

ANNUAL REPORT

for the Year Ended 30 June 2017

Tasman Resources Ltd
& Controlled Entities
ABN: 85 009 253 187



 **Tasman**
RESOURCES LTD

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HIGHLIGHTS FOR THE YEAR TO 30 JUNE 2017

Eden Innovations Ltd Investment (ASX Code: EDE)

- Tasman has a 39% interest in Eden Innovations Ltd (“Eden”) which develops and markets clean technology products. It currently produces and sells EdenCrete®, a revolutionary high performance concrete admixture and OptiBlend®, a world leading innovative retrofit dual fuel technology developed for diesel generator sets. During the year Eden made significant progress towards achieving its goal of having EdenCrete® become a product that is widely used in the concrete market, particularly the huge US infrastructure market.

Parkinson Dam Epithermal Gold-Silver Project (EL 5602), South Australia

- No further exploration activities were conducted at this project. Further work, including follow-up drilling at the Corrie Dam prospect and possibly IP geophysical surveying over part of the original gold-silver discovery at Parkinson Dam is subject to funding being available and an upturn in global metal demand.

Vulcan IOCGU* Project (ELs 4857, 5465, 5499), South Australia

- No exploration was conducted at this project. Further exploration will be subject to sufficient funds being available and an upturn in global metal demand.

(*IOCGU Iron-oxide copper-gold-uranium)

Conico Investment

- Tasman has a 13.3% interest in Conico Ltd. Conico owns 50% of the Mt Thirsty nickel-cobalt-manganese oxide deposit in Western Australia.

CORPORATE DIRECTORY

DIRECTORS:

Gregory H Solomon **LLB** (Executive Chairman)
Douglas H Solomon **BJuris LLB (Hons)** (Non-Executive)
Guy T Le Page **B.A., B.Sc. (Hons), M.B.A., F.FIN., MAusIMM** (Non-Executive)

COMPANY SECRETARY:

Aaron P Gates **BCom CA AGIA**

REGISTERED OFFICE:

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Perth
Western Australia 6000
Tel +61 8 9282 5889
Fax +61 8 9282 5866
Email: mailroom@tasmanresources.com.au
Website: www.tasmanresources.com.au

SOLICITORS:

Solomon Brothers
Level 15
197 St Georges Terrace
Perth WA 6000

Minter Ellison
1 King William Street
Adelaide SA 5000

AUDITORS:

Nexia Perth Audit Services Pty Ltd
Level 3
88 William Street
Perth WA 6000

SHARE REGISTRY:

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING:

ASX Code: TAS (ordinary shares)
TASO (5 cent options expiring 31 March 2018)

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

REVIEW OF OPERATIONS

INVESTMENT IN EDEN INNOVATIONS LTD (ASX Code:EDE)

As at 30 June 2017, Tasman through its wholly owned subsidiary, Noble Energy Pty Ltd, held 493,198,298 fully paid shares in Eden (representing 39.08% of the total issued capital of Eden) and 101,356,779 EDEO options representing 45.81% of the issued EDEO options. Based on the closing prices on the ASX of EDE (\$0.245) and EDEO (\$0.215) on 30 June 2017, this investment had a market value of \$142 million, which is equivalent to 36 cents for every currently issued TAS share.

The board of Tasman believes there is potentially significant further upside in its investment in Eden and as a major part of Tasman's investment strategy it intends to continue to hold the Eden shares and options as a long term investment.

The Highlights of progress made by Eden during the year are as follows:

EDENCRETE®

Colorado

- Construction and testing of Eden's expanded Colorado production facility was completed during the year and the expanded Colorado production facility is now operational.
- Eden purchased its existing Colorado plant together with an adjoining building, securing additional space, and facilitating a possible further increase in the EdenCrete® production capacity in Colorado.
- Denver Public Works commenced EdenCrete® evaluation in Colorado.

Georgia

- EdenCrete® was officially added to the Georgia Department of Transportation ("GDOT") Qualified Products List for its 24 hour repair mix and the first EdenCrete® order (for US\$50,000) was received and shipped for a GDOT repair project.
- GDOT advised that EdenCrete® is to be used in all of its State-funded, full depth concrete slab repair projects in Georgia over the next 12 months ending 30 June 2018.
- A field trial of EdenCrete® in concrete used for new road construction in Georgia was commenced in March 2017.
- Encouraging 90 days permeability results received from MARTA trial conducted in May 2016.

Texas

- Texas Department of Transportation ("TxDOT") approved concrete mixes incorporating EdenCrete® for a large TxDOT approved pre-cast/ pre-stressed concrete manufacturer.
- Eden entered into a three year, bulk supply contract for EdenCrete® with the manufacturer and the first order worth more than US\$100,000 shipped in April 2017. The estimated aggregate annual sales under this contract may be up to US\$1 million p.a. and EdenCrete® is now being added by the manufacturer to the concrete used for bridge beams in Texas.

Sales and Marketing Progress

- Experienced sales team appointed.
- Eden received and shipped its first European order for EdenCrete®, worth US\$25,000.
- Trials by various possible customers for a range of applications commenced and continue to occur on an ongoing basis as an integral part of the process of securing new customers.
- Approvals for use of EdenCrete® for one or more applications secured in Arkansas, Colorado, Georgia, Mississippi, North Carolina, Tennessee, Texas and Virginia.
- Eden signed Memorandum of Understanding with Korean engineering firm to review feasibility of proposed Korean EdenCrete® Distributorship.

ASTM Test Programme

- ASTM C494 "S" Test Programme for EdenCrete®, which measured changes in performance of EdenCrete® enriched concrete over 12 months, was successfully completed.
- A 90 days trial of EdenCrete® undertaken in accordance with the ASTM C1543 delivered a significant improvement (reduction) in permeability in concrete immersed in a brine solution.

EdenCrete® US Patent Application

- US Patent application in relation to methods and systems for producing admixtures for concrete that contain nano-carbon particles.

OPTIBLEND® DUAL FUEL

- Orders received during the year for 21 units (approx. US\$580,000).

EDENPLAST™

- Eden and University of Queensland ("UQ") awarded A\$310,000 grant by the Australian Research Council ("ARC").

CORPORATE

- A\$15 million placement completed through Bell Potter, mainly to 4 Australian institutions.
- All companies in the Group changed their name from "Eden Energy" to "Eden Innovations" reflecting the Group's future focus.

EXPLORATION RESULTS

PARKINSON DAM GOLD-SILVER EPITHERMAL PROJECT, SOUTH AUSTRALIA, EL 5602 (TASMAN 100%)

No further field exploration or drilling was conducted at Corrie Dam Prospect during the year (Figure 1). Previous air core drilling at the prospect has intersected anomalous lead, silver and copper mineralisation at shallow depths, including 25m downhole from 60m averaging 0.36% Pb and 1.4g/t Ag in hole CDAC015 and 15m down hole from 55m at 6.6g/t Ag, 0.17% Cu and 0.11% Pb in drill hole CDAC 030 (true widths are not known). These results were reported previously to the ASX on 8th April 2015 and on 21 May 2015.

Further drilling, including deeper RC holes is being considered at Corrie Dam, subject to sufficient funds being available and an upturn in global metal demand. Possible IP geophysical surveying is also being considered (subject to funding) over the area containing the earlier gold-silver discoveries at Parkinson Dam, including drill hole PD 63 (see Figure 1).

