CobaltOne Limited

(formerly known as Equator Resources Limited)

2017 ANNUAL REPORT

CORPORATE DIRECTORY

Cobalt One Limited
ACN 127 411 796

Directors

Paul Matysek	(Non-Executive Chairman) (Appointed 10 February 2017)
Jason Bontempo	(Executive Director)
Nicholas Rowley	(Non-Executive Director) (Appointed 20 September 2016)
Alexander Passmore	(Non-Executive Director) (Appointed 20 September 2016 and resigned 14 July 2017)
Michael Naylor	(Non-Executive Director) (Resigned 10 February 2017)
Shannon Robinson	(Non-Executive Director) (Resigned 20 September 2016)

Company Secretary
Michael Naylor

Registered Office
Level 1, 35 Richardson Street
West Perth WA 6005
Australia

Bankers
Westpac Banking Corporation Limited
Level 13, 109 St George's Terrace
Perth WA 6000
Australia

Share Registry
Advanced Share Registry Pty Ltd
110 Stirling Highway
Nedlands WA 6009

Stock Exchange Listing
The Company is listed on the Australian Securities Exchange
ASX Code: CO1

Website
www.cobaltonelimited.com

Auditors
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008
Australia

CONTENTS

DIRECTORS' REPORT

The Directors of Cobalt One Limited and its controlled entities ("Cobalt One" or "the Group") present their Annual Report for the year ending to 30 June 2017 ("the Reporting Date").

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Paul Matysek
Non-Executive Chairman, Appointed 10 February 2017

Paul Matysek is a mining entrepreneur, geochemist and geologist with over 35 years of experience in the mining industry. He has held senior executive and director positions with several natural resource exploration and development companies and is a proven company builder.

Mr Matysek was the Founder, President and CEO of Energy Metals Corporation ("EMC"), a premier uranium company that traded on the New York and Toronto Stock Exchanges. He led EMC as one of the fastest growing Canadian companies in recent years, increasing its market capitalization from $10 million in 2004 to approximately $1.8 billion when it was acquired by a larger uranium producer, Uranium One Inc, in 2007.

Mr Matysek is also the Executive Chairman and on the Board of Directors of Lithium X (TSX-V:LIX), a lithium resource explorer with projects in Salta, Argentina and Clayton Valley, Nevada. Previously, he was the President and CEO of Lithium One Inc., which developed a high-quality lithium project in northern Argentina. In July 2012, Lithium One and Galaxy Resources merged with a $112 million plan to create a fully integrated lithium company. Prior to Lithium One, Mr Matysek was the President and CEO of Potash One Inc. where he was the architect of the $434 million friendly takeover of Potash One by K+S Ag, which closed in early 2011. He was also formally the President and CEO of Goldrock Mines Corp. (TSX-V:GRM) which on July 28, 2016 was acquired by Fortuna Silver Mines (NYSE:FSM) (TSX:FVI). Goldrock's principal asset was the 100% owned Lindero Project located in Salta Province, Argentina and the transaction valued Goldrock at $178 million on a fully-diluted basis.

Jason Bontempo
Executive Director, Appointed 11 November 2015

Jason Bontempo has 21 years' experience in public company management, corporate advisory, investment banking and public company accounting, qualifying as a chartered accountant with Ernst & Young. Mr Bontempo has worked primarily in Australia and the UK providing corporate advice and the financing of resource companies on both the ASX and AIM markets including resource asset acquisitions and divestments. Mr Bontempo has also served on the board and the executive management of minerals and resources public companies focusing on advancing and developing mineral resource assets and business development.

Mr Bontempo is also currently a director of ASX listed companies Red Emperor Resources (ASX/AIM: RMP), Orca Energy Ltd (ASX: OGY) and iin the past three years was a director of Glory Resources Limited (resigned August 2015), Red Mountain Mining Limited (ASX:RMX) and Matrix Metals Limited (resigned February 2014).

Nicholas Rowley
Non-Executive Director, Appointed 20 September 2016.

Nicholas Rowley holds a Bachelor of Commerce from the University Of Notre Dame Western Australia and a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia. Mr Rowley previously worked for Bell Potter Securities Ltd for 9 years where he gained widespread experience in corporate advisory, M&A transactions and equities markets, advising domestic and international Institutional sales and high net worth individuals. He also advised on the equity financings of numerous ASX and TSX listed companies predominantly in the mining and resources sector. Mr Rowley currently serves as Director of Corporate Development for ASX listed Galaxy Resources.

Mr Rowley is currently a director of Minera Gold Limited (Appointed 9 August 2016) and has held no other listed directorships in the past three years.

Alex Passmore
Non-Executive Director, Appointