VRMI filter) with key structures highlighted.

In addition, the rock chip sampling completed by Petratherm in July 2018 also identified a new Ag prospect (Area 2), located 5.6km along strike to the ENE of Area 1 (Figure 6). Assay results received in September 2018 have returned a value of 210g/t Ag in a single rock chip associated with regional structures (refer to 14/09/2018 ASX release for details). Follow-up planning is currently underway for this high priority target.

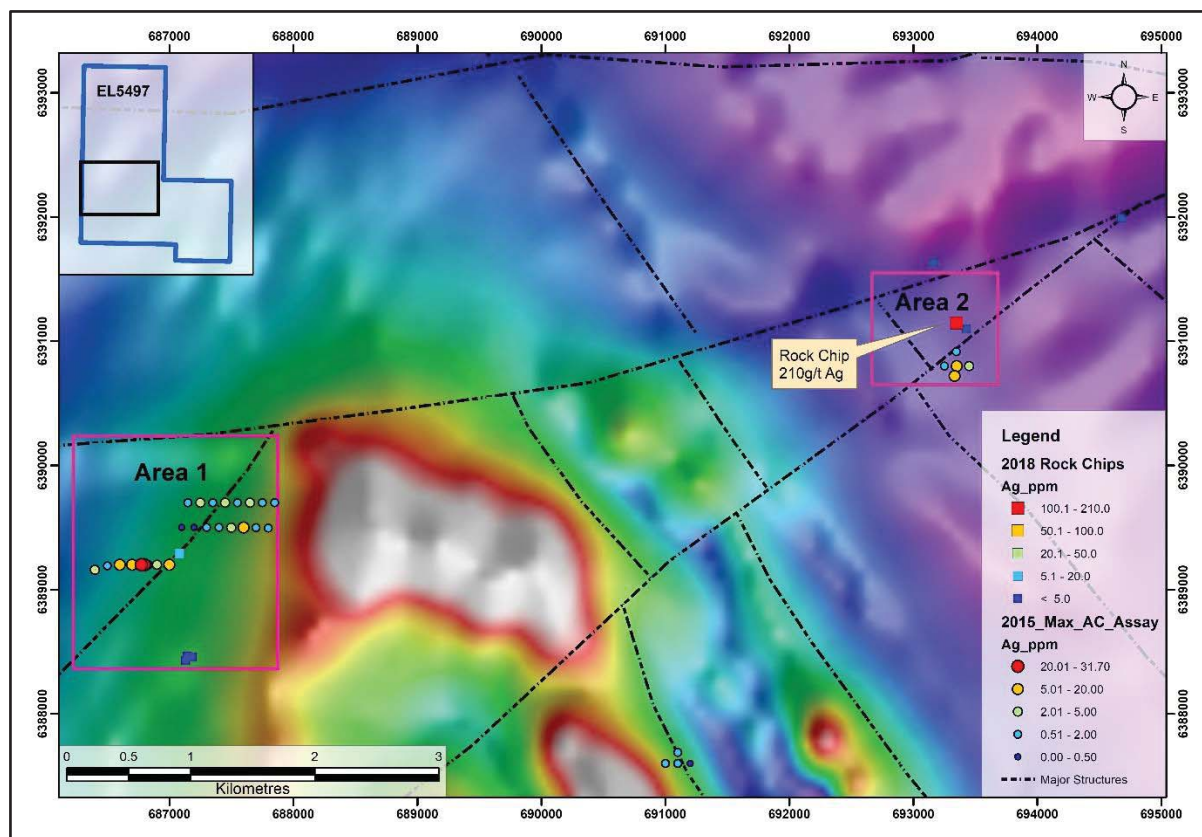


Figure 6 – High priority epithermal Ag-Pb-Zn prospects shown on gridded airborne magnetic survey (400m line spacing, east-west orientation, VRMI filter) with key structures highlighted.

In parallel to the ongoing exploration activities, the Company is reviewing other mineral opportunities and undertaking generative work to find new projects with high growth potential. This work is in its early stages and is ongoing.