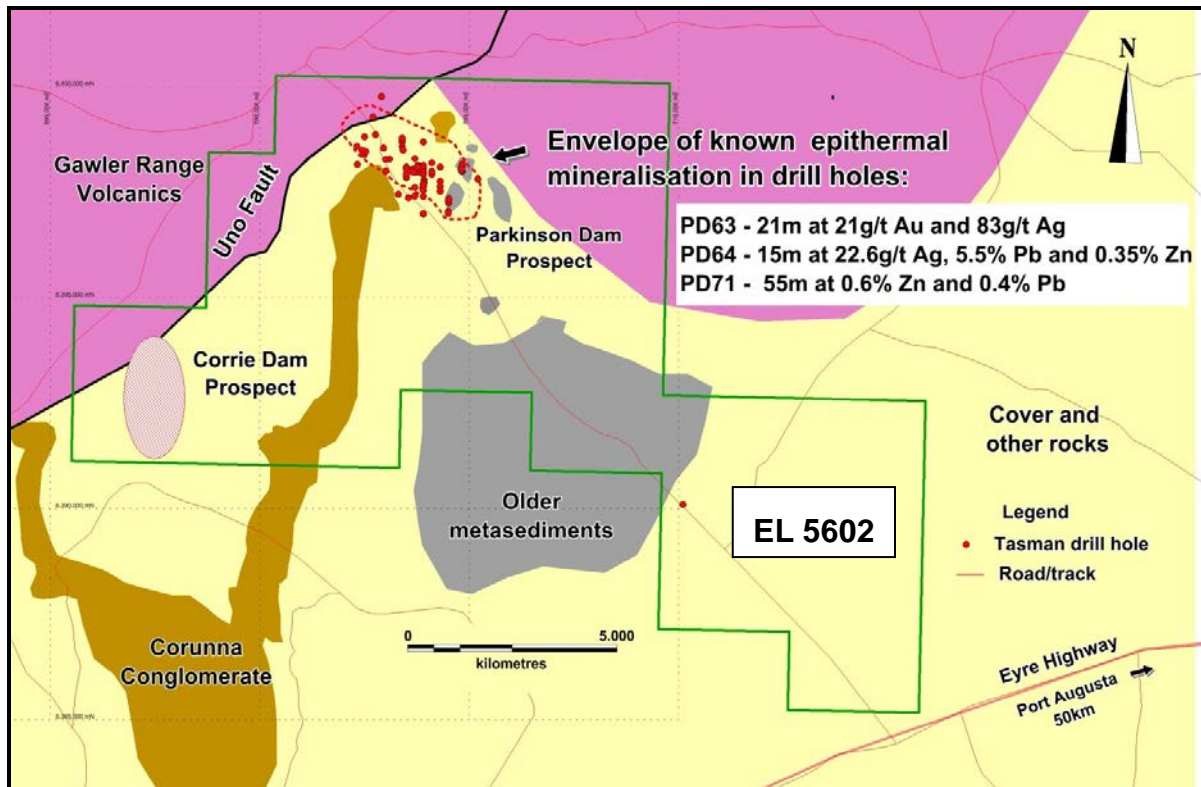


Figure 1: Plan of Tasman's Parkinson Dam Project (EL 5602) showing area of previously defined mineralisation and Corrie Dam Prospect adjacent to the Gawler Range Volcanics (GDA 94; Zone 53).

Background - Previous Exploration at Parkinson Dam

Tasman discovered outcropping epithermal gold – silver mineralisation at Parkinson Dam in 2005. Subsequent drilling confirmed the presence of widespread, but generally low-grade mineralisation over several square kilometres; however, in one area an intersection of 21m at 21g/t Au and 83g/t Ag was obtained. Selected intersections from drilling include:

- PD 63: 21m down hole from 179m at 21g/t Au and 83g/t Ag (including 9m from 179m at 31g/t Au and 152g/t Ag)
- PD 30: 20m down hole from 237m at 0.1g/t Au, 16g/t Ag, 1.2% Pb, 1.5% Zn (including 1.66m down hole from 254.34m at 1.2g/t Au, 120g/t Ag, 7.6% Pb and 10.5% Zn)

(This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported (refer ASX announcements 14th June 2007: "High-Grade Assay Results from Parkinson Dam" (PD 63) and 6th November 2006: "High Grade Lead and Zinc at Parkinson Dam" (PD 30), available to view on www.tasmanresources.com.au.)

LAKE TORRENS IRON-OXIDE, COPPER-GOLD-URANIUM (IOCGU) PROJECT (100% TASMAN)

Vulcan Project

The Lake Torrens IOCGU Project is located approximately 15km north of Olympic Dam, and has been the focus of a significant exploration effort by Tasman over a number of years. During the year, no further field exploration was conducted on this Project.

Background to Vulcan Discovery

Tasman identified Vulcan, within the Lake Torrens project area, as a prime IOCGU target in 2009, based on the presence of a very large gravity anomaly, supporting magnetic and seismic anomalies and Vulcan's location close to key tectonic (structural) lineaments, which had previously been used in the original targeting of Olympic Dam by WMC in the mid-1970s. Tasman's initial discovery drill hole, VUD 001, intersected the Vulcan IOCGU system late in 2009.

Eight diamond drill holes had been completed by Tasman at Vulcan between 2009 and early 2011. All exhibit IOCGU-style alteration and/or mineralisation, including copper, gold, uranium, silver, molybdenum and rare earth elements. Age dating of the mineralisation at about 1,590 million years confirms that Vulcan belongs to the same "family" of deposits as Olympic Dam, Prominent Hill and Carrapateena.

Tasman entered a Farm In/ Joint Venture with Rio Tinto Exploration (RTX) covering the whole of EL 4322, including the Vulcan discovery. Under the Farm In, RTX paid to Tasman \$10 million and Tasman managed an exploration programme consisting of 12,000m of drilling. RTX withdrew from the Farm In in early 2014.

LUCAS HILL IOCGU PROJECT (100% TASMAN)

No further drilling was conducted during the year at Lucas Hill prospect on the Stuart Shelf, approximately 25km south east of Woomera. Alteration and weak copper mineralisation were intersected in the initial two holes completed by Tasman early in 2012.



Figure 2: Location of Tasman's Project Areas in South Australia

INVESTMENT IN CONICO LTD (ASX Code:CNJ)

Tasman has a 13.3% interest in Conico Ltd.

Mt Thirsty Oxide Deposit

Conico Ltd owns 50% of the Mt Thirsty Nickel-Cobalt Project in WA, with the other 50% held by Barra Resources Limited (ASX: BAR). Mt Thirsty is located 20 kilometres north-northwest of Norseman, Western Australia. Mt Thirsty has a JORC (2004) compliant Indicated Resource of 16.6 million tonnes at 0.14% Co, 0.60% Ni and 0.98% Mn and a JORC (2004) compliant Inferred Resource of 15.3 million tonnes at 0.11% Co, 0.51% Ni and 0.73% Mn over an apparent strike of 1.3 kilometres and a width of around 800 metres.

(This resource information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, refer ASX Announcement 8th March 2011: "Resource Upgrade", available to view on www.conico.com.au.)

Disclaimer

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.

Competent Persons Statement

The information in this quarterly report that relates to Exploration Results is based on and fairly represents information compiled by Robert N. Smith and Michael J. Glasson, Competent Persons who are members of the Australian Institute of Geoscientists.

Mr Smith and Mr Glasson are employees of the company. Mr Smith and Mr Glasson are share and option holders in the company.

Mr Smith and Mr Glasson have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith and Mr Glasson consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

DIRECTORS' REPORT

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2017.

Directors

The names of directors in office at any time during or since the end of the year are:

Gregory H Solomon

Douglas H Solomon

Guy T Le Page

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr Aaron P Gates has worked for Tasman Resources Ltd for the past 9 years. He is a Chartered Accountant and Chartered Secretary, has completed a Bachelor of Commerce (Curtin University) with majors in accounting and business law and completed a Diploma of Corporate Governance. Prior to joining Tasman he worked in public practice in audit and corporate finance roles.

Principal Activities

The principal activities of the group during the financial year ended 30 June 2017 were mineral exploration and through Eden Innovations Ltd, the sale of high performance concrete admixture, EdenCrete® and retrofit dual fuel technology, OptiBlend®, developed for diesel generator sets.

Operating Results

The consolidated loss of the group after providing for income tax was \$12,860,328 (2016 \$4,103,421).

Dividends Paid or Recommended

No dividends were paid or declared for payment during the year.

Mineral Exploration Operations

Tasman's primary focus during the year has been mineral exploration for a range of commodities within the Company's tenements in South Australia. The principal exploration projects are Lake Torrens IOCGU-base metal project and the Parkinson Dam epithermal gold-silver (lead-zinc) project in South Australia. A review of the operations of the Group during the year ended 30 June 2017 is set out in the Review of Operations on Page 5.

Financial Position

The net assets of the consolidated group have increased by \$3,754,729 from 30 June 2016 to \$37,102,414 in 2017.

Significant Changes in State of Affairs

In the opinion of the directors, other than disclosed elsewhere in this report, there were no other significant changes in the state of affairs of the Group that occurred during the year.

After Balance Date Events

There were no material events occurring after the reporting date.

Future Developments, Prospects and Business Strategies

The Company proposes to continue with its exploration program as detailed in the Review of Operations.

Environmental Issues

The Company is the subject of environmental regulation with respect to mining exploration and will comply fully with all requirements with respect to rehabilitation of exploration sites.

DIRECTORS' REPORT

Information on Directors

Gregory H Solomon

Executive Chairman

Qualifications

LLB

Experience

Appointed chairman 1987. Board member since 1987. A solicitor with more than 30 years' Australian and international experience in a wide range of areas including mining law, commercial negotiation (including numerous mining and exploration joint ventures) and corporate law. He is a partner in the Western Australian legal firm, Solomon Brothers and has previously held directorships of various public companies since 1984 including two mining/exploration companies.

Interest in Shares and Options

77,206,246 TAS shares, 8,291,049 TASO options
27,652,546 EDE shares, 13,092,309 EDEO options

Directorships held in other listed entities

Conico Limited (ASX:CNJ)
Eden Innovations Limited (ASX:EDE)

Douglas H Solomon

Non-Executive

Qualifications

BJuris LLB (Hons)

Experience

Board member since 3 April 2003. A Barrister and Solicitor with more than 20 years' experience in the areas of mining, corporate, commercial and property law. He is a partner in the legal firm, Solomon Brothers.

Interest in Shares and Options

81,478,541 TAS shares, 2,631,962 TASO options
23,868,198 EDE shares, 11,264,416 EDEO options

Directorships held in other listed entities

Conico Limited (ASX:CNJ)
Eden Innovations Limited (ASX:EDE)

Guy T Le Page

Non-Executive

Qualifications

B.A., B.Sc. (Hons), M.B.A., F.FIN., MAusIMM Bachelor of Arts, Bachelor of Science, Masters Degree in Business Administration, Bachelor of Applied Science (Hons), Graduate Diploma in Applied Finance and Investment.

Experience

Board member since February 2001. Currently a corporate adviser specialising in resources. He is actively involved in a range of corporate initiatives from mergers and acquisitions, initial public offerings to valuations, consulting and corporate advisory roles. He previously spent 10 years as an exploration and mining geologist in Australia, Canada and the United States. His experience spans gold and base metal exploration and mining geology and he has acted as a consultant to private and public companies.

Interest in Shares and Options

1,784,821 TAS share
1,350,405 EDE shares, 2,013,321 EDEO shares

Directorships held in other listed entities

Eden Innovations Limited (ASX:EDE)
Conico Limited (ASX:CNJ)
Mt Ridley Mines Ltd (ASX:AXC)

DIRECTORS' REPORT

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each director of Tasman Resources Ltd, and for the executives receiving the highest remuneration.

Remuneration Policy

The remuneration policy of Tasman Resources Ltd has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the economic entity's financial results. The board of Tasman Resources Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the economic entity, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the group is that all executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and options.

All directors and executives receive a superannuation guarantee contribution where required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Any shares which may be issued to executives would be valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General meeting. Fees for non-executive directors are not linked to the performance of the economic entity. To align directors' interests with shareholder interests, directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

Performance based Remuneration

No performance based remuneration was paid during the year.

Options issued as part of remuneration for the year ended 30 June 2017

27,861,269 ESOP options were issued as part of remuneration during the year, of which 10,450,000 ESOP options were issued to key management personnel.

Shares Issued on Exercise of Compensation Options

During the year 200,000 ESOP options in the Group were exercised and 200,000 fully paid shares (ASX: TAS) in the Company were issued to employees. The amount paid per share upon the exercise of the options was \$0.05.

Details of Remuneration for Year Ended 30 June 2017

The remuneration for each director and each of the executive officers of the Group during the year was as follows:

Key Management Personnel Remuneration - 2017

Key Management Person	Short-term Benefits		Post-employment benefits		Termination	Share-based payments		Total	Performance Related
	Salary and Fees	Cash profit share	Other	Super-annuation	Other	Equity	Options		
	\$	\$	\$	\$	\$	\$	\$		
Gregory H Solomon	^450,000			42,750				492,750	
Douglas H Solomon	^82,800	-	-	7,866	-	-	-	90,666	-
Guy T Le Page	^82,800	-	-	7,866	-	-	-	90,666	-
Aaron P Gates	(i)	-	-	-	-	-	18,864	18,864	-
Robert N Smith	37,216	-	-	35,058	-	-	-	72,274	-
Michael J Glasson	42,377	-	-	35,452	-	-	-	77,829	-
Richard J Beresford	46,800	-	-	4,446	-	-	-	51,246	-
Roger W Marmaro	609,409	-32,425		20,006	-	-	- 419,203	1,081,043	-
	1,351,402	-32,425		153,444	-	-	- 438,067	1,975,338	

DIRECTORS' REPORT

Key Management Personnel Remuneration – 2016

Key Management Person	Short-term Benefits		Post-employment benefits		Termination	Share-based payments		Total	Performance Related
	Salary and Fees	Cash profit share	Other	Super-annuation	Other	Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	%
Gregory H Solomon	^322,500	-	-	^30,637	-	-	-	353,137	-
Douglas H Solomon	^72,000	-	-	^6,840	-	-	-	78,840	-
Guy T Le Page	^72,000	-	-	^6,840	-	-	-	78,840	-
Aaron P Gates	(i)	-	-	-	-	-	16,000	16,000	-
Robert N Smith	42,918	-	-	34,911	-	-	-	77,829	-
Michael J Glasson	42,918	-	-	34,911	-	-	-	77,829	-
Richard J Beresford	36,000	-	-	3,420	-	-	-	39,420	-
Roger W Marmaro	408,854	-	32,467	19,014	-	-	16,000	476,335	-
	997,190	-	32,467	136,573	-	-	32,000	1,198,230	-

^ This includes remuneration from both Tasman Resources Ltd and Eden Innovations Ltd.

- (i) These management personnel are remunerated by Princebrook Pty Ltd under the Princebrook Management Services Contract, for which the Group paid \$510,000 (2016: \$434,670) during the year.
- (ii) The appointment of Robert Smith and Michael Glasson may be terminated by giving not less than four weeks' written notice.

<End of Remuneration Report>

Options

At the date of this report, the unissued ordinary shares of the Group under option are as follows:

Company	Grant Date	Date of Expiry	Exercise Price	Number under Option
Tasman Resources Ltd	6 January 2015	31 March 2018	\$0.05	1,300,000
Tasman Resources Ltd	Various	31 March 2018	\$0.05	57,509,927
Eden Innovations Ltd	Various	30 September 2018	\$0.03	206,346,439
Eden Innovations Ltd	16 March 2016	28 February 2019	\$0.095	6,150,000
Eden Innovations Ltd	8 March 2017	1 March 2019	\$0.40	5,000,000
Eden Innovations Ltd	8 March 2017	1 March 2019	\$0.48	5,000,000
Eden Innovations Ltd	20 May 2016	19 May 2019	\$0.31	22,490,000
Eden Innovations Ltd	20 May 2016	19 May 2019	\$0.2875	2,250,000
Eden Innovations Ltd	20 May 2016	19 May 2019	\$0.3875	1,125,000
Eden Innovations Ltd	Various	28 February 2020	\$0.27	26,576,843
Eden Innovations Ltd	9 May 2017	30 June 2020	\$0.30	330,000
				334,078,209

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

Directors' Meetings

During the financial year, 3 meetings of directors were held. Attendance by each director during the year was as follows:

	Number eligible to attend	Number attended
Gregory H Solomon	3	3
Douglas H Solomon	3	3
Guy T Le Page	3	3

Due to the nature of the operations and the size of the board, all the directors were in close communication throughout the year and most matters were attended to by way of circulatory resolution rather than formal directors' meetings.

DIRECTORS' REPORT

Indemnifying Officers or Auditor

The group has paid premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The total premium paid for the year was \$42,852.

Proceedings on Behalf of Group

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

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

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

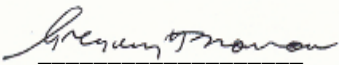
- all non-audit services are reviewed and approved prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2017.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 14.

Signed in accordance with a resolution of the Board of Directors.



Gregory H Solomon
Dated this 28th day of September 2017

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*

To the directors of Tasman Resources Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2017 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Nexia Perth Audit Services Pty Ltd**

TJ Spooner
Director

Perth
28 September 2017

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 30 JUNE 2017**

	Note	Consolidated Group	
		2017 \$	2016 \$
Revenue	2	949,467	1,206,849
Other income		90,912	16,626
Raw materials and consumables used		(419,782)	(491,284)
Changes in inventories		121,859	(64,464)
Advertising and marketing		(399,540)	(321,443)
Consultants		(1,010,484)	(340,640)
Depreciation and amortisation expense		(488,848)	(207,538)
Employee benefits expense	3	(7,130,328)	(2,661,751)
Finance costs		(19,941)	-
Management fees		(510,000)	(434,670)
Other financial items	4	(1,316,475)	197,061
Research expense		(370,065)	(32,000)
Travel and accommodation		(665,042)	(193,586)
Other expenses		(1,735,400)	(889,829)
Loss before income tax		(12,903,667)	(4,216,669)
Income tax (expense) / benefit	5	43,339	139,842
Loss from continuing operations		(12,860,328)	(4,076,827)
Loss after tax from discontinued operations		-	(26,594)
Loss for the year		(12,860,328)	(4,103,421)
Other Comprehensive Income / (Loss), net of income tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation reserve		(31,083)	(125,048)
Income tax relating to comprehensive income		-	-
<i>Items reclassified to profit or loss</i>			
Foreign currency translation reserve		-	(519,189)
Total Other Comprehensive Income / (Loss), net of tax		(31,083)	(644,237)
Total Comprehensive Income / (Loss)		(12,891,411)	(4,747,658)
Profit/(Loss) attributable to:			
Owners of the parent		(6,107,743)	(2,245,950)
Non-controlling interests		(6,752,585)	(1,857,471)
		(12,860,328)	(4,103,421)
Total comprehensive income / (loss) attributable to:			
Owners of the parent		(6,119,889)	(2,531,966)
Non-controlling interests		(6,771,522)	(2,215,692)
		(12,891,411)	(4,747,658)
Basic/Diluted loss per share (cents per share)	7	(1.5995)	(0.6443)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	Consolidated Group	
		2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	8,932,545	12,166,347
Inventories		613,192	491,333
Other assets		104,844	75,392
Trade and other receivables		121,819	214,468
TOTAL CURRENT ASSETS		9,772,400	12,947,540
NON-CURRENT ASSETS			
Exploration and Evaluation expenditure	10	16,700,384	17,528,885
Financial assets		-	106,945
Intangibles	11	3,711,401	3,009,306
Property, plant and equipment	12	10,511,308	747,538
TOTAL NON-CURRENT ASSETS		30,923,093	21,392,674
TOTAL ASSETS		40,695,493	34,340,214
CURRENT LIABILITIES			
Trade and other payables	13	2,050,003	773,938
Interest bearing liabilities	14	217,452	-
Provisions	15	165,908	215,738
TOTAL CURRENT LIABILITIES		2,433,363	989,676
NON-CURRENT LIABILITIES			
Interest bearing liabilities	14	1,154,260	-
Provisions	15	5,456	2,853
TOTAL NON-CURRENT LIABILITIES		1,159,716	2,853
TOTAL LIABILITIES		3,593,079	992,529
NET ASSETS		37,102,414	33,347,685
EQUITY			
Issued capital	16	28,614,082	27,786,696
Reserves	17	11,932,007	6,149,107
Accumulated losses		(15,363,781)	(9,256,038)
Parent's interest		25,182,308	24,679,765
Non-controlling interest		11,920,106	8,667,920
TOTAL EQUITY		37,102,414	33,347,685

