

Alderan Resources Limited

ABN 55 165 079 201

Interim Financial Report

For the half year ended 31 December 2016

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CORPORATE INFORMATION

ABN 55 165 079 201

Directors

Mr. Nicolaus Heinen

Mr. Don Smith

Mr. Christopher Wanless

Mr. Tom Eadie

Company Secretary

Mr. Brett Tucker

Registered Address

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West Perth WA 6005

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Principal Place of Business

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Solicitors

Allion Legal

9/863 Hay Street

Perth WA 6000

Telephone: 08 9216 7100

Bankers

National Australia Bank

1232 Hay Street

West Perth WA 6005

Auditors

RSM Australia Partners

8 St Georges Terrace

Perth WA 6000

Telephone: 08 9261 9100

DIRECTORS' REPORT

The Directors of Alderan Resources Limited ("the Company") present their report on Alderan Resources Limited and its subsidiaries ("the Group") for the half year ended 31 December 2016.

Directors

The names of the directors who held office during or since the end of the interim period and until the date of this report are as follows. The Directors held office for the full half year unless specified below.

	Position	Date appointed / resigned
Mr. Nicolaus Heinen	Non-executive Chairman	
Mr. Christopher Robert Wanless	Executive Director	
Mr. Don Smith	Executive Director	
Mr. Tom Eadie	Non-executive Director	Appointed on 17 January 2017
Mr. Peter Geerds	Non-executive Director	Resigned on 9 January 2017

Review of Operations

Principal Activities

The principal activity of the Group during the period was mineral exploration.

Dividends

There were no dividends paid, recommended or declared during the period.

Significant events during the period

During July 2016, the Company received \$123,500 as full payment for shares subscribed by Belgrave Capital Management in prior years.

On 22 June 2016, the Board of Directors approved the issue of 400,000 ordinary shares to Belgrave Capital Management Limited at \$0.05 per share (pre share split) amounting to \$20,000 in accordance with the convertible loan agreement dated 11 February 2014, with notice having been received from Belgrave indicating its intention to exercise its right to convert the loan. The shares were issued in July 2016.

During July 2016, directors' fees payable amounting to \$18,888 were settled through the issue of 53,967 ordinary shares at \$0.35 per share (pre share split).

On 1 September 2016, the Board of Directors approved the reduction in the amount payable to Quaalup from an existing credit loan facility of \$100,000 to \$55,000 plus 6% interest per annum. The reduction of this value was applied toward exercise of options at \$0.10 per share (pre share split).

On 1 September 2016 Quaalup gave notice to the Company of its intention to exercise 1,000,000 options to acquire 1,000,000 shares at \$0.10 per share (pre share split). Part consideration for the option exercise was the reduction in the loan facility as detailed above. Accordingly, Quaalup was issued 1,000,000 shares in the Company.

In September 2016, the Company issued 77,000 shares at \$0.35 per share (pre share split) to a shareholder. The funds were received during the year ended 30 June 2016 and was recorded as other liabilities as at 30 June 2016.

DIRECTORS' REPORT (CONTINUED)

Significant events during the period (continued)

On 28 September 2016, the Board of Directors approved an application for shares of 923,000 ordinary shares at \$0.35 per share (pre share split) amounting to \$323,050.

On 17 November 2016, the Board of Directors approved the issue of 32,573 shares at \$0.35 per share (pre share split) for director and geological services provided to the company by a director.

The shareholders of the Company approved a share split resolution, where each existing ordinary share will be split into three and a half (3.5) ordinary shares with effect from 1 December 2016. As a result of the share split, 15,789,688 shares issued prior and up to 1 December 2016 were converted to 55,263,908 shares. The share split did not change any shareholder's percentage ownership in the Company.

On 23 December 2016, the Board of Directors approved an offer of shares to seed investors to raise up to \$1,200,000 at a price of \$0.12 per share to advance the Group's mineral properties in Utah, USA and to undertake an Initial Public Offering and list in the Australian Securities Exchange. The Company received applications for 9,166,667 seed shares at \$0.12 per share amounting to \$1,100,000. Of these applications, 8,750,001 shares at \$0.12 per share amounting to \$1,050,000 were issued as at 31 December 2016. The remaining 416,666 shares amounting to \$50,000 were issued in January 2017 when the funds were received by the Company. Further, as at 31 December 2016, the Company received \$24,000 from Eagletown Pty Ltd for an application for 200,000 seed shares. The amount received was included in other liabilities as at 31 December 2016. The shares were subsequently allotted in January 2017.

On 23 December 2016, the Board of Directors also approved the redemption of all outstanding convertible notes with a face value of \$100,000 via the issue of ordinary shares at a deemed price of the capital raising price of \$0.12 per share through the issue of 833,333 ordinary shares ("Convertible Note Shares"). The Convertible Note Shares were issued in December 2016.

On 27 December 2016, the Company entered into a Sale and Purchase Agreement whereby the Company sold its interest in its wholly-owned subsidiary, DM Bergbau GmbH to Mr. Christopher Robert Wanless (the "Purchaser") effective 31 December 2016. The Sale and Purchase Agreement provides that the Purchaser will pay for the purchase price by taking legal ownership of amounts due to the previous shareholders of DM Bergbau GmbH amounting to \$99,217 (Euro 70,000). The disposal resulted in a loss on sale before income tax of \$15,095.

Significant events after the reporting date

On 4 January 2017, further to the seed capital raising in December 2016, the Company issued a remaining 416,666 shares to raise \$50,000 along with 200,000 additional seed shares applied for by Eagletown Pty Ltd at \$0.12 per share amounting to \$24,000 as noted above.

On 24 February 2017 the Company changed from a propriety company limited by shares to a public company limited by shares in preparation for its planned Initial Public Offering on the Australian Stock Exchange.

During February 2017, the Company issued 12,380,000 options over fully paid ordinary shares to Directors and key management of the Company. These options have a range of exercise prices, expiry dates and vesting conditions.

During February 2017, the Company also issued 1,777,454 options over fully paid ordinary shares to BW Equities and its nominees as consideration for capital raising services in relation to the seed capital raising completed in December 2016.

Operating results for the period

The comprehensive loss of the Group for the financial period, after providing for income tax amounted to \$831,944.

Review of financial conditions

The Group had a net bank balance of \$1,108,932 as at 31 December 2016 (30 June 2016: \$30,527).