Significant changes in the state of affairs

On 25 May 2017, Petratherm's securities were suspended from quotation on the ASX as Petratherm's operations were, in ASX's opinion, not sufficient to warrant the continued quotation of Petratherm's securities and its continued listing on the ASX. However, as announced to ASX on 15 December 2017 and 27 December 2017 respectively, the Company entered into:

- a Letter Agreement (which was later formalised by a Mining Farm-In and Joint Venture Agreement) to acquire up to a 75% interest in a silver, lead and zinc prospective tenement, EL 5497 (MGV Tenement), from Musgrave Minerals Limited ACN 143 890 671 (ASX Code: MGV) (Musgrave); and
- a Tenement Purchase Agreement to acquire two gold and base-metal prospective tenements, EL 5306 and EL 5717 (SAEX Tenements), from SAEX Pty Ltd ACN 154 922 728 (SAEX).

In addition, as disclosed in the Company's Notice of Extraordinary General Meeting dated 25 January 2018, the Company had applied for ELA 2017/250 (Gilles Downs Tenement) in respect of an area in Gilles Downs, South Australia which adjoins the MGV Tenement.

The acquisition of the abovementioned interests in the MGV Tenement, the SAEX Tenements and the Gilles Down Tenement (together, the Project Acquisition) resulted in a significant change to the nature and scale of the Company's activities.

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Shareholders' approval was obtained at the Company's general meeting held on 28 February 2018 for the change in nature and scale of the Company's activities and the consolidation of the Company's shares and options. A copy of the notice of meeting and the results of the meeting are available on ASX's website.

On 6 March 2018, the Company completed a 2 to 1 consolidation of its issued shares and options.

On 3 April 2018, the Company completed its capital raise under the Prospectus in which 119,597,500 shares were issued at a price of \$0.04.

On 16 April 2018, the Company was reinstated on the Australian Securities Exchange.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 1 August 2018, the Mr Peter Reid was appointed as the Exploration Manager of the Company (refer to ASX announcement dated 20 August 2018).

On 31 August 2018, the Group established Oberon Resources US Inc., a wholly-owned subsidiary company, in the United States.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Corporate Governance

The Company has established a set of corporate governance policies and procedures and these can be found within the Company's Corporate Governance Statement located on the Company's website:
www.petratherm.com.au/governance.html

Environmental regulation

The Group is aware of its responsibility to impact as little as possible on the environment, and where there is any disturbance, to rehabilitate sites. During the year under review, the majority of work carried out was in South Australia and the Group followed procedures and pursued objectives in line with guidelines published by the South Australian Government.

These guidelines are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. The Group supports this approach and is confident that it properly monitors and adheres to these objectives, and any local conditions applicable wherever it explores.

The Group is committed to minimising environmental impacts during all phases of exploration, development and production through a best practice environmental approach. The Group shares responsibility for protecting the environment for the present and the future. It believes that carefully managed exploration programs should have little or no long-lasting impact on the environment and the Company has formed a best practice policy for the management of its exploration programs. The Group properly monitors and adheres to this approach and there were no environmental incidents to report for the year under review. Furthermore, the Group is in compliance with the state and/or Commonwealth environmental laws for the jurisdictions in which it operates.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Company secretary

Donald Stephens is the Company Secretary. He is also a Non-Executive Director of the Company.

Meetings of Directors

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

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Derek Carter	3	3	-	-
Simon O'Loughlin	3	3	2	2
Donald Stephens	3	3	1	2
Andrew Haythorpe	-	2	2	2

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Voting and comments made at the Company's 2017 Annual General Meeting ('AGM')

At the 2017 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2017. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following Directors of Petratherm Limited:

- Derek Carter - Non-Executive Chairman (appointed 17 April 2018)
- Simon O'Loughlin - Non-Executive Director
- Donald Stephens - Non-Executive Director
- Andrew Haythorpe - Non-Executive Director (resigned 17 April 2018)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
2018	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Derek Carter*	11,416	-	-	1,084	-	10,876	23,376
Simon O'Loughlin	30,719	-	-	2,918	-	10,876	44,513
Donald Stephens	29,712	-	-	-	-	10,875	40,587
Andrew Haythorpe**	20,455	-	-	-	-	-	20,455
	92,302	-	-	4,002	-	32,627	128,931

* Represents remuneration from 17 July 2017 to 30 June 2018

** Represents remuneration from 1 July 2017 to 17 April 2018

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
2017	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Simon O'Loughlin	30,000	-	-	2,850	-	25,398	58,248
Donald Stephens	27,312	-	-	-	-	25,398	52,710
Terry Kallis*	2,276	-	-	-	-	-	2,276
<i>Executive Directors:</i>							
Andrew Haythorpe**	124,545	-	-	-	-	79,238	203,783
	184,133	-	-	2,850	-	130,034	317,017

* Represents remuneration from 1 July 2016 to 22 August 2016

** On 30 April 2017, Mr Haythorpe ceased to be the Managing Director of the Company and continued to serve the Company as a Non-Executive Director.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2018.