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2017

	Attributable to owners of the Company						
	Issued Capital	Option Reserve	Foreign Currency Trans- lation Reserve	Other Equity	Accumulated Losses	Non- controlling Interests	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 30 June 2015	24,953,765	989,885	341,288	125,034	(7,010,088)	1,163,562	20,563,446
Issue of shares	2,832,931	-	-	-	-	-	2,832,931
Issue of options	-	601,869	-	-	-	-	601,869
Issue of equity in subsidiary	-	-	-	-	-	14,097,097	14,097,097
Change in ownership of subsidiary	-	-	-	4,377,046	-	(4,377,046)	-
Loss for the year	-	-	-	-	(2,245,950)	(1,857,471)	(4,103,421)
Other comprehensive loss	-	-	(286,015)	-	-	(358,222)	(644,237)
Total comprehensive loss	-	-	(286,015)	-	(2,245,950)	(2,215,692)	(4,747,658)
Balance at 30 June 2016	27,786,696	1,591,754	55,273	4,502,080	(9,256,038)	8,667,920	33,347,685
Issue of shares	827,386	-	-	-	-	-	827,386
Issue of equity in subsidiary	-	-	-	-	-	15,818,754	15,818,754
Change in ownership of subsidiary	-	-	-	5,795,046	-	(5,795,046)	-
Loss for the year	-	-	-	-	(6,107,743)	(6,752,585)	(12,860,328)
Other comprehensive loss	-	-	(12,146)	-	-	(18,937)	(31,083)
Total comprehensive loss	-	-	(12,146)	-	(6,107,743)	(6,771,522)	(12,891,411)
Balance at 30 June 2017	28,614,082	1,591,754	43,127	10,297,126	(15,363,781)	11,920,106	37,102,414

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2017

	Note	Consolidated Group	
		2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,233,210	1,210,793
Payments to suppliers and employees		(10,374,739)	(5,141,882)
Interest received		10,746	8,488
Interest paid		(19,941)	-
Income taxes (paid) / rebates received		43,338	139,842
Net cash used in continuing operations		(9,107,386)	(3,782,759)
Net cash used in discontinuing operations		-	(30,297)
Net cash used in operating activities	25	(9,107,386)	(3,813,056)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation expenditure		(97,491)	(93,106)
Payments for development of intangible assets		(949,884)	(1,329,650)
Purchase of property, plant and equipment		(7,943,781)	(510,588)
Proceeds on sale of subsidiary, net of cash		-	(34,189)
Net cash used in investing activities		(8,991,156)	(1,967,533)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of issue costs		15,298,440	17,052,896
Net cash provided by financing activities		15,298,440	17,052,896
Net increase (decrease) in cash held		(2,800,102)	11,272,307
Net increase(decrease) due to foreign exchange movements		(433,700)	(381,878)
Cash at beginning of financial year		12,166,347	1,275,918
Cash at end of financial year	9	8,932,545	12,166,347

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial report of Tasman Resources Limited and controlled entities complies with all International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board in their entirety.

The financial report covers the consolidated group of Tasman Resources Ltd and controlled entities as at and for the year ended 30 June 2017. Tasman Resources Ltd is a listed public company, incorporated and domiciled in Australia. The Group is a for-profit entity and primarily is involved in mineral exploration in South Australia and clean technology solutions through its subsidiary Eden Innovations Ltd.

The financial report was authorised for issue on 28 September 2017 by the board of directors.

The following is a summary of the material accounting policies adopted by the group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. These consolidated financial statements are presented in Australian dollars, which is Tasman Resources Ltd's and Eden Innovations Ltd's functional currency. The functional currencies of Eden Innovations Ltd's subsidiaries are USD and INR.

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities the realisation of assets and extinguishment of liabilities in the ordinary course of business.

Accounting Policies

a. Principles of Consolidation

A controlled entity is any entity Tasman Resources Ltd 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. A list of controlled entities is contained in Note 20 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent.

Non-controlling interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised.

Tasman Resources Ltd and Noble Energy Pty Ltd, its wholly-owned Australian subsidiary, have formed an income tax consolidated group under the tax consolidation regime. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2005. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

c. **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of first-in, first-out.

d. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15 – 50% straight line

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

e. **Exploration and Evaluation Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward where the right to tenure is current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

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

f. **Intangibles**

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

Intellectual Property

Intellectual property, which includes trademarks and engineering knowledge, is included in the financial statements at cost, being their fair value on acquisition.

Intellectual property and trademarks are only amortised or written down where the useful lives are limited or impaired by specific circumstances, in such cases amortisation is charged on a straight line basis over their useful lives and write downs are charged fully when incurred. The directors have assessed the useful life of the intellectual property and have estimated that it has a finite useful life of 10 to 20 years. The intellectual property is amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

Intellectual property is amortised over 10-20 years in line with its estimated useful life.

g. **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

g. **Financial Instruments continued**

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Fair value

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

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

h. **Foreign Currency Transactions and Balances**

Functional and presentation currency

The functional currency of each of the Group's entities is based on the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at historic rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed of. Intercompany loans are treated as investments for foreign currency translation purposes.

i. **Impairment of Assets**

At each reporting date, the Group reviews the carrying values of its non-financial tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

j. **Investments in Associates**

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the group's share of post-acquisition reserves of its associates.

k. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
k. Employee Benefits continued
Equity-settled compensation

The Group operates a number of share-based compensation plans. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

l. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts.

n. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

o. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p. New accounting standards and interpretations

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2017. The adoption of these new standards and amendments has not had a material impact on the Group.

q. Segment reporting

Segment results that are reported to the Group's board of directors (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

r. Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

s. New accounting standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2017, and have not been applied in preparing these consolidated financial statements. Significant new standards include:

AASB 9 Financial Instruments - Refer to Note 30 for the Group's financial instruments at reporting date: the Group's financial instruments primarily comprise cash and cash equivalents and trade payables. Management are of the view that the standard will not have a significant impact on these types of financial instruments.

AASB 15 Revenue from Contracts with Customers – Based on current revenue for the year ended 30 June 2017, the application of this Standard is not expected to be significant.

AASB 16 Leases - Based on current operating leases for the year ended 30 June 2017, the application of this Standard is not expected to be significant.

u. Key estimates

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

u. Key estimates continued

Key Estimates – Exploration and evaluation

The Group's policy for exploration and evaluation is discussed in Note 1(e). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. At the date of this report the Group has sufficient reason to believe:

- rights to explore in specific areas, once expired, will be renewed;
- substantive expenditure on exploration and evaluation in specific areas has been budgeted;
- exploration in specific areas is ongoing and the Group has not decided to discontinue; and
- no specific sufficient data exists that indicates that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

Key Estimates — Impairment

The group assesses impairment of assets held for sale and intangible assets at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. At the date of this report the Group has sufficient reason to believe that no impairment triggers exist for intangible assets.

There is a significant risk of actual outcomes being different from those forecasted due to changes in economic or market conditions and events.

Key Estimates — Share-based payment transactions

The consolidated entity measures the cost of equity settled transactions with suppliers by reference to the fair value of the equity instruments as at the date at which they are granted. The fair value is determined using a Black-Scholes model. Refer to Note 23 for the inputs to the Black-Scholes model.

	Note	2017	2016
		\$	\$
NOTE 2: REVENUE			
a. Operating activities			
— sale of goods or services		949,467	1,206,849
Total Revenue		949,467	1,206,849

NOTE 3: EMPLOYEE BENEFITS

Short-term employee benefits		(5,675,238)	(2,268,756)
Post-employment benefits		(299,226)	(221,579)
Termination benefits		(115,753)	-
Share based payments		(1,081,063)	(216,000)
Allocated to exploration and evaluation		40,952	44,584
Total		(7,130,328)	(2,661,751)

NOTE 4: OTHER FINANCIAL ITEMS

Foreign exchange realisation on disposal of subsidiary		-	519,188
Foreign exchange gain / (loss)		(390,483)	(322,127)
Impairment of exploration and evaluation	4a	(925,992)	-
Total		(1,316,475)	197,061

- a. The Group does not have immediate plans for further substantive expenditure on exploration and evaluation on the Lucas Hill project area and in accordance with AASB 6 has recognised a provision for impairment against this project area.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
NOTE 5: INCOME TAX EXPENSE		
a. The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit/(loss) from ordinary activities at 27.5% (2016: 30%)	(3,548,508)	(1,265,001)
	<u>(3,548,508)</u>	<u>(1,265,001)</u>
Tax effect of:		
— Non-deductible expenses	381,898	161,438
— Current year tax loss not recognised	2,405,121	2,846,383
— Current year temporary differences not recognised	1,825,659	(1,726,906)
— Net effect of change of tax rate	(1,107,509)	-
— Non-assessable gains	-	(155,756)
Income tax expense / (benefit) reported in the Income Statement	<u>(43,339)</u>	<u>(139,842)</u>
b. Components of deferred tax		
Unrecognised deferred tax asset – losses	25,023,579	23,852,192
Capital raising costs	227,931	227,015
Property, plant and equipment	(883,548)	-
Provisions and accruals	254,742	65,577
Exploration and evaluation	(4,355,057)	(5,281,283)
Intangibles	(1,002,489)	(846,542)
Interest bearing liabilities (intercompany)	1,039,165	-
Total unrecognised deferred tax assets	<u>20,304,323</u>	<u>18,016,959</u>

Deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The benefit of the tax losses will only be obtained if the Group complies with conditions imposed by the tax legislation.