DIRECTORS' REPORT (CONTINUED)

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, RSM Australia Partners, to provide the director of the Company with an Independence Declaration in relation to the review of the half-year consolidated financial report. This Independence Declaration is set out on page 7 and forms part of this director's report for the half year ended 31 December 2016.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to be 'C. Wanless', written over a horizontal line.

Mr. Christopher Robert Wanless

Director

Dated this *4th April* 2017

RSM Australia Partners

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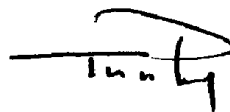
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Alderan Resources Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM

RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 4 April 2017

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
Continuing operations			
Other income		713	-
Interest income		1,885	-
Administration expense	3	(172,338)	(50,133)
Impairment expense		(522,679)	-
Employee benefits expense		(59,613)	(16,904)
Depreciation and amortisation expense		-	(316)
Finance costs		-	(247)
Loss before income tax		(752,032)	(67,600)
Income tax		-	-
Loss for the period after tax from continuing operations		(752,032)	(67,600)
Discontinued operations			
Loss after tax from discontinued operation		(79,912)	(41,283)
Net loss for the period		(831,944)	(108,883)
Other comprehensive income, net of income tax			
Exchange differences on translation of foreign operations		8,688	(2,306)
Other comprehensive income for the period, net of income tax		8,688	(2,306)
Total comprehensive loss for the period		(823,256)	(111,189)
 Loss attributable to members of the Company		 (831,944)	 (108,883)
 Total comprehensive loss attributable to members the Company for the period		 (823,256)	 (111,189)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016 \$	30 June 2016 \$
Assets			
Current Assets			
Cash and cash equivalents	4	1,108,932	30,527
Trade and other receivables	5	68,737	125,564
Assets classified as held for sale	9 & 10	-	485,794
Total Current Assets		1,177,669	641,885
Non-Current Assets			
Property, plant and equipment		3,551	554
Exploration and evaluation expenditure	6	664,041	239,847
Total Non-current Assets		667,592	240,401
Total Assets		1,845,261	882,286
Liabilities			
Current Liabilities			
Trade and other payables	7	409,593	65,045
Loans payable	7	55,000	173,545
Liabilities classified as held for sale	9	-	29,916
Total Liabilities		464,593	268,506
Net Assets		1,380,668	613,780
Equity			
Issued capital	8(a,b)	2,547,300	957,156
Foreign currency reserve	8(c)	-	(8,688)
Accumulated losses		(1,166,632)	(334,688)
Net Equity		1,380,668	613,780

The accompanying notes form part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	Issued capital \$	Foreign currency reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2015	733,656	133	(125,181)	608,608
Loss for the period	-	-	(108,883)	(108,883)
Other comprehensive loss for the period, net of income tax	-	(2,306)	-	(2,306)
Total comprehensive loss for the period	-	(2,306)	(108,883)	(111,189)
Balance at 31 December 2015	733,656	(2,173)	(234,064)	497,419
Balance at 1 July 2016	957,156	(8,688)	(334,688)	613,780
Equity issued during the period (net of share issue costs)	1,590,144	-	-	1,590,144
Loss for the period	-	-	(831,944)	(831,944)
Other comprehensive income for the period, net of income tax	-	8,688	-	8,688
Total comprehensive loss for the period	-	8,688	(831,944)	(823,256)
Balance at 31 December 2016	2,547,300	-	(1,166,632)	1,380,668

The accompanying notes form part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	31 December 2016 \$	31 December 2015 \$
Cash flows from operating activities		
Receipts from customers	27,350	-
Payments to suppliers and employees	(87,030)	(107,890)
Interest received	1,885	-
Interest paid	-	(247)
Net cash used in operating activities	<u>(57,795)</u>	<u>(108,137)</u>
Cash flows from investing activities		
Payments for fixed assets	(2,997)	(300)
Payments for exploration and evaluation expenditures	(497,135)	(65,904)
Net cash outflow on sale of subsidiary	<u>(14,712)</u>	<u>-</u>
Net cash used in investing activities	<u>(514,844)</u>	<u>(66,204)</u>
Cash flows from financing activities		
Proceeds from issue of shares (net of capital raising costs)	1,394,856	-
Call on partially paid shares	123,500	-
Share subscriptions received in advance	24,000	-
Proceeds from borrowings	<u>100,000</u>	<u>-</u>
Net cash provided by financing activities	<u>1,642,356</u>	<u>-</u>
Net increase/(decrease) in cash held	1,069,717	(174,341)
Effect of foreign exchange	8,688	(2,306)
Cash and cash equivalents at the beginning of the period	<u>30,527</u>	<u>218,654</u>
Cash and cash equivalents at the end of the period	<u>1,108,932</u>	<u>42,007</u>

The accompanying notes form part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These half-year consolidated financial statements have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the Company during the interim reporting period.

Comparative information

The comparative information has been restated to disclose the assets, liabilities and results of operations of the subsidiary which was sold during the period.

Basis of preparation

The half-year consolidated financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year consolidated financial report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year.

Standards and Interpretations applicable to 31 December 2016

In the half-year ended 31 December 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2016.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no material change is necessary to Company's accounting policies.

Standards and Interpretations in issue not yet adopted applicable to 31 December 2016

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2017.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to Group accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 2: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Directors for the half year ended 31 December 2016 and 31 December 2015.

31 December 2016	Continuing Operations		Discontinued Operation		Consolidated \$
	United States of America \$	Australia \$	Germany (Subsidiary) \$	Unallocated items \$	
Segment revenue	-	-	76,228	-	76,228
Intersegment revenue	-	-	(49,591)	-	(49,591)
Revenue from external customers	-	-	26,637	-	26,637
Segment result	(5,014)	(747,018)	(79,912)	-	(831,944)
Segment assets	690,278	1,154,983	-	-	1,845,261
Segment liabilities	-	464,593	-	-	464,593

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

NOTE 2: SEGMENT REPORTING (continued)

31 December 2015	Continuing Operations		Discontinued Operation		Consolidated \$
	United States of America \$	Australia \$	Germany \$	Unallocated items \$	
Segment revenue	-	-	41,430	-	41,430
Intersegment revenue	-	-	(41,430)	-	(41,430)
Revenue from external customers	-	-	-	-	-
Segment result	(27,496)	(40,104)	(41,283)	-	(108,883)
30 June 2016					
Segment assets	239,847	606,383	36,056	-	882,286
Segment liabilities	-	256,590	29,916	-	268,506