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Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Derek Carter	1,000,000	06/04/2018	06/04/2018	06/04/2021	\$0.04	\$0.011
Simon O'Loughlin	1,000,000	06/04/2018	06/04/2018	06/04/2021	\$0.04	\$0.011
Donald Stephens	1,000,000	06/04/2018	06/04/2018	06/04/2021	\$0.04	\$0.011

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2018 are set out below:

Name	Number of options granted during the year 2018	Number of options granted during the year 2017	Number of options vested during the year 2018	Number of options vested during the year 2017
Derek Carter	1,000,000	-	1,000,000	-
Simon O'Loughlin	1,000,000	625,000	1,000,000	625,000
Donald Stephens	1,000,000	625,000	1,000,000	625,000
Andrew Haythorpe	-	2,250,000	-	2,250,000

Values of options over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2018 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Derek Carter	10,876	-	-	46%
Simon O'Loughlin	10,876	-	-	24%
Donald Stephens	10,876	-	-	26%

Details of options over ordinary shares granted, vested and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2018 are set out below:

Name	Grant date	Vesting date	Number of options granted	Value of options granted \$	Value of options vested \$	Number of options lapsed	Value of options lapsed \$
Derek Carter	06/04/2018	06/04/2018	1,000,000	10,876	10,876	-	-
Simon O'Loughlin	06/04/2018	06/04/2018	1,000,000	10,876	10,876	-	-
Donald Stephens	06/04/2018	06/04/2018	1,000,000	10,876	10,876	-	-

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Share Consolidation	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Derek Carter*	1,622,334	(811,167)	500,000	-	1,311,167
Simon O'Loughlin	2,383,926	(1,191,963)	500,000	48,438	1,740,401
Donald Stephens	1,665,466	(832,733)	500,000	-	1,332,733
Andrew Haythorpe**	5,500,000	(2,750,000)	-	(2,750,000)	-
	<u>11,171,726</u>	<u>(5,585,863)</u>	<u>1,500,000</u>	<u>(2,701,562)</u>	<u>4,384,301</u>

* Mr Carter was an existing shareholder on his appointment on 17 April 2018

** Mr Haythorpe resigned on 17 April 2018

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Derek Carter	-	1,000,000	-	-	1,000,000
Simon O'Loughlin	1,250,000	1,000,000	-	(625,000)	1,625,000
Donald Stephens	1,250,000	1,000,000	-	(625,000)	1,625,000
Andrew Haythorpe	4,500,000	-	-	(4,500,000)	-
	<u>7,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>(5,750,000)</u>	<u>4,250,000</u>

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Petratherm Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
24/11/2016*	24/11/2019	\$0.10	1,750,000
24/11/2016*	24/11/2019	\$0.18	750,000
24/11/2016*	24/11/2019	\$0.24	1,000,000
06/04/2018	06/04/2021	\$0.04	11,487,583
			<u>14,987,583</u>

* The numbers and exercise prices of options have been adjusted for the effects of the 2 to 1 option consolidation occurred on 6 March 2018.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Petratherm Limited issued on the exercise of options during the year ended 30 June 2018 and up to the date of this report.

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.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

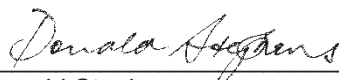
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Donald Stephens
Director

28 September 2018

Auditor's Independence Declaration

To the Directors of Petratherm Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Petratherm for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 28 September 2018

Petratherm Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated 2018 \$	2017 \$
Revenue	5	17,334	11,785
Other income		-	4,648
Expenses			
Operating expenses	6	(310,174)	(320,667)
Corporate transaction costs		(112,608)	-
Employee benefits expense	6	<u>(147,183)</u>	<u>(323,538)</u>
Loss before income tax expense		(552,631)	(627,772)
Income tax expense	7	<u>-</u>	<u>(13,013)</u>
Loss after income tax expense for the year attributable to the Owners of Petratherm Limited	16	(552,631)	(640,785)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the Owners of Petratherm Limited		<u><u>(552,631)</u></u>	<u><u>(640,785)</u></u>
		Cents	Cents
Basic earnings per share	28	(0.69)	(1.36)
Diluted earnings per share	28	(0.69)	(1.36)