NOTE 6: AUDITORS' REMUNERATION

Remuneration of the auditor of the Group for:

— auditing or reviewing the financial report	72,125	69,225
— Other services	-	1,200

Remuneration of other auditors

— auditing or reviewing the financial report	35,022	33,129
— Other services	3,490	4,636

NOTE 7: EARNINGS PER SHARE

a. Reconciliation of earnings to profit or loss

Profit/(loss)	(6,107,743)	(2,245,950)
Earnings used to calculate basic EPS	<u>(6,107,743)</u>	<u>(2,245,950)</u>
	No.	No.

b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

381,856,786 348,608,729

The effect of share options on issue is not potentially dilutive at 30 June 2017 or 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: KEY MANAGEMENT PERSONNEL COMPENSATION

a. Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Person	Position
Gregory H Solomon	Executive Chairman
Douglas H Solomon	Non-Executive Director
Guy T Le Page	Non-Executive Director
Richard Beresford	Non-Executive Director – Eden Innovations
Aaron P Gates	Company Secretary / CFO
Robert N Smith	Senior Geologist
Michael J Glasson	Senior Geologist
Roger Marmaro	President Eden Innovations LLC

b. Options and Rights Holdings

Number of Options in the Company Held by Key Management Personnel - 2017

	Balance 1.7.2016	Granted as Compe- nsation	Options Exercised	Net Change Other*	Balance 30.6.2017	Total Vested 30.6.2017	Total Exer- cisable 30.6.2017	Total Unexer- cisable 30.6.2017
A Gates	1,700,000	-	-	(535,000)	1,165,000	1,165,000	1,165,000	-
D Solomon	8,759,244	-	(6,127,282)	-	2,631,962	2,631,962	2,631,962	-
G Solomon	15,473,775	-	(7,182,726)	-	8,291,049	8,291,049	8,291,049	-
G Le Page	-	-	-	-	-	-	-	-
M Glasson	781,233	-	-	-	781,233	781,233	781,233	-
R Beresford	-	-	-	-	-	-	-	-
R Smith	500,000	-	(200,000)	-	300,000	300,000	300,000	-
R Marmaro	-	-	-	-	-	-	-	-
Total	27,214,252	-	(13,510,008)	(535,000)	13,169,244	13,169,244	13,169,244	-

*The Net Change Other reflected above includes those options that have lapsed, options issued pursuant to rights issues and options purchased or sold on market during the year under review.

Number of Options in the Company Held by Key Management Personnel - 2016

	Balance 1.7.2015	Granted as Compe- nsation	Options Exercised	Net Change Other*	Balance 30.6.2016	Total Vested 30.6.2016	Total Exer- cisable 30.6.2016	Total Unexer- cisable 30.6.2016
A Gates	725,000	-	-	975,000	1,700,000	1,700,000	1,700,000	-
D Solomon	19,009,179	-	(13,350,000)	3,100,065	8,759,244	8,759,244	8,759,244	-
G Solomon	19,322,597	-	(7,000,000)	3,151,178	15,473,775	15,473,775	15,473,775	-
G Le Page	-	-	-	-	-	-	-	-
M Glasson	1,246,233	-	(500,000)	35,000	781,233	781,233	781,233	-
R Beresford	-	-	-	-	-	-	-	-
R Smith	1,049,600	-	(500,000)	(49,600)	500,000	500,000	500,000	-
R Marmaro	-	-	-	-	-	-	-	-
Total	41,352,609	-	(21,350,000)	7,211,643	27,214,252	27,214,252	27,214,252	-

*The Net Change Other reflected above includes those options that have lapsed, options issued pursuant to rights issues and options purchased or sold on market during the year under review.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: KEY MANAGEMENT PERSONNEL COMPENSATION CONTINUED

b. Options and Rights Holdings (Continued)**Number of Options in Eden Innovations Ltd Held by Key Management Personnel - 2017**

	Balance 1.7.16	Granted as Comp- ensation	Options Exercise d	Net Change Other*	Balance 30.6.2017	Total Vested 30.6.2017	Total Exer- cisable 30.6.2017	Total Unexer- cisable 30.6.2017
A Gates	575,000	450,000	-	-	1,025,000	575,000	575,000	450,000
D Solomon	11,499,542	-	(235,126)	-	11,264,416	11,264,416	11,264,416	-
G Solomon	13,092,309	-	-	-	13,092,309	13,092,309	13,092,309	-
G Le Page	2,013,321	-	-	-	2,013,321	2,013,321	2,013,321	-
M Glasson	39,844	-	-	-	39,844	39,844	39,844	-
R Beresford	700,000	-	-	-	700,000	700,000	700,000	-
R Smith	-	-	-	-	-	-	-	-
R Marmaro	500,000	10,000,000	-	-	10,500,000	500,000	500,000	10,000,000
Total	28,420,016	10,450,000	(235,126)	-	38,634,890	28,184,890	28,184,890	10,450,000

*The Net Change Other reflected above includes those options that have lapsed, options issued pursuant to rights issues and options purchased or sold on market during the year under review.

Number of Options in Eden Innovations Ltd Held by Key Management Personnel - 2016

	Balance 1.7.15	Granted as Comp- ensation	Options Exercised	Net Change Other*	Balance 30.6.2016	Total Vested 30.6.2016	Total Exer- cisable 30.6.2016	Total Unexer- cisable 30.6.2016
A Gates	75,000	500,000	-	-	575,000	575,000	575,000	-
D Solomon	2,764,826	-	-	8,734,716	11,499,542	11,499,542	11,499,542	-
G Solomon	3,325,827	-	-	9,766,482	13,092,309	13,092,309	13,092,309	-
G Le Page	-	-	-	2,013,321	2,013,321	2,013,321	2,013,321	-
M Glasson	31,875	-	-	7,969	39,844	39,844	39,844	-
R Beresford	700,000	-	-	700,000	700,000	700,000	700,000	-
R Smith	-	-	-	-	-	-	-	-
R Marmaro	500,000	500,000	(500,000)	-	500,000	500,000	500,000	-
Total	7,397,528	1,000,000	(500,000)	21,222,488	28,420,016	28,420,016	28,420,016	-

*The Net Change Other reflected above includes those options that have lapsed, options issued pursuant to rights issues and options purchased or sold on market during the year under review.

c. Shareholdings**Number of Shares held in the Company by Key Management Personnel**

	Balance 1.7.2016	Received as Compensation	Options Exercised	Net Change Other*	Balance 30.6.2017
A Gates	1,000,000	-	-	-	1,000,000
D Solomon	75,351,259	-	6,127,282	-	81,478,541
G Solomon	70,023,520	-	7,182,726	-	77,206,246
G Le Page	1,784,821	-	-	-	1,784,821
M Glasson	1,200,000	-	-	-	1,200,000
R Beresford	-	-	-	-	-
R Smith	50,000	-	200,000	(20,000)	230,000
R Marmaro	-	-	-	-	-
Total	149,409,600	-	13,510,008	(20,000)	162,899,608

* Net Change Other refers to shares purchased or sold during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: KEY MANAGEMENT PERSONNEL COMPENSATION CONTINUED

c. **Shareholdings continued**

Number of Shares held in the Company by Key Management Personnel continued

	Balance 1.7.2015	Received as Compensation	Options Exercised	Net Change Other*	Balance 30.6.2016
A Gates	650,000	-	-	350,000	1,000,000
D Solomon	55,801,131	-	13,350,000	6,200,128	75,351,259
G Solomon	56,721,167	-	7,000,000	6,302,353	70,023,520
G Le Page	1,784,821	-	-	-	1,784,821
M Glasson	630,000	-	500,000	70,000	1,200,000
R Beresford	-	-	-	-	-
R Smith	195,600	-	500,000	(645,600)	50,000
R Marmaro	-	-	-	-	-
Total	115,782,719	-	21,350,000	12,276,881	149,409,600

* Net Change Other refers to shares purchased or sold during the financial year.

Number of Shares held in Eden Innovations Ltd by Key Management Personnel

	Balance 1.7.2016	Received as Compensation	Options Exercised	Net Change Other*	Balance 30.6.2017
A Gates	100,000	-	-	-	100,000
D Solomon	23,633,072	-	235,126	-	23,868,198
G Solomon	27,652,546	-	-	-	27,652,546
G Le Page	1,971,570	-	-	(621,165)	1,350,405
M Glasson	125,313	-	-	-	125,313
R Beresford	3,150,000	-	-	-	3,150,000
R Smith	-	-	-	-	-
R Marmaro	2,478,648	-	-	-	2,478,648
Total	59,111,149	-	235,126	(621,165)	58,725,110

* Net Change Other refers to shares purchased or sold during the financial year.