NOTE 3: EXPENSES

	31 December 2016 \$	31 December 2015 \$
Administration expenses		
Legal fees	9,071	-
Accountancy fees	22,400	5,100
Consultancy fees	76,832	37,995
Travel expenses	17,195	2,902
Promotion and investor relations	17,287	-
Other	29,553	4,136
	172,338	50,133

NOTE 4: CASH AND CASH EQUIVALENTS

	31 December 2016 \$	30 June 2016 \$
Cash in bank	1,108,932	30,527
	1,108,932	30,527

Cash at bank earns interest at floating rates based on daily deposit rates.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

NOTE 5: TRADE AND OTHER RECEIVABLES

	31 December 2016	30 June 2016
	\$	\$
Sundry debtors	30,731	-
Amount receivable in relation to shares already issued	-	123,500
Loans – unsecured	500	500
GST receivable	37,506	1,564
	68,737	125,564

NOTE 6: EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2016	30 June 2016
	\$	\$
Carrying value at the beginning of the period/year	239,847	-
Expenditure incurred during the period/year	424,194	239,847
Carrying value at the end of the period/year	664,041	239,847

NOTE 7: FINANCIAL LIABILITIES

	31 December 2016	30 June 2016
	\$	\$
<i>Trade and other payables</i>		
Trade creditors	375,576	1,885
Share subscriptions received	24,000	-
Accruals and other payables	10,017	63,160
Sub Total	409,593	65,045
<i>Unsecured loans</i>		
Loans payable	55,000	173,545
Sub Total	55,000	173,545
Total	464,593	238,590

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 8: ISSUED CAPITAL & RESERVES

	31 December 2016		30 June 2016	
	No.	\$	No.	\$
a) Ordinary shares – fully paid				
Balance at beginning of period/year	12,493,148	673,656	12,493,148	673,656
Transfer from partially paid shares (i)	810,000	283,500	-	-
Settlement of loan payable (ii)	400,000	20,000	-	-
Settlement of payable to directors (iii)	53,967	18,888	-	-
Options exercised (iv)	1,000,000	100,000	-	-
Issue of shares (v)	77,000	26,950	-	-
Seed capital raising (vi)	923,000	323,050	-	-
Share based payment (vii)	32,573	11,400	-	-
Share split (vii)	39,474,220	-	-	-
Seed capital raising (ix)	8,750,001	1,050,000	-	-
Convertible notes redemption (x)	833,333	100,000	-	-
Less share issue costs	-	(60,144)	-	-
Balance at the end of the period/year	64,847,242	2,547,300	12,493,148	673,656
b) Ordinary shares – partially paid				
Balance at beginning of period/year	810,000	283,500	810,000	283,500
Transfer to fully paid shares	(810,000)	(283,500)	-	-
Balance at the end of the period/year	-	-	810,000	283,500
Total	64,847,242	2,547,300	13,303,148	957,156

- (i) The Company received \$123,500 as full payment for shares subscribed by Belgrave Capital Management in prior years. Accordingly, the partially paid ordinary shares are now classified as fully paid shares.
- (ii) On 22 June 2016, the Board of Directors approved the issue of 400,000 ordinary shares to Belgrave Capital Management Limited at \$0.05 per share (pre share split) amounting to \$20,000 in accordance with the convertible loan agreement dated 11 February 2014, with notice having been received from Belgrave indicating its intention to exercise its right to convert the loan. The shares were issued in July 2016.
- (iii) Directors' fees payable amounting to \$18,888 were settled through the issue of 53,967 ordinary shares at \$0.35 per share (pre share split).
- (iv) On 1 September 2016, the Board of Directors approved the reduction in the amount payable to Quaalu from an existing credit loan facility of \$100,000 to \$55,000 plus 6% interest per annum. The reduction of this value was applied toward exercise of options at \$0.10 per share (pre share split).
- On 1 September 2016 Quaalu gave notice to the Company of its intention to exercise 1,000,000 options to acquire 100,000 shares at \$0.10 per share (pre share split). Part consideration for the option exercise was the reduction in the loan facility as detailed above. Accordingly Quaalu was issued 1,000,000 shares in the Company.
- (v) In September 2016, the Company issued 77,000 shares at \$0.35 per share (pre share split) to a shareholder. The funds were received during the year ended 30 June 2016 and was recorded as other liabilities as at 30 June 2016.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

NOTE 8: ISSUED CAPITAL & RESERVES (CONTINUED)

- (vi) On 28 September 2016, the Board of Directors approved an application for shares of 923,000 ordinary shares at \$0.35 per share (pre share split) amounting to \$323,050.
- (vii) On 17 November 2016, the Board of Directors approved the issue of 32,573 shares at \$0.10 per share (pre share split) for director and geological services provided to the company by a director.
- (viii) The shareholders of the Company approved a share split resolution, where each existing ordinary share will be split into three and a half (3.5) ordinary shares with effect from 1 December 2016. As a result of the share split, 15,789,688 shares issued prior and up to 1 December 2016 were converted to 55,263,908 shares. The share split did not change any shareholder's percentage ownership in the Company.
- (ix) On 23 December 2016, the Board of Directors approved an offer of shares to seed investors to raise up to \$1,200,000 at a price of \$0.12 per share to advance the Group's mineral properties in Utah, USA and to undertake an Initial Public Offering and list in the Australian Securities Exchange. The Company received applications for 9,166,667 seed shares at \$0.12 per share amounting to \$1,100,000. Of these applications, 8,750,001 shares at \$0.12 per share amounting to \$1,050,000 were issued as at 31 December 2016. The remaining 616,666 shares amounting to \$50,000 were issued in January 2017 when the funds were received by the Company. Further, as at 31 December 2016, the Company received \$24,000 from Eagletown Pty Ltd for an application for 200,000 seed shares. The amount received was included in other liabilities as at 31 December 2016. The shares were subsequently allotted in January 2017.
- (x) On 23 December 2016, the Board of Directors also approved the redemption of all outstanding convertible notes with a face value of \$100,000 via the issue of ordinary shares at a deemed price of the capital raising price of \$0.12 per share through the issue of 833,333 ordinary shares ("Convertible Note Shares"). The Convertible Note Shares were issued in December 2016.