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

Petratherm Limited
Statement of financial position
As at 30 June 2018

	Note	Consolidated 2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	8	4,631,125	833,674
Trade and other receivables	9	6,867	6,422
Other assets	10	4,967	3,302
Total current assets		<u>4,642,959</u>	<u>843,398</u>
Non-current assets			
Exploration and evaluation assets	11	81,733	-
Total non-current assets		<u>81,733</u>	<u>-</u>
Total assets		<u>4,724,692</u>	<u>843,398</u>
Liabilities			
Current liabilities			
Trade and other payables	12	53,798	46,229
Provisions	13	241,000	241,000
Total current liabilities		<u>294,798</u>	<u>287,229</u>
Total liabilities		<u>294,798</u>	<u>287,229</u>
Net assets		<u>4,429,894</u>	<u>556,169</u>
Equity			
Issued capital	14	39,061,984	34,760,564
Reserves	15	254,970	130,034
Accumulated losses	16	(34,887,060)	(34,334,429)
Total equity		<u>4,429,894</u>	<u>556,169</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Petratherm Limited
Statement of changes in equity
For the year ended 30 June 2018

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016	34,118,371	45,100	(33,738,744)	424,727
Loss after income tax expense for the year	-	-	(640,785)	(640,785)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(640,785)	(640,785)
<i>Transactions with Owners in their capacity as Owners:</i>				
Share-based payments (note 29)	-	130,034	-	130,034
Issue of shares	676,500	-	-	676,500
Transaction costs	(47,320)	-	-	(47,320)
Tax portion of capital raising costs	13,013	-	-	13,013
Cancellation of vested options	-	(45,100)	45,100	-
Balance at 30 June 2017	<u>34,760,564</u>	<u>130,034</u>	<u>(34,334,429)</u>	<u>556,169</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017	34,760,564	130,034	(34,334,429)	556,169
Loss after income tax expense for the year	-	-	(552,631)	(552,631)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(552,631)	(552,631)
<i>Transactions with Owners in their capacity as Owners:</i>				
Share-based payments (note 29)	-	32,627	-	32,627
Issue of shares	4,833,900	-	-	4,833,900
Transaction costs	(532,480)	92,309	-	(440,171)
Balance at 30 June 2018	<u>39,061,984</u>	<u>254,970</u>	<u>(34,887,060)</u>	<u>4,429,894</u>

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

Petratherm Limited
Statement of cash flows
For the year ended 30 June 2018

	Note	Consolidated 2018 \$	2017 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(414,095)	(475,531)
Interest received		12,158	11,785
Other revenue		-	4,648
Net cash used in operating activities	27	<u>(401,937)</u>	<u>(459,098)</u>
Cash flows from investing activities			
Payments for exploration activities		<u>(31,733)</u>	-
Net cash used in investing activities		<u>(31,733)</u>	-
Cash flows from financing activities			
Proceeds from issue of shares	14	4,783,900	676,500
Payments for transaction costs		<u>(552,779)</u>	<u>(47,320)</u>
Net cash from financing activities		<u>4,231,121</u>	<u>629,180</u>
Net increase in cash and cash equivalents		3,797,451	170,082
Cash and cash equivalents at the beginning of the financial year		<u>833,674</u>	<u>663,592</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>4,631,125</u></u>	<u><u>833,674</u></u>

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

Note 1. General information

The consolidated financial statements cover Petratherm Limited as a Group consisting of Petratherm Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Petratherm Limited's functional and presentation currency.

Petratherm Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

C/- HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road
DULWICH SA 5065

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 September 2018.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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 in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation

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

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 2. Significant accounting policies (continued)

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.

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.

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.

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.

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.

Trade and other receivables

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

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Note 2. Significant accounting policies (continued)

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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 usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

A provision for rehabilitation and restoration is provided by the Group where there is a present obligation as a result of exploration, development, production, transportation or storage activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas once the resource reserves are exhausted. Restoration liabilities are discounted to present value and capitalised as a component part of exploration assets. The capitalised costs are amortised over the life of the exploration assets and the provision revised at the end of each reporting period through the profit or loss as the discounting of the liability unwinds. The unwinding of discounting on the provision is recognised as a finance cost.