	Balance 1.7.2015	Received as Compensation	Options Exercised	Net Change Other*	Balance 30.6.2016
A Gates	100,000	-	-	-	100,000
D Solomon	13,824,126	-	-	9,808,946	23,633,072
G Solomon	16,629,130	-	-	11,023,416	27,652,546
G Le Page	-	-	-	1,971,570	1,971,570
M Glasson	159,375	-	-	(34,062)	125,313
R Beresford	3,500,000	-	-	(350,000)	3,150,000
R Smith	-	-	-	-	-
R Marmaro	2,478,648	-	-	-	2,478,648
Total	36,691,279	-	-	22,419,870	59,111,149

* Net Change Other refers to shares purchased or sold during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: KEY MANAGEMENT PERSONNEL COMPENSATION CONTINUED

d. Remuneration

Refer to disclosures contained in the Remuneration Report section of the Directors' Report. The totals of remuneration paid to key management personnel of the Group during the year are as follows:

	2017	2016
	\$	\$
Short-term employee benefits	1,383,827	1,029,657
Post-employment benefits	153,444	136,573
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	438,067	32,000
Total	1,975,338	1,198,230

NOTE 9: CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash at bank and in hand	8,932,545	12,166,347
	<u>8,932,545</u>	<u>12,166,347</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	8,932,545	12,166,347
	<u>8,932,545</u>	<u>12,166,347</u>

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE

Balance at the beginning of the financial year	17,528,885	17,435,779
Expenditure incurred during the year	97,491	93,106
Less provision for impairment	(925,992)	-
Balance at the end of the financial year	16,700,384	17,528,885

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of respective mining areas.

The company's exploration tenements include areas subject to native title claims. As a result, mining and exploration activities may be subject to exploration and mining restrictions or compensation payments.

Capitalised costs included in cash flows from investing activities in the cash flow statement

	97,491	93,106
	<u>97,491</u>	<u>93,106</u>

NOTE 11: INTANGIBLE ASSETS

Intellectual property	13,594,842	12,644,958
Accumulated amortisation	(481,962)	(234,173)
Accumulated impairment expenses	(9,401,479)	(9,401,479)
Net carrying value	3,711,401	3,009,306
Balance at the beginning of the year	3,009,306	1,804,923
Additions	949,884	1,329,650
Amortisation expense	(247,789)	(125,267)
Carrying amount at the end of the year	3,711,401	3,009,306

Intellectual property relates to pyrolysis technology, EdenCrete™ and OptiBlend™. Capitalised costs amounting to \$949,884 (2016: \$1,329,650) have been included in cash flows from investing activities in the statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Land and buildings \$	Plant and equipment \$	Total \$
Cost			
Balance 1 July 2016	-	1,499,070	1,499,070
Additions	3,957,702	6,270,088	10,227,790
Disposals	-	(146,493)	(146,493)
Net exchange differences	(76,285)	(173,412)	(249,697)
Balance 30 June 2017	<u>3,881,417</u>	<u>7,449,253</u>	<u>11,330,670</u>
Depreciation and impairment			
Balance 1 July 2016	-	(751,532)	(751,532)
Depreciation	(68,778)	(181,132)	(249,910)
Disposals	-	146,493	146,493
Net exchange differences	1,326	34,261	35,587
Balance 30 June 2017	<u>(67,452)</u>	<u>(751,910)</u>	<u>(819,362)</u>
Carrying amount at 30 June 2017	<u>3,813,965</u>	<u>6,697,343</u>	<u>10,511,308</u>
Cost		\$	\$
Balance 1 July 2015	-	926,970	926,970
Additions	-	584,609	584,609
Disposals	-	(1,464)	(1,464)
Net exchange differences	-	(11,045)	(11,045)
Balance 30 June 2016	<u>-</u>	<u>1,499,070</u>	<u>1,499,070</u>
Depreciation and impairment			
Balance 1 July 2015	-	(674,508)	(674,508)
Depreciation	-	(82,372)	(82,372)
Net exchange differences	-	5,348	5,348
Balance 30 June 2016	<u>-</u>	<u>(751,532)</u>	<u>(751,532)</u>
Carrying amount at 30 June 2016	<u>-</u>	<u>747,538</u>	<u>747,538</u>

Capitalised costs amounting to \$7,943,781 (2016: \$510,588) have been included in cash flows from investing activities in the statement of cash flows for the Consolidated Group. As at 30 June 2017 the Group had outstanding purchase orders for equipment totalling \$131,680.

	2017 \$	2016 \$
NOTE 13: TRADE AND OTHER PAYABLES		
Trade and other payables	2,050,003	773,938
	<u>2,050,003</u>	<u>773,938</u>
NOTE 14: INTEREST BEARING LIABILITIES		
Current portion	217,452	-
Non-current portion	1,154,260	-
	<u>1,371,712</u>	<u>-</u>

Relates to the loan for the purchase of the Dumont Way property. It is secured over the property, repayable in six equal annual instalments, carries an interest rate of 2% and is denominated in US dollars.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 15: PROVISIONS		
CURRENT		
Employee entitlements and warranties	165,908	215,738
	<u>165,908</u>	<u>215,738</u>
NON-CURRENT		
Employee entitlements	5,456	2,853
	<u>5,456</u>	<u>2,853</u>
NOTE 16: ISSUED CAPITAL		
396,050,684 (2016: 379,502,960) fully paid ordinary shares	28,614,082	27,786,696
	<u>28,614,082</u>	<u>27,786,696</u>

a. Ordinary shares	2017	2016	2017	2016
	No.	No.	\$	\$
At the beginning of reporting period	379,502,960	306,451,851	27,786,696	24,953,765
Shares issued during the year:	16,547,724	73,051,109	827,386	2,832,931
At reporting date	<u>396,050,684</u>	<u>379,502,960</u>	<u>28,614,082</u>	<u>27,786,696</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. **Options**

For information relating to the Group's employee option plan and options issued to key management personnel during the financial period, refer to Note 23 Share-based Payments.

c. **Capital Management**

Management controls the working capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in responses to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTE 17: RESERVES

a. **Option Reserve**

The option reserve records items recognised as expenses on valuation of share options.

b. **Financial Asset Reserve**

The financial asset reserve records revaluations of non-current assets.

c. **Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on the translation of foreign controlled subsidiaries.

NOTE 18: EVENTS AFTER THE BALANCE SHEET DATE

There were no material events that occurred after the reporting date.

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities at 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 20: CONTROLLED ENTITIES

Subsidiaries of Tasman Resources Ltd:	Country of Incorporation	Percentage Owned (%)*	
		2017	2016
Noble Energy Pty Ltd	Australia	100	100
Eden Innovations Ltd	Australia	39**	42.4**
Eden Energy Holdings Pty Ltd	Australia	39**	42.4**
Adamo Energy Ltd	Australia	39**	42.4**
Eden Innovations LLC	USA	39**	42.4**
EdenCrete Industries Inc	USA	39**	42.4**
Eden Innovations India Pvt Limited	India	39**	42.4**

* - Percentage of voting power is in proportion to ownership

** - The Group has control over Eden Innovations Ltd and its subsidiaries on a de facto power basis, because the remaining voting rights in the investee are widely dispersed and there is no indication that all other shareholders exercise their votes collectively.

NOTE 21: ASSOCIATED COMPANIES

Interests are held in the following associated listed companies

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carry amount of investment	
				2017 %	2016 %	2017 \$	2016 \$
Conico Ltd	Mineral exploration	Australia	Ord	13.34	14.05	-	-
						2017 \$	2016 \$

a. Movements During the Year in Equity Accounted Investment in Associate

Balance at beginning of the financial year	-	-
Less: Share of loss of associate	-	-
Balance at end of the financial year	-	-

b. Summarised Presentation of Aggregate Assets, Liabilities and Performance of Associate

Current assets	491,068	464,001
Non-current assets	14,931,505	14,780,214
Total assets	15,422,573	15,244,215
Current liabilities	124,548	93,017
Non-current liabilities	275,000	275,000
Total liabilities	399,548	368,017
Net assets	15,023,025	14,876,198
Revenues	-	-
Profit/(Loss) after income tax of associates	(325,673)	(54,113)

c. The reporting date of Conico Ltd is 30 June.

d. Market value of listed investment in associate

— Conico Ltd - shares	1,617,575	1,368,717
	1,617,575	1,368,717

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 22: COMMITMENTS	2017	2016
	\$	\$
a. Capital Expenditure Commitments		
— not later than 12 months	131,680	1,191,123
— greater than 12 months	-	-
	131,680	1,191,123
b. Other Commitments		
On 29 March 2016, Eden accepted an offer from AEDA to support construction of a manufacturing facility at Augusta Corporate Park. The agreement provides that for the first phase, within 4 years of receiving a Certificate of Occupancy, Eden must invest at least \$67 million and create 251 jobs. If the goals are less than 80% complete at that time, it must purchase the Phase 1 property for \$25,000 per acre, 143 acres.		
c. Exploration commitments:		
In order to maintain current rights of tenure to exploration tenements, the company is required to perform minimum exploration work to meet the requirements specified by State government. It is anticipated that minimum expenditure commitments for the twelve months will be tenement rentals of \$17,500 (2016: \$20,000) and exploration expenditure of nil (2016: \$1,050,000).		