	31 December 2016	30 June 2016
	\$	\$
c) Foreign Currency Reserves		
Balance at beginning of period/year	(8,688)	133
Movement during the period/year	8,688	(8,821)
Balance at the end of the period/year	<u>-</u>	<u>(8,688)</u>

	31 December 2016		30 June 2016	
	No.	\$	No.	\$
d) Options				
Balance at beginning of period/year	1,000,000	-	1,000,000	-
Exercise of options	(1,000,000)	-	-	-
Balance at the end of the period/year	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 9: DISCONTINUED OPERATIONS

On 31 December 2016, the Company sold its investment in DM Bergbau GmbH to Mr. Christopher Robert Wanless ("the Purchaser"), a Director, for a consideration of \$99,217 (Euro 70,000) resulting in a loss of on sale before income tax of \$15,095. Consequently all assets and liabilities allocable to DM Bergbau GmbH have been effectively transferred to the Purchaser as at 31 December 2016.

Revenue and expenses, gains and losses relating to the sale of this subsidiary have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item on the face of the consolidated statement of profit or loss and other comprehensive income. The prior period consolidated statement of profit or loss and other comprehensive income has been restated for comparative purposes.

Financial performance information

	31 December 2016 \$	31 December 2015 \$
Revenue	26,637	-
Administration expense	(43,723)	(13,789)
Employee benefits expense	(47,732)	(27,494)
Loss before income tax	(64,817)	(41,283)
Income tax expense	-	-
Loss after income tax expense	(64,817)	(41,283)
Loss on disposal before income tax expense	(15,095)	-
Income tax expense	-	-
Loss on disposal after income tax expense	(15,095)	-
Loss after income tax expense from discontinued operations	(79,912)	(41,283)

The carrying amounts of assets and liabilities disposed

	31 December 2016 \$	30 June 2016 \$
Assets		
Cash and cash equivalents	-	7,358
Trade and other receivables	-	28,699
	-	36,057
Liabilities		
Trade and other payables	-	29,916
	-	29,916

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

NOTE 9: DISCONTINUED OPERATIONS (CONTINUED)

Cash flow information

	31 December 2016 \$	31 December 2015 \$
Net cash flows from operating activities	7,412	(6,636)
Net increase/(decrease) in cash and cash equivalents from discontinued operations	<u>7,412</u>	<u>(6,636)</u>

NOTE 10: ASSET CLASSIFIED AS HELD FOR SALE

During the period the Company entered into an agreement to sell its interest in the Burrowa and Mt Stewart exploration projects to Belgrave Capital Limited ("the Purchaser"), a company associated with Director, Mr Nicolaus Heinen. The exploration asset has been fully impaired as at 31 December 2016.

This sale is expected to be completed by 30 June 2017.

The carrying amounts of assets classified as held for sale are summarised as follows:

	31 December 2016 \$	30 June 2016 \$
Assets classified as held for sale		
Exploration and evaluation expenditure *	-	449,737
	<u>-</u>	<u>449,737</u>

* The exploration asset has been fully impaired as at 31 December 2016.

NOTE 11: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 4 January 2017, the Company issued the remaining 616,666 shares amounting to \$50,000 and 200,000 additional seed shares applied for by Eagletown Pty Ltd at \$0.12 per share amounting to \$24,000 as discussed in Note 8 to the consolidated financial statements.

On 24 February 2017, the Company changed from a propriety company limited by shares to a public company limited by shares in preparation for its planned Initial Public Offering on the Australian Stock Exchange.

During February 2017, the Company issued 12,380,000 options over fully paid ordinary shares to Directors and key management of the Company. These options have a range of exercise prices, expiry dates and vesting conditions.

During February 2017, the Company also issued 1,777,454 options over fully paid ordinary shares to BW Equities and its nominees as consideration for capital raising services in relation to the seed capital raising completed in December 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 12: DIVIDENDS

The directors of the Group have not declared any dividend for the half year ended 31 December 2016.

NOTE 13: RELATED PARTY TRANSACTIONS

(a) Key management personnel

The Group's key management personnel consist of the following:

Name	Position
Mr. Nicolaus Heinen	Non-executive Chairman
Mr. Christopher Robert Wanless	Executive Director
Mr. Don Smith	Executive Director
Mr. Tom Eadie	Non-executive Director (appointed 17 January 2017)
Mr. Peter Geerdts	Chief Geologist (resigned 9 January 2017)

(b) Related party balances

As at 31 December 2016, the following balances were owed by/to key management personnel and or companies associated with the shareholders and Directors:

Related party receivables

	31 December 2016	30 June 2016
	\$	\$
Christopher Wanless – Loan	500	500
	<u>500</u>	<u>500</u>

Related party payables

	31 December 2016	30 June 2016
	\$	\$
Quaalup investments Pty Ltd – Loan (Related to Christopher Wanless)	55,000	100,000
Belgrave Capital Management Limited (Related to Nicolaus Heinen)	-	20,000
	<u>55,000</u>	<u>120,000</u>

(c) Goods or services provided by related parties

During the period ended 31 December 2016, the following services were provided by the Directors and or companies associated with shareholders or Directors.

	31 December 2016	31 December 2015
	\$	\$
Directors' fees	59,613	16,904
Consulting services	76,832	37,955
	<u>136,445</u>	<u>54,859</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

NOTE 13: RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Subsidiaries

The consolidated financial statements include the financial statements of Alderan Resources Limited and the following subsidiaries:

Subsidiary	Country of incorporation	Equity interest (%)	
		31 December 2016	30 June 2016
Volantis Limited	USA	100%	100%
DM Bergbau GMBH	Germany	-*	100%

Alderan Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

*On 27 December 2016, the Company entered into a Sale and Purchase Agreement whereby the Company sold its interest in its wholly-owned subsidiary, DM Bergbau GmbH to Mr. Christopher Robert Wanless (the "Purchaser") effective 31 December 2016. The Sale and Purchase Agreement provides that the Purchaser will pay for the purchase price by taking legal ownership of amounts due to the previous shareholders of DM Bergbau GmbH amounting to \$99,217 (Euro 70,000). The disposal resulted in a loss on sale before income tax of \$15,095.