Refer to Note 13 for details of the provision for environmental rehabilitation in relation to the Paralana project.

Employee benefits

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 2. Significant accounting policies (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

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.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the Owners of Petratherm 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.

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 statement of financial position.

Note 2. Significant accounting policies (continued)

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2018. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitation in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Refer to Note 13 for details of the provision for environmental rehabilitation in relation to the Paralana project.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group will 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.

Note 4. Operating segments

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the Board in allocating resources and has concluded at this time that there are no separately identifiable segments.

Note 5. Revenue

	Consolidated	
	2018	2017
	\$	\$
Bank interest received or receivable	17,334	11,785

Note 6. Operating expenses

	Consolidated	
	2018	2017
	\$	\$
Secretarial, professional and consultancy	157,839	121,806
Insurance costs	13,923	13,392
AGM expenses	1,045	9,279
Audit fees	28,250	26,914
Bank charges	3,125	3,290
Communication & computer expenses	1,113	5,527
Travel expenses	510	17,572
Listing fees	33,555	22,664
Legal fees	5,760	4,975
Office expenses	73	4,751
Occupancy Costs	1,145	7,205
Share registry expenses	52,859	60,987
Exploration expenses	10,030	-
Other expenses	947	22,305
	310,174	320,667

	Consolidated	
	2018	2017
	\$	\$
Employee Benefits Expense		
Wages, salaries, directors fees and other remuneration expenses	110,353	19,065
Superannuation	4,203	2,850
Share based payment expense	32,627	130,034
Total employee benefits expense	147,183	151,949

Note 7. Income tax

	Consolidated	
	2018	2017
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(552,631)	(627,772)
Tax at the statutory tax rate of 27.5% (2017: 30%)	(151,974)	(188,332)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	378	-
Share-based payments	8,972	-
Capital raising costs	30,967	-
Other tax deductible items	(67,449)	(19,517)
Tax portion of share issue costs	-	13,013
	(179,106)	(194,836)
Tax losses not recognised due to not meeting recognition criteria	179,106	207,849
Income tax expense	-	13,013

The Group has tax losses arising in Australia of \$31,027,588 (2017: \$30,376,296). that may be available and may be offset against future taxable profits of the companies in which the losses arose. In addition, these tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

No deferred tax asset has been recognised because it is not likely future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.

Note 8. Cash and cash equivalents

	Consolidated	
	2018	2017
	\$	\$
Cash at bank and on hand	2,031,125	229,021
Cash on deposit	2,600,000	604,653
	4,631,125	833,674

Note 9. Trade and other receivables

	Consolidated	
	2018	2017
	\$	\$
Accrued interest	5,176	-
GST receivable	1,691	6,422
	6,867	6,422

Note 10. Other assets

	Consolidated	
	2018	2017
	\$	\$
Prepayments	4,967	3,302

Note 11. Exploration and evaluation assets

	Consolidated	
	2018	2017
	\$	\$
Exploration and evaluation - at cost	<u>81,733</u>	<u>-</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration and evaluation \$	Total \$
Balance at 1 July 2016	-	-
Balance at 30 June 2017	-	-
Additions through expenditures capitalised	<u>81,733</u>	<u>81,733</u>
Balance at 30 June 2018	<u>81,733</u>	<u>81,733</u>

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

Exploration and evaluation expenditure has been carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recovered reserves. Management assessment of carried forward expenditure resulted in Nil impairment charges (2017: Nil).

Note 12. Trade and other payables

	Consolidated	
	2018	2017
	\$	\$
Trade payables	19,583	31,729
Other payables	<u>34,215</u>	<u>14,500</u>
	<u>53,798</u>	<u>46,229</u>

Refer to note 18 for further information on financial instruments.

Trade payables are non-interest bearing and normally settled on 60-day terms.

Note 13. Provisions

	Consolidated	
	2018	2017
	\$	\$
Environmental rehabilitation	<u>241,000</u>	<u>241,000</u>

Environmental rehabilitation

The provision represents the present value of estimated costs of the remediation work at the Paralana Project that will be required to comply with environmental and legal obligations.