NOTE 23: SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2017:

All options granted to key management personnel are for ordinary shares in either Tasman Resources Ltd or Eden Innovations Ltd, which confer a right of one ordinary share for every option held.

The Tasman options outstanding at 30 June 2017 all had an exercise price of \$0.05 and remaining contractual life of 0.75 years. The Eden options outstanding at 30 June 2017 all had a weighted average exercise price of \$0.238 and a weighted average remaining contractual life of 2.48 years.

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility, which may not eventuate. Volatility of 52-67% and a risk free rate of 1.5-1.8% were used in the Black-Scholes model for the options granted during the year. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

200,000 options were exercised during the year ended 30 June 2017. Included under employee benefits expense in the income statement is \$1,081,063 (2016: \$216,000) and relates, in full, to equity settled share-based payment transactions.

	2017		2016	
	Number of Options	Weighted Avg Exercise Price	Number of Options	Weighted Avg Exercise Price
Tasman's Options				
Outstanding at the beginning of the year	1,500,000	0.05	2,500,000	0.05
Granted	-	-	-	-
Exercised	(200,000)	0.05	(1,000,000)	0.05
Expired	-	-	-	-
Outstanding at year-end	1,300,000	0.05	1,500,000	0.05
Exercisable at year-end	1,300,000	0.05	1,500,000	0.05
Eden's Options				
Outstanding at the beginning of the year	6,550,000	0.095	3,375,000	0.025
Granted	27,861,269	0.27	6,750,000	0.095
Exercised	-	-	(3,300,000)	0.025
Lapsed	(1,354,426)	0.218	(275,000)	0.076
Outstanding at year-end	33,056,843	0.238	6,550,000	0.095
Exercisable at year-end	6,150,000	0.095	6,550,000	0.095

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 24: SEGMENT REPORTING

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance.

Activities of the Group are managed on a Group structure basis and operating segments are therefore determined on the same basis. In this regard the following list of reportable segments has been identified.

- Tasman Resources Ltd – Mineral exploration in South Australia
- Eden Innovations Ltd – EdenCrete[®] production and sales in the USA and Optiblend[®] sales and manufacturing in India and the USA.

	Tasman Resources Ltd	Eden Innovations Ltd	Eliminations	Consolidated Entity	Discontinued Operations
	\$	\$	\$	\$	\$
30 June 2017					
Total external revenue	-	949,466	-	949,466	-
Inter-segment revenue	-	-	-	-	-
Total segment revenue	-	949,466	-	949,466	-
Segment profit/(loss) result	(1,600,210)	(11,294,262)	-	(12,894,472)	-
Unallocated expenses				-	-
Result from operating activities				(12,894,472)	-
Interest revenue	3,653	7,093	-	10,746	-
Interest expense	-	(19,941)	-	(19,941)	-
Income tax (expense)/benefit	-	43,339	-	43,339	-
Loss after income tax				(12,860,328)	-
Segment Assets	24,422,499	22,980,864	(6,707,870)	40,695,493	-
Unallocated assets				-	-
Total Assets				40,695,493	-
Segment Liabilities	177,537	3,415,542		3,593,079	-
Unallocated Liabilities				-	-
Total Liabilities				3,593,079	-
Capital expenditure	97,491	10,073,783	-	10,171,274	-
Depreciation and amortisation	8,851	479,997	-	488,848	-
30 June 2016					
Total external revenue	-	1,206,849	-	1,206,849	-
Inter-segment revenue	-	-	-	-	-
Total segment revenue	-	1,206,849	-	1,206,849	-
Segment profit/(loss) result	(843,022)	(3,382,350)	-	(4,225,372)	(26,594)
Unallocated expenses				-	-
Result from operating activities				(4,225,372)	(26,594)
Interest revenue	2,470	6,233	-	8,703	-
Interest expense	-	-	-	-	-
Income tax (expense)/benefit	-	139,842	-	139,842	-
Loss after income tax				(4,076,827)	(26,594)
Segment Assets	25,235,980	15,812,104	(6,707,870)	34,340,214	-
Unallocated assets				-	-
Total Assets				34,340,214	-
Segment Liabilities	221,846	770,683	-	992,529	-
Unallocated Liabilities				-	-
Total Liabilities				992,529	-
Capital expenditure	93,106	1,914,259	-	2,007,365	-
Depreciation and amortisation	10,708	196,830	-	207,538	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 25: CASH FLOW INFORMATION

	2017 \$	2016 \$
a. Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Profit/(Loss) after income tax	(12,680,328)	(4,103,421)
Non-cash flows in profit and loss		
Depreciation and amortisation	488,848	207,538
Impairment expense	925,992	25,000
Share based payments	1,323,563	216,000
Other financial items	390,483	197,061
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	92,469	(123,982)
(Increase)/decrease in inventories	(121,859)	61,464
Increase/(decrease) in trade payables and accruals*	426,219	(288,070)
Increase/(decrease) in provisions	47,227	(4,646)
Cash flow used in operations	<u>(9,107,386)</u>	<u>(3,813,056)</u>

* - Net of non-operating movements and amounts not settled with cash

NOTE 26: PARENT COMPANY INFORMATION

a. Parent Entity		
Assets		
Current assets	965,170	940,903
Non-current assets	26,443,210	27,280,562
Total Assets	<u>27,408,380</u>	<u>28,221,465</u>
Liabilities		
Current liabilities	172,081	218,993
Non-current liabilities	5,456	2,853
Total liabilities	<u>177,537</u>	<u>221,846</u>
Equity		
Issued Capital	28,614,082	27,786,696
Retained Earnings	(2,974,993)	(1,378,831)
Reserves		
Option reserve	1,591,754	1,591,754
Total reserves	<u>1,591,754</u>	<u>1,591,754</u>
Financial performance		
Profit / (Loss) for the year	(1,596,163)	(833,776)
Other comprehensive income	-	-
Total comprehensive loss	<u>(1,596,163)</u>	<u>(833,776)</u>

Contingent Liabilities

The Directors are not aware of any contingent liabilities as at 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 27: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms.		2017	2016
		\$	\$
a. Key Management Personnel			
	Management and administration fees paid/payable to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest. At 30 June 2017 an amount of \$42,000 (2016: \$36,222) was included in Trade Payables as owing to Princebrook Pty Ltd.	510,000	434,670
	Legal fees paid to Solomon Brothers, a firm of which Mr GH Solomon and Mr DH Solomon are partners.	17,392	98,809
	Capital raising fees paid to RM Corporate Finance Pty Ltd, a company of which Mr GT Le Page has an interest.	-	14,610
	Capital raising fees paid to RM Capital Pty Ltd, a company in which Mr G T Le Page has an interest.	-	10,000
	Consulting fees paid to Orequest Pty Ltd, a company in which Mr G T Le Page has an interest.	-	3,400
b. Associated Companies			
	Reimbursement from Conico Ltd (in which Tasman has a 13.34% interest) and its subsidiaries, for employee costs and vehicle hire.	80,166	7,335

NOTE 30: FINANCIAL INSTRUMENTS

a. Financial Risk Management

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

The main purpose of non-derivative financial instruments is to raise finance for group operations.

i. Liquidity Risk

Responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring cash flows.

The remaining contractual maturities of the Group and Parent entity's financial liabilities are:

	2017	2016
	\$	\$
12 months or less	2,267,455	773,938
1 year or more	1,154,260	-
Total	3,421,715	773,938

ii. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, as disclosed in the balance sheet.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

iii. Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the group's measurement currency. At 30 June 2017, the effect on the loss and equity as a result of a 10% increase in the exchange rates, with all other variables remaining constant would be an decrease in loss by \$300,000 (2016: \$700,000) and an increase in equity by \$300,000 (2016: \$700,000).

iv. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's has minimal exposure to interest rate risk, the only asset / liability affected by changes in market interest rates is Cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 30: FINANCIAL INSTRUMENTS CONTINUED

b. Financial Instruments

i. Net Fair Values

Aggregate net fair values and carrying amounts of financial assets and financial liabilities.

	2017		2016	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial Assets				
Cash and cash equivalents	8,932,545	8,932,545	12,166,347	12,166,347
Trade and other receivables	121,819	121,819	214,468	214,468
Financial assets	-	-	106,945	106,945
Investments accounted for using the equity method	-	1,617,575	-	1,368,717
	<u>9,054,364</u>	<u>10,671,939</u>	<u>12,487,760</u>	<u>13,856,477</u>
Financial Liabilities				
Trade and sundry payables	2,050,003	2,050,003	773,938	773,938
Interest bearing liabilities	1,371,712	1,371,712	-	-
	<u>3,421,715</u>	<u>3,421,715</u>	<u>773,938</u>	<u>773,938</u>

NOTE 31: COMPANY DETAILS

The registered office of the company is:

Tasman Resources Ltd
Level 15
197 St Georges Terrace
Perth
Western Australia 6000

The principal place of business is:

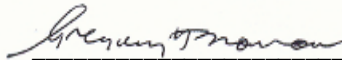
Tasman Resources Ltd
Level 15
197 St Georges Terrace
Perth
Western Australia 6000

DIRECTORS' DECLARATION

In the opinion of the directors of Tasman Resources Ltd (the "Company"):

- a. the financial statements and notes set out on pages 15 to 36, and the Remuneration disclosures that are contained in pages 11 to 13 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (iii) complying with International Financial Reporting Standards as disclosed in Note 1.
- b. the remuneration disclosures that are contained in page 11 to 13 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and
- c. 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 made in accordance with a resolution of the Board of Directors.