NOTE 14: COMMITMENTS AND CONTINGENCIES

	31 December 2016	30 June 2016
	\$	\$
Exploration expenditure and annual lease/claim payments		
Committed at the reporting date but not recognised as liability:		
Within one year	197,056	221,347
One to five years	2,194,514	436,781
	<u>2,391,570</u>	<u>658,128</u>

- (1) The commitments are due in US Dollars, the Company has used the spot rate on 31 December 2016 as a conversion for the commitments into Australian Dollars.

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals and to meet the minimum expenditure requirements by the Mineral Resources Authority. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided for in the financial statements.

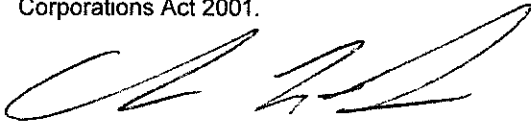
DIRECTORS' DECLARATION

The Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the consolidated financial statements.

In the opinion of the Directors of Alderan Resources Limited:

1. The financial statements and notes, are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the period then ended; and
 - b. complying with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements ; and
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



Mr. Christopher Robert Wanless
Director

Dated this 4th April 2017

RSM Australia Partners

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ALDERAN RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Alderan Resources Limited, which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Alderan Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

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

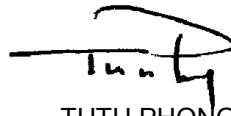
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alderan Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 4 April 2017

Alderan Resources Pty Ltd

ABN 55 165 079 201

Annual Report - 30 June 2016

Alderan Resources Pty Ltd
Directors' report
30 June 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Alderan Resources Pty Ltd (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 2016.

Directors

The following persons were directors of Alderan Resources Pty Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Christopher Wanless
Mr Donald Smith (appointed 5 October 2016)
Mr Nicolaus Heinen
Mr Peter Geerds

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Mineral exploration

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$209,507 (30 June 2015: \$94,105).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The company holds participating interests in a number of mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directors given to it under those terms of the tenement. There have been no known breaches of the company's tenement conditions, and no such breaches have been notified by any government agencies during the period ended 30 June 2016.

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 has not paid a premium in respect of a contract to insure the directors of the company or any related entities.

Alderan Resources Pty Ltd
Directors' report
30 June 2016

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



Mr Nicolaus Heinen
Director



Mr Christopher Wanless
Director

16 March 2017

AUDITOR'S INDEPENDENCE DECLARATION FOR THE YEAR ENDED 30 JUNE 2016

As lead auditor for the audit of Alderan Resources Pty Ltd for the year ended 30 June 2016 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.

This declaration is in respect of Alderan Resources Pty Ltd.



LOREN MICHELLE DATT
Registered Company Auditor
Registration: 339204

16 March 2017

Alderan Resources Pty Ltd**Contents****30 June 2016**

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Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
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General information

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

Alderan Resources Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Ventnor Capital Pty Ltd
Ground Floor, 16 Ord Street
West Perth WA 6005

A description of the nature of the consolidated entity'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 16 March 2017. The directors have the power to amend and reissue the financial statements.

Alderan Resources Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	Consolidated 2016 \$	2015 \$
Revenue	3	31,781	48,616
Other income	4	2,067	-
Expenses			
Administration expenses		(117,054)	(106,430)
Occupancy costs		(9,663)	(7,352)
Employee benefits expense		(89,241)	(27,423)
Write off of exploration assets		(24,181)	-
Depreciation and amortisation expense		(632)	(425)
Finance costs		(2,584)	(1,091)
Loss before income tax expense		(209,507)	(94,105)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Alderan Resources Pty Ltd		(209,507)	(94,105)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(8,821)	133
Other comprehensive income for the year, net of tax		(8,821)	133
Total comprehensive income for the year attributable to the owners of Alderan Resources Pty Ltd		<u>(218,328)</u>	<u>(93,972)</u>

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

Alderan Resources Pty Ltd
Statement of financial position
As at 30 June 2016

	Note	Consolidated 2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	5	37,885	227,975
Trade and other receivables	6	149,276	4,319
Other	7	2,000	-
Total current assets		<u>189,161</u>	<u>232,294</u>
Non-current assets			
Property, plant and equipment	8	554	886
Exploration and evaluation	9	659,585	410,054
Other	10	32,986	20,000
Total non-current assets		<u>693,125</u>	<u>430,940</u>
Total assets		<u>882,286</u>	<u>663,234</u>
Liabilities			
Current liabilities			
Trade and other payables	11	148,506	34,626
Borrowings	12	120,000	20,000
Total current liabilities		<u>268,506</u>	<u>54,626</u>
Total liabilities		<u>268,506</u>	<u>54,626</u>
Net assets		<u>613,780</u>	<u>608,608</u>
Equity			
Issued capital	13	957,156	733,656
Reserves	14	(8,688)	133
Accumulated losses		<u>(334,688)</u>	<u>(125,181)</u>
Total equity		<u>613,780</u>	<u>608,608</u>

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

Alderan Resources Pty Ltd
Statement of changes in equity
For the year ended 30 June 2016

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2014	272,841	-	(31,076)	241,765
Loss after income tax expense for the year	-	-	(94,105)	(94,105)
Other comprehensive income for the year, net of tax	-	133	-	133
Total comprehensive income for the year	-	133	(94,105)	(93,972)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 13)	460,815	-	-	460,815
Balance at 30 June 2015	733,656	133	(125,181)	608,608
Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2015	733,656	133	(125,181)	608,608
Loss after income tax expense for the year	-	-	(209,507)	(209,507)
Other comprehensive income for the year, net of tax	-	(8,821)	-	(8,821)
Total comprehensive income for the year	-	(8,821)	(209,507)	(218,328)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 13)	223,500	-	-	223,500
Balance at 30 June 2016	957,156	(8,688)	(334,688)	613,780

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

Alderan Resources Pty Ltd
Statement of cash flows
For the year ended 30 June 2016

	Note	Consolidated 2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		8,924	42,900
Payments to suppliers and employees		(155,556)	(133,090)
		(146,632)	(90,190)
Interest received		1,400	-
Interest and other finance costs paid		(2,584)	(1,091)
Net cash used in operating activities	19	(147,816)	(91,281)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(1,311)
Payments for exploration and evaluation		(282,833)	(198,321)
Payments for security deposits		(12,986)	(20,000)
Net cash used in investing activities		(295,819)	(219,632)
Cash flows from financing activities			
Proceeds from issue of shares		100,000	460,815
Net cash received on acquisition of subsidiary		-	4,990
Proceeds from borrowings		153,545	-
Net cash from financing activities		253,545	465,805
Net increase/(decrease) in cash and cash equivalents		(190,090)	154,892
Cash and cash equivalents at the beginning of the financial year		227,975	73,083
Cash and cash equivalents at the end of the financial year	5	<u>37,885</u>	<u>227,975</u>

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

Note 1. 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, revised or amending Accounting Standards and Interpretations adopted

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

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

Going concern

The financial report has been prepared on a going concern basis. The group will require further funds and will need to raise capital to enable it to continue to explore and develop its prospects and continue to meet its non-discretionary spending in the future.