Note 14. Issued capital

	2018 Shares	Consolidated 2017 Shares	2018 \$	2017 \$
Ordinary shares - fully paid	<u>171,001,652</u>	<u>100,307,503</u>	<u>39,061,984</u>	<u>34,760,564</u>

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2016	777,570,139	34,118,371
Shares issued via placement	31 August 2016	176,000,000	676,500
Share consolidation (10 to 1)	15 November 2016	(853,262,636)	-
Transaction costs		-	(34,307)
Balance	30 June 2017	100,307,503	34,760,564
Share consolidation (2 to 1)	6 March 2018	(50,153,351)	-
Issue of shares under the Prospectus	3 April 2018	119,597,500	4,783,900
Issue of shares to SAEX Pty Ltd under the Prospectus	6 April 2018	1,250,000	50,000
Transaction costs		-	(532,480)
Balance	30 June 2018	<u>171,001,652</u>	<u>39,061,984</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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.

Capital Restructure

On 6 March 2018, the Company completed a 2 to 1 consolidation of its issued shares and options.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Proceeds from share issues are used to maintain and expand the Group's exploration activities and fund operating costs. There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2017 Annual Report.

Note 15. Reserves

	Consolidated	
	2018	2017
	\$	\$
Share-based payments reserve	<u>254,970</u>	<u>130,034</u>

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payment Reserve \$	Total \$
Balance at 1 July 2016	45,100	45,100
Cancellation of vested options	(45,100)	(45,100)
Options issued under ESOP (Note 29)	<u>130,034</u>	<u>130,034</u>
Balance at 30 June 2017	130,034	130,034
Options issued under ESOP (Note 29)	32,627	32,627
Options issued to Broker (Note 29)	<u>92,309</u>	<u>92,309</u>
Balance at 30 June 2018	<u>254,970</u>	<u>254,970</u>

Note 16. Accumulated losses

	Consolidated	
	2018	2017
	\$	\$
Accumulated losses at the beginning of the financial year	(34,334,429)	(33,738,744)
Loss after income tax expense for the year	(552,631)	(640,785)
Transfer from options reserve	<u>-</u>	<u>45,100</u>
Accumulated losses at the end of the financial year	<u>(34,887,060)</u>	<u>(34,334,429)</u>

Note 17. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 18. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Note 18. Financial instruments (continued)

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units.

Market risk

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The Group has no past due or impaired debtors as at 30 June 2018.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 19. Key management personnel disclosures

Directors

The following persons were Directors of Petratherm Limited during the financial year:

Derek Carter	Non-Executive Chairman (appointed 17 April 2018)
Simon O'Loughlin	Non-Executive Director
Donald Stephens	Non-Executive Director
Andrew Haythorpe	Former Non-Executive Director (resigned 17 April 2018)

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2018	2017
	\$	\$
Short-term employee benefits	92,302	184,133
Post-employment benefits	4,002	2,850
Share-based payments	32,627	130,034
	<u>128,931</u>	<u>317,017</u>

Detailed remuneration disclosures have been included in the remuneration section of the Directors' Report

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2018	2017
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	28,250	26,914
<i>Other services - Grant Thornton Audit Pty Ltd</i>		
Investigating accountants report	6,750	-
	<u>35,000</u>	<u>26,914</u>

Note 21. Commitments

	Consolidated	
	2018	2017
	\$	\$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration and evaluation*	308,267	-

* In order to maintain current rights of tenure to exploration tenements, the Company is required to meet minimum expenditure requirements in respect of tenement lease rentals. These obligations are expected to be fulfilled in the normal course of operations.

Note 22. Related party transactions

Parent entity
Petratherm Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 24.

Joint operations
Interests in joint operations are set out in note 25.

Key management personnel
Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the Directors' report.

Transactions with related parties
There were no transactions with related parties during the current financial year (2017: \$11,971). Management has determined O'Loughlins Lawyers not be a related party of the Company during the current financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 23. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2018	2017
	\$	\$
Loss after income tax	(311,632)	(834,780)
Total comprehensive income	(311,632)	(834,780)

Statement of financial position

	Parent	
	2018	2017
	\$	\$
Total current assets	4,642,959	595,977
Total assets	4,724,692	595,977
Total current liabilities	53,798	39,807
Total liabilities	53,798	39,807
Net assets	4,670,894	556,170
Equity		
Issued capital	39,061,984	34,760,564
Share-based payments reserve	254,970	130,034
Accumulated losses	(34,646,060)	(34,334,428)
Total equity	4,670,894	556,170

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018 and 30 June 2017.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018 and 30 June 2017.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 24. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2018 %	2017 %
MNGI Pty Ltd	Australia	100.00%	100.00%
PetraGas Ltd	Australia	100.00%	100.00%

Note 25. Interests in joint operations

Beach Energy Limited is an oil & gas company that farmed-in to the Paralana Project in January 2007. Beach currently has 21%.