Gregory H Solomon
Director

Dated this 28th day of September 2017

Independent Auditor's Report to the Members of Tasman Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tasman Resources Ltd (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Funding and liquidity Refer Note 1</p> <p>Tasman Resources Ltd is a company with investments in clean technology solutions, innovative materials and exploration projects. The Group earns revenue from the sale of its clean technology solutions and innovative material products. At the end of the financial year, the size of the Group's activities had not yet grown to a scale where it is able to rely on the revenue it generates to support its operations.</p> <p>Accordingly, the Group is reliant on funding from external sources to support its operations.</p> <p>The adequacy of funding and liquidity as well as the relevant impact on the going concern assessment is a key audit matter which needs to be evaluated.</p>	<p>We evaluated the Group's funding and liquidity position at 30 June 2017 and its ability to repay its debts as and when they fall due for a minimum of 12 months from the date of signing the financial report. In doing so, we:</p> <ul style="list-style-type: none"> • obtained management's cash flow forecast for the 15 months from the commencement of the 2018 financial year; • assessed the reliability and completeness of management's assumptions by comparing the forecast cash flows to those of current and previous years as well as our understanding of future events and conditions; • assessed the Group's capacity to raise capital through the issue of shares; • checked the market value of the Group's listed investments; • considered events subsequent to year end to determine whether any additional facts or information have become available since the date on which management made its assessment.
<p>Valuation of Exploration and Evaluation Assets</p> <p>Refer Notes 1e, 4, and 10</p> <p>As at 30 June 2017 the carrying value of exploration and evaluation assets was \$16,700,384 (2016: \$17,528,885). The Group's accounting policy in respect of exploration and evaluation assets is outlined in Note 1e.</p> <p>This is a key audit matter due to the fact that significant judgement is required in determining whether there are any facts or circumstances that indicate the Group should test the exploration assets for impairment.</p>	<p>Our procedures focussed on evaluating whether there were facts or circumstances that indicated that the Group should test Exploration and Evaluation assets for impairment. These procedures included, amongst others:</p> <ul style="list-style-type: none"> - confirming whether the rights to tenure of the areas of interest remained current at balance date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future; - obtaining evidence of the future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes; - obtaining an understanding of the status of ongoing exploration programmes, for the areas of interest; and - Following management's decision to cease activities in the Lucas Hills project, we tested that all the previously capitalised costs relating to that project, being \$925,992, were recognised as an impairment loss.

	We also assessed the appropriateness of the accounting treatment and disclosure in terms of AASB 6.
<p>Share-based payments</p> <p>Share options were issued to employees and consultants as detailed in Note 23.</p> <p>Management performed calculations to record the related share-based payment expense in the consolidated statement of comprehensive income. Due to the complex and judgmental estimates used in determining the valuation of the share-based payments, we consider management's calculation of the share-based payment expense to be a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • obtaining management's expert's valuation of the fair value of the share options issued during the financial year; • assessing the competence, capabilities and objectivity of management's expert; • obtaining an understanding and evaluating the appropriateness of the valuation model used by management's expert; and • obtaining evidence for the assumptions and inputs to the valuation model used by management's expert. <p>We also assessed the disclosures included in Note 23 comply with the requirements of AASB 2 <i>Share-Based Payment</i>.</p>

Other information

The directors are responsible for the other information. The other information comprises the information in Tasman Resources Limited's annual report for the year ended 30 June 2017, but does not include the consolidated financial report and the auditor's report thereon.

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

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

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

Directors' responsibility for the financial report

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

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

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 11 of the Directors' Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Tasman Resources Limited for the year ended 30 June 2017, complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

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



Nexia Perth Audit Services Pty Ltd



TJ SPOONER FCA, FCA(UK), ACIS, AGIA
Director

Perth
28 September 2017

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

1. Shareholding as at 31 August 2017

a. Distribution of Shareholders	Number
Category (size of holding)	Ordinary
1 – 1,000	136
1,001 – 5,000	310
5,001 – 10,000	388
10,001 – 100,000	1,258
100,001 – and over	439
	2,531

b. The number of shareholdings held in less than marketable parcels at 31 August 2017 is 272.

c. The names and relevant interests of the substantial shareholders listed in the company's register as at 31 August 2017 are:

Shareholder	Number Ordinary
Arkenstone Pty Ltd	77,206,246
March Bells Pty Ltd	81,478,541

d. **Voting Rights**

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest Shareholders — Ordinary Shares**

Name	Number of Shares Held	% of Issued Capital
1. Arkenstone Pty Ltd <G H Solomon Family Invest A/C>	54,398,743	13.7350%
2. March Bells Pty Ltd <DH Solomon Family A/C>	51,825,970	13.0850%
3. March Bells Pty Ltd <The Douglas H Solomon S/F>	23,310,105	5.8860%
4. Arkenstone Pty Ltd <The Gregory and Lee Solomon Super Fund A/C>	21,819,953	5.5090%
5. Kalsie Holdings Pty Ltd <Iyer Super Fund A/C>	12,222,223	3.0860%
6. Rosherville Pty Ltd	9,200,000	2.3230%
7. Endeavour River Pty Ltd	7,000,000	1.7680%
8. March Bells Pty Ltd	5,354,910	1.3520%
9. Citicorp Nominees Pty Limited	4,980,439	1.2580%
10. Nirvana Now Pty Ltd <Ray Walker Family A/C>	3,265,001	0.8240%
11. Malenki Pty Ltd	3,110,667	0.7860%
12. NGY Holdings Pty Ltd <Darling Super Fund A/c>	3,046,230	0.7690%
13. Mr Stephen Barrett <SR & A Barrett Super Fund A/c>	3,000,000	0.7570%
14. HSBC Custody Nominees (Australia) Ltd	2,845,456	0.7180%
15. Mr Norman Maher	2,689,744	0.6790%
16. Mr Robert Gilder	2,100,000	0.5300%
17. Mr Thomas Fleet Scaife	2,056,569	0.5190%
18. Camjack Investments Pty Ltd <Camjack Super Fund A/c>	1,850,000	0.4670%
19. Mr & Mrs Rogerson & Miss C Rogerson <The Rogerson Super Fund A/c>	1,835,553	0.4630%
20. Dr Sam Iyer	1,700,000	0.4290%
	217,611,563	54.943%

f. 20 Largest Optionholders — TASO

Name	Number of Shares Held	% of Issued Capital
1. Arkenstone Pty Ltd <G H Solomon Family Invest A/C>	7,938,894	13.808%
2. Rosherville Pty Ltd	7,800,000	13.567%
3. Kalsie Holdings Pty Ltd <Iyer Super Fund A/C>	7,611,112	13.238%
4. Endeavour River Pty Ltd	2,600,000	4.522%
8. Mr Norman Maher	2,277,828	3.962%
9. Dr Kok Kian Lim	2,016,000	3.506%
7. Happy Giraffe Investments Pty Ltd	1,909,565	3.321%
10. March Bells Pty Ltd <DH Solomon Family A/C>	1,909,527	3.321%
13. Font SF Pty Ltd <Fontanalice Pty Ltd A/c>	1,456,845	2.534%
18. 4 Eyes Limited <Worsley Family A/c>	1,167,443	2.032%
12. Malenki Pty Ltd	1,059,134	1.842%
11. Rivermore Pty Ltd	1,030,000	1.791%
15. NGY Holdings Pty Ltd <Darling Super Fund A/c>	984,991	1.713%
16. Archdeacon Philip John Newman	791,667	1.377%
17. Mr Philip Newman & Mrs Rebecca Newman <Newman Family S/f A/c>	791,667	1.377%
4. Mr Michael Bellamy	652,322	1.135%
14. Roxsel Pty Ltd <The Azbec Family A/c>	500,000	0.870%
20. Namwen Investments Pty Ltd	470,000	0.817%
19. Wonfair Investments Pty Ltd	374,242	0.651%
5. March Bells Pty Ltd <DH Solomon Family A/C>	370,278	0.644%
	43,711,515	76.028%

2. Unquoted Securities – Options as at 31 August 2017

Holder Name	Date of Expiry	Exercise Price	Number on issue	Number of holders
Employee Share Options	31 March 2018	\$0.05	1,200,000	3
			1,200,000	3

TENEMENT SCHEDULE

Table 1: Tasman Resource Tenement Schedule

State	Licence Type	Number	% Interest	Locality	Location
SA	EL	5849	100	Lucas Hill	Approximately 25 km south of Woomera
SA	EL	5499	100	Andamooka North	Approximately 140 km north west of Leigh Creek
SA	EL	5602	100	Iron Knob	Approximately 50 km WSW of Port Augusta