The company is currently seeking to list on the Australian Securities Exchange (ASX), with the prospectus expected to be finalised shortly after the signing of these financial statements. The company is seeking to raise between \$5 million and \$10 million before associated costs. Should these funds not become available the directors have resolved to reduce or waive fees and wages received in cash if the group has insufficient funds available to it to make such payments and remain solvent. In the event that the group is not able to raise additional funding it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report.

Basis of preparation

In the directors' opinion, the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Alderan Resources Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Alderan Resources Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 consolidated entity'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 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 17.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alderan Resources Pty Ltd ('company' or 'parent entity') as at 30 June 2016 and the results of all subsidiaries for the year then ended. Alderan Resources Pty Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 1. Significant accounting policies (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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 consolidated entity 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 consolidated entity 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.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Alderan Resources Pty Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

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

Other revenue

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

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.

Note 1. Significant accounting policies (continued)

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.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position 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 the consolidated entity's 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 the consolidated entity's 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.

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

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables.

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

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Note 1. Significant accounting policies (continued)

Impairment of financial assets

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

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 diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	50% per annum
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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 consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity 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.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

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.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Note 1. Significant accounting policies (continued)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

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.

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 consolidated entity for the annual reporting period ended 30 June 2016. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. 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 consolidated entity 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.

Exploration and Evaluation

Exploration and evaluation costs have been capitalised on the basis that the Company 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

Recovery of deferred tax assets

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

Note 3. Revenue

	Consolidated	
	2016	2015
	\$	\$
<i>Sales revenue</i>		
Sales	30,381	42,895
<i>Other revenue</i>		
Interest	1,400	-
Gain on bargain purchase	-	5,716
Other revenue	-	5
	<u>1,400</u>	<u>5,721</u>
Revenue	<u>31,781</u>	<u>48,616</u>

Note 4. Other income

	Consolidated	
	2016	2015
	\$	\$
Net foreign exchange gain	<u>2,067</u>	<u>-</u>

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	2016	2015
	\$	\$
Cash at bank	37,885	227,975
	<u>37,885</u>	<u>227,975</u>

Note 6. Current assets - trade and other receivables

	Consolidated	
	2016	2015
	\$	\$
Trade receivables	19,816	-
Other receivables	3,238	2,836
Amount receivable in relation to shares already issued	123,500	-
BAS receivable	2,722	1,483
	<u>149,276</u>	<u>4,319</u>

Note 7. Current assets - other

	Consolidated	
	2016	2015
	\$	\$
Prepayments	1,254	-
Other current assets	746	-
	<u>2,000</u>	<u>-</u>

Note 8. Non-current assets - property, plant and equipment

	Consolidated	
	2016	2015
	\$	\$
Office equipment - at cost	1,611	1,311
Less: Accumulated depreciation	(1,057)	(425)
	<u>554</u>	<u>886</u>

Note 9. Non-current assets - exploration and evaluation

	Consolidated	
	2016	2015
	\$	\$
Exploration and evaluation - at cost	659,585	410,054
	<u>659,585</u>	<u>410,054</u>

Note 10. Non-current assets - other

	Consolidated	
	2016	2015
	\$	\$
Security deposits	32,986	20,000

Note 11. Current liabilities - trade and other payables

	Consolidated	
	2016	2015
	\$	\$
Trade payables	1,885	1,400
Other loans	53,545	-
Other payables	93,076	33,226
	<u>148,506</u>	<u>34,626</u>

Note 12. Current liabilities - borrowings

	Consolidated	
	2016	2015
	\$	\$
Loans - unsecured	120,000	20,000

Note 13. Equity - issued capital

	2016	Consolidated	2016	2015
	Shares	2015	\$	\$
	Shares	Shares	\$	\$
Ordinary shares - fully paid	13,303,148	13,303,148	957,156	733,656

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.

Note 14. Equity - reserves

	Consolidated	
	2016	2015
	\$	\$
Foreign currency reserve	(8,688)	133

Note 15. Equity - dividends

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

Note 16. Commitments

	Consolidated	
	2016	2015
	\$	\$
<i>Exploration expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	221,347	15,145
One to five years	436,781	25,241
	<u>658,128</u>	<u>40,386</u>

In order to maintain current rights of tenure to exploration tenements, the company is required to outlay rentals and to meet the minimum expenditure requirements of the Mineral Resources Authority. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts.

Note 17. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2016	2015
	\$	\$
Loss after income tax	<u>(161,441)</u>	<u>(104,087)</u>
Total comprehensive income	<u>(161,441)</u>	<u>(104,087)</u>

Statement of financial position

	Parent	
	2016	2015
	\$	\$
Total current assets	<u>156,088</u>	<u>221,107</u>
Total assets	<u>999,026</u>	<u>746,285</u>
Total current liabilities	<u>338,475</u>	<u>147,793</u>
Total liabilities	<u>338,475</u>	<u>147,793</u>
Equity		
Issued capital	957,155	733,655
Accumulated losses	<u>(296,604)</u>	<u>(135,163)</u>
Total equity	<u>660,551</u>	<u>598,492</u>

Note 17. Parent entity information (continued)

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 2016 and 30 June 2015.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2016 and 30 June 2015.

Capital commitments

The commitments disclosed in Note 14 relate solely to the parent entity.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 19. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2016	2015
	\$	\$
Loss after income tax expense for the year	(209,507)	(94,105)
Adjustments for:		
Depreciation and amortisation	632	425
Gain on bargain purchase	-	(5,716)
Write off of exploration assets	24,181	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(21,457)	5,318
Increase in other operating assets	(2,000)	-
Increase in trade and other payables	60,335	2,797
Net cash used in operating activities	<u>(147,816)</u>	<u>(91,281)</u>

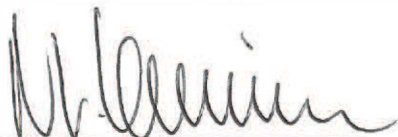
Alderan Resources Pty Ltd
Directors' declaration
30 June 2016

In the directors' opinion:

- the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Alderan Resources Pty Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2016 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.