Note 26. Events after the reporting period

On 1 August 2018, the Mr Peter Reid was appointed as the Exploration Manager of the Company (refer to ASX announcement dated 20 August 2018).

On 31 August 2018, the Group established Oberon Resources US Inc., a wholly-owned subsidiary company, in the United States.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 27. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2018 \$	2017 \$
Loss after income tax expense for the year	(552,631)	(640,785)
Adjustments for:		
Share-based payments	32,627	130,034
Share issue transaction costs	112,608	-
Non-cash income tax expense	-	13,013
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(445)	33,766
Increase in prepayments	(1,665)	(3,302)
Increase/(decrease) in trade and other payables	7,569	(7,824)
Increase in other provisions	-	16,000
Net cash used in operating activities	<u>(401,937)</u>	<u>(459,098)</u>

Note 28. Earnings per share

	Consolidated	
	2018 \$	2017 \$
Loss after income tax attributable to the Owners of Petratherm Limited	<u>(552,631)</u>	<u>(640,785)</u>

Note 28. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	79,610,803	47,104,299
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>79,610,803</u>	<u>47,104,299</u>
	Cents	Cents
Basic earnings per share	(0.69)	(1.36)
Diluted earnings per share	(0.69)	(1.36)

In accordance with AASB 133 Earnings per Share, potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

The weighted average number of ordinary shares for 2017 has been restated for the effect of the share consolidation (2 to 1) completed in March 2018, in accordance with AASB 133 'Earnings per share'.

	Number
Weighted average number of ordinary shares used in calculating basic earnings per share (before restatement)	94,208,599
Adjustment required by AASB 133 'Earnings per share'	<u>(47,104,300)</u>
Weighted average number of ordinary shares used in calculating basic earnings per share (after restatement)	<u>47,104,299</u>

Note 29. Share-based payments

The Group established the Petratherm Limited Employee Share Option Plan and a summary of the Rules of the Plan are set out below:

- All employees (full and part time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by a member of the Group, although the Board may waive this requirement.
- Options are granted under the Plan at the discretion of the Board and if permitted by the Board, may be issued to an employee's nominee.
- Each option is to subscribe for one fully paid ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable at any time from its date of issue. Options will be issued free. The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to offer those options. The total number of shares, the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.
- If, prior to the expiry date of options, a person ceases to be an employee of the Group for any reason other than retirement at age 60 or more (or such earlier age as the board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 6 months from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.
- Options cannot be transferred other than to the legal personal representative of a deceased option holder.
- The Company will not apply for official quotation of any options issued under the plan.
- Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- Option holders may only participate in new issues of securities by first exercising their options.

The Board may amend the Plan Rules subject to the requirements of the Listing Rules.

Note 29. Share-based payments (continued)

Set out below are summaries of options granted:

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/11/2016	24/11/2019	\$0.10	3,500,000	-	-	(1,750,000)	1,750,000
24/11/2016	24/11/2019	\$0.18	1,500,000	-	-	(750,000)	750,000
24/11/2016	24/11/2019	\$0.24	2,000,000	-	-	(1,000,000)	1,000,000
06/04/2018	06/04/2021	\$0.04	-	11,487,583	-	-	11,487,583
			<u>7,000,000</u>	<u>11,487,583</u>	<u>-</u>	<u>(3,500,000)</u>	<u>14,987,583</u>

Weighted average exercise price	\$0.16	\$0.04	\$0.00	\$0.16	\$0.07
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2017

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
09/01/2012	09/01/2017	\$1.40	850,000	-	-	(850,000)	-
24/11/2016	24/11/2019	\$0.18	-	1,500,000	-	-	1,500,000
24/11/2016	24/11/2019	\$0.24	-	2,000,000	-	-	2,000,000
24/11/2016	24/11/2019	\$0.10	-	3,500,000	-	-	3,500,000
			<u>850,000</u>	<u>7,000,000</u>	<u>-</u>	<u>(850,000)</u>	<u>7,000,000</u>

Weighted average exercise price	\$0.16	\$0.08	\$0.00	\$0.16	\$0.08
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The numbers and exercise prices of options have been adjusted for the effects of the 2 to 1 option consolidation occurred on 6 March 2018.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.45 years (2017: 2.41 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
06/04/2018	06/04/2021	\$0.02	\$0.04	87.41%	-	2.73%	\$0.011

Share-based payments during the year are:

	Consolidated	Consolidated
	2018	2017
	\$	\$
Options issued under the ESOP to Directors (Note 6)	32,627	130,034
Options issued to Broker	92,309	-
	<u>124,936</u>	<u>130,034</u>

Petratherm Limited
Directors' declaration
30 June 2018

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Donald Stephens
Director

28 September 2018

Independent Auditor's Report

To the Members of Petratherm Limited

Report on the audit of the financial report

Opinion

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

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

- a giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Information other than the financial report and auditor's report thereon

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

Our opinion on the financial report does not cover the other information and 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 Group's ability 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 have 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/ar2.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 the Directors' report for the year ended 30 June 2018. In our opinion, the Remuneration Report of Petratherm 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 28 September 2018

Petratherm Limited
Shareholder information
30 June 2018

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 20 September 2018

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	1,687	-
1,001 to 5,000	764	-
5,001 to 10,000	182	-
10,001 to 100,000	284	-
100,001 and over	241	5
	<u>3,158</u>	<u>5</u>
Holding less than a marketable parcel	<u>2,665</u>	<u>-</u>

Equity security holders

Twenty largest quoted equity security holders

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

Name	Ordinary shares Number held	%
CALAMA HOLDINGS PTY LTD	5,166,442	3.02
SAFARI CAPITAL PTY LTD	4,834,920	2.83
CORPORATE PROPERTY SERVICES PTY LTD	4,080,666	2.39
CPO SUPERANNUATION FUND PTY LTD	4,000,000	2.34
MR MICHAEL ANDREW WHITING & MRS TRACEY ANNE WHITING	3,418,895	2.00
OURO PTY LTD	2,750,000	1.61
GREENSLADE HOLDINGS PTY LTD	2,739,638	1.60
MR JEFFREY ROY ELLISON & MRS TONI ALICE ELLISON	2,500,000	1.46
JACKHAMISH PTY LTD	2,500,000	1.46
MR ANGUS WILLIAM JOHNSON & MRS LINDY JOHNSON	2,500,000	1.46
PETERSVIEW PTY LTD	2,500,000	1.46
DARROCH FAMILY PTY LTD	2,039,125	1.19
EPIC FEAST PTY LTD	2,000,000	1.17
MR MARK EDMUND SCHAUB	2,000,000	1.17
AYERS CAPITAL PTY LTD	1,958,172	1.15
BLUEBIRD CAPITAL PTY LTD	1,875,000	1.10
OCTIFIL PTY LTD	1,628,516	0.95
THE CAPOZZI FAMILY SUPER PTY LTD	1,624,367	0.95
CLARKSON'S BOATHOUSE PTY LTD	1,600,000	0.94
MR CRAIG PETER BALL & MRS SUZANNE KATHERINE BALL	1,565,182	0.92
	<u>53,280,923</u>	<u>31.17</u>

Petratherm Limited
Shareholder information
30 June 2018

Unquoted equity securities

Class	Number on issue	Number of holders
Options over ordinary shares issued	14,987,583	5

The following person holds 20% or more of unquoted equity securities:

Name	Class	Number held
TAYCOL NOMINEES PTY LTD	Options over ordinary shares issued	8,487,583

Substantial holders

There are no substantial holders in the Company.

Voting rights

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

Restricted securities

Class	Expiry date	Number of securities
Ordinary shares	17 April 2020	1,250,000
Options over ordinary shares issued	6 April 2020	11,487,583
		<u>12,737,583</u>

Tenements

Description	Tenement number	Interest owned %
Paralana	GEL 156	79.00
Walparuta	EL 5306	100.00
Walparuta	EL 5717	100.00
Corunna	EL 5497	100.00
Gilles Downs	EL 6229	100.00