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



Mr Nicolaus Heinen
Director



Mr Christopher Wanless
Director

16 March 2017

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ALDERAN RESOURCES PTY LTD

Scope

Report on the Financial Report

We have audited the accompanying financial report of Alderan Resources Pty Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

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

Opinion

In our opinion the financial report of Alderan Resources Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.

Emphasis of Matter Regarding Going Concern

Without qualifying our opinion, we draw attention to the going concern section of Note 1 in the financial report, which indicates that during the year ended 30 June 2016, the entity incurred a net loss of \$209,507, had negative operating cash flows and had net current liabilities of \$79,345. As such the group, will require further funds and will need to raise capital to enable it to continue to explore and develop its prospects and continue to meet its non-discretionary spending in the future. These conditions, along with other matters set forth in Note 1, indicate the existence of an inherent uncertainty which may cast doubt on the entity's ability to continue as a going concern and whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.



LOREN MICHELLE DATT
Registered Company Auditor
Registration: 339204

16 March 2017

Alderan Resources Pty Ltd

ABN 55 165 079 201

Annual Report - 30 June 2015

Alderan Resources Pty Ltd
Directors' report
30 June 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Alderan Resources Pty Ltd (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 2015.

Directors

The following persons were directors of Alderan Resources Pty Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Peter Geerds
Mr Christopher Wanless
Mr Nicolaus Heinen (appointed 1 March 2015)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Mineral exploration

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$94,105 (30 June 2014: \$31,076).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The company holds participating interests in a number of mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directors given to it under those terms of the tenement. There have been no known breaches of the company's tenement conditions, and no such breaches have been notified by any government agencies during the period ended 30 June 2015.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

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.

Alderan Resources Pty Ltd
Directors' report
30 June 2015

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.

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 on the following page.

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


Mr Peter Geerds
Director
Mr Christopher Wanless
Director

23 September 2016

AUDITOR'S INDEPENDENCE DECLARATION FOR THE YEAR ENDED 30 JUNE 2015

As lead auditor for the audit of Alderan Resources Pty Ltd for the year ended 30 June 2015 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.

This declaration is in respect of Alderan Resources Pty Ltd.



LOREN MICHELLE DATT
Registered Company Auditor
Registration: 339204

Dated:
26 October 2016

Alderan Resources Pty Ltd

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30 June 2015

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General information

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

Alderan Resources Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

201 Balaclava Road, Caulfield North VIC 3161

Principal place of business

201 Balaclava Road, Caulfield North VIC 3161

A description of the nature of the consolidated entity'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 23 September 2016. The directors have the power to amend and reissue the financial statements.

Alderan Resources Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

		Consolidated	
		Twelve	Eleven
		months	months
		ended 30	ended 30
	Note	June 2015	June 2014
		\$	\$
Revenue	3	48,616	-
Expenses			
Administration expenses		(106,430)	(30,629)
Occupancy costs		(7,352)	-
Employee benefits expense		(27,423)	-
Depreciation and amortisation expense		(425)	-
Finance costs		(1,091)	(447)
Loss before income tax expense		(94,105)	(31,076)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Alderan Resources Pty Ltd		(94,105)	(31,076)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Alderan Resources Pty Ltd		<u>(94,105)</u>	<u>(31,076)</u>

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

Alderan Resources Pty Ltd
Statement of financial position
As at 30 June 2015

	Note	Consolidated 2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	4	227,975	73,083
Trade and other receivables	5	4,319	9,637
Total current assets		<u>232,294</u>	<u>82,720</u>
Non-current assets			
Property, plant and equipment	6	886	-
Exploration and evaluation	7	410,054	211,733
Other	8	20,000	-
Total non-current assets		<u>430,940</u>	<u>211,733</u>
Total assets		<u>663,234</u>	<u>294,453</u>
Liabilities			
Current liabilities			
Trade and other payables	9	34,626	32,688
Borrowings	10	20,000	20,000
Total current liabilities		<u>54,626</u>	<u>52,688</u>
Total liabilities		<u>54,626</u>	<u>52,688</u>
Net assets		<u>608,608</u>	<u>241,765</u>
Equity			
Issued capital	11	733,656	272,841
Reserves	12	133	-
Accumulated losses		<u>(125,181)</u>	<u>(31,076)</u>
Total equity		<u>608,608</u>	<u>241,765</u>

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

Alderan Resources Pty Ltd
Statement of changes in equity
For the year ended 30 June 2015

	Issued capital \$	Retained profits \$	Total equity \$
Consolidated			
Balance at 1 August 2013	-	-	-
Loss after income tax expense for the year	-	(31,076)	(31,076)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(31,076)	(31,076)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 11)	272,841	-	272,841
Balance at 30 June 2014	<u>272,841</u>	<u>(31,076)</u>	<u>241,765</u>

	Issued capital \$	Retained profits \$	Non- controlling interest \$	Total equity \$
Consolidated				
Balance at 1 July 2014	272,841	(31,076)	-	241,765
Loss after income tax expense for the year	-	(94,105)	-	(94,105)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(94,105)	-	(94,105)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	460,948	-	-	460,948
Balance at 30 June 2015	<u>733,789</u>	<u>(125,181)</u>	<u>-</u>	<u>608,608</u>

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

Alderan Resources Pty Ltd
Statement of cash flows
For the year ended 30 June 2015

		Consolidated	
		Twelve	Eleven
		months	months
		ended 30	ended 30
	Note	June 2015	June 2014
		\$	\$
Cash flows from operating activities			
Receipts from customers		42,900	-
Payments to suppliers and employees		(133,090)	(17,799)
		(90,190)	(17,799)
Interest and other finance costs paid		(1,091)	-
Net cash used in operating activities	17	(91,281)	(17,799)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,311)	-
Payments for exploration and evaluation		(198,321)	(130,959)
Payments for security deposits		(20,000)	-
Net cash used in investing activities		(219,632)	(130,959)
Cash flows from financing activities			
Proceeds from issue of shares		460,815	201,841
Net cash received on acquisition of subsidiary		4,990	-
Proceeds from borrowings		-	20,000
Net cash from financing activities		465,805	221,841
Net increase in cash and cash equivalents		154,892	73,083
Cash and cash equivalents at the beginning of the financial year		73,083	-
Cash and cash equivalents at the end of the financial year	4	<u>227,975</u>	<u>73,083</u>

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

Note 1. 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, revised or amending Accounting Standards and Interpretations adopted

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

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

Going concern

The financial report has been prepared on a going concern basis. The group will require further funds and will need to raise capital to enable it to continue to explore and develop its prospects and continue to meet its non-discretionary spending in the future. Should these funds not become available the directors have resolved to reduce or waive fees and wages received in cash if the group has insufficient funds available to it to make such payments and remain solvent. In the event that the group is not able to raise additional funding it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report.

Comparatives

The company was incorporated on 31 July 2013, and the comparative information covers the eleven month period from that date to 30 June 2014.

Basis of preparation

In the directors' opinion, the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Alderan Resources Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Alderan Resources Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 consolidated entity'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 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 15.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alderan Resources Pty Ltd ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Alderan Resources Pty Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 1. Significant accounting policies (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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 consolidated entity 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 consolidated entity 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.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Alderan Resources Pty Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

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

Other revenue

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

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.

Note 1. Significant accounting policies (continued)

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.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position 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 the consolidated entity's 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 the consolidated entity's 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.

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.

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 diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	50% per annum
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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 consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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.

Note 1. Significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity 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.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

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.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

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.

Note 1. Significant accounting policies (continued)

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.

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 consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. 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 consolidated entity 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.

Exploration and Evaluation

Exploration and evaluation costs have been capitalised on the basis that the Company 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

Recovery of deferred tax assets

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

Alderan Resources Pty Ltd
Notes to the financial statements
30 June 2015

Note 3. Revenue

	Consolidated	
	Twelve months ended 30 June 2015	Eleven months ended 30 June 2014
	\$	\$
<i>Sales revenue</i>		
Sales	42,895	-
<i>Other revenue</i>		
Gain on bargain purchase	5,716	-
Other revenue	5	-
	<u>5,721</u>	<u>-</u>
Revenue	<u><u>48,616</u></u>	<u><u>-</u></u>

Note 4. Current assets - cash and cash equivalents

	Consolidated	
	2015	2014
	\$	\$
Cash at bank	<u>227,975</u>	<u>73,083</u>

Note 5. Current assets - trade and other receivables

	Consolidated	
	2015	2014
	\$	\$
Other receivables	2,836	970
BAS receivable	<u>1,483</u>	<u>8,667</u>
	<u><u>4,319</u></u>	<u><u>9,637</u></u>

Note 6. Non-current assets - property, plant and equipment

	Consolidated	
	2015	2014
	\$	\$
Office equipment - at cost	1,311	-
Less: Accumulated depreciation	<u>(425)</u>	<u>-</u>
	<u><u>886</u></u>	<u><u>-</u></u>

Note 7. Non-current assets - exploration and evaluation

	Consolidated	
	2015	2014
	\$	\$
Exploration and evaluation - at cost	<u>410,054</u>	<u>211,733</u>

Note 8. Non-current assets - other

	Consolidated	
	2015	2014
	\$	\$
Security deposits	<u>20,000</u>	<u>-</u>

Note 9. Current liabilities - trade and other payables

	Consolidated	
	2015	2014
	\$	\$
Trade payables	1,400	7,660
Other payables	<u>33,226</u>	<u>25,028</u>
	<u>34,626</u>	<u>32,688</u>

Note 10. Current liabilities - borrowings

	Consolidated	
	2015	2014
	\$	\$
Loans - unsecured	<u>20,000</u>	<u>20,000</u>

Note 11. Equity - issued capital

	Consolidated			
	2015	2014	2015	2014
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>13,303,148</u>	<u>9,192,055</u>	<u>733,656</u>	<u>272,841</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.

Note 12. Equity - reserves

	Consolidated	
	2015	2014
	\$	\$
Foreign currency reserve	133	-

Note 13. Equity - dividends

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

Note 14. Commitments

	Consolidated	
	2015	2014
	\$	\$
<i>Exploration expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	15,145	55,800
One to five years	25,241	304,800
	40,386	360,600

In order to maintain current rights of tenure to exploration tenements, the company is required to outlay rentals and to meet the minimum expenditure requirements of the Mineral Resources Authority. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts.

Note 15. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	Twelve months ended 30 June 2015	Eleven months ended 30 June 2014
	\$	\$
Loss after income tax	(104,087)	(31,076)
Total comprehensive income	(104,087)	(31,076)

Note 15. Parent entity information (continued)

Statement of financial position

	Parent	
	2015	2014
	\$	\$
Total current assets	221,107	82,720
Total assets	746,285	294,453
Total current liabilities	147,793	52,688
Total liabilities	147,793	52,688
Equity		
Issued capital	733,655	272,841
Accumulated losses	(135,163)	(31,076)
Total equity	598,492	241,765

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 2015 and 30 June 2014.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Capital commitments

The commitments disclosed in Note 14 relate solely to the parent entity.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 16. Events after the reporting period

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 17. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	Twelve months ended 30 June 2015	Eleven months ended 30 June 2014
	\$	\$
Loss after income tax expense for the year	(94,105)	(31,076)
Adjustments for:		
Depreciation and amortisation	425	-
Interest	-	400
Gain on bargain purchase	(5,716)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,318	(9,637)
Increase in trade and other payables	2,797	22,514
Net cash used in operating activities	<u>(91,281)</u>	<u>(17,799)</u>

Alderan Resources Pty Ltd
Directors' declaration
30 June 2015

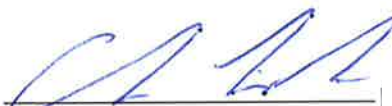
In the directors' opinion:

- the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Alderan Resources Pty Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 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.

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



Mr Peter George
Director

Mr Christopher Wanless
Director

23 September 2016

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ALDERAN RESOURCES PTY LTD

Scope

Report on the Financial Report

We have audited the accompanying financial report of Alderan Resources Pty Ltd, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

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

Opinion

In our opinion the financial report of Alderan Resources Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Yours faithfully



LOREN MICHELLE DATT
Registered Company Auditor
Registration: 339204

Dated:
26 October 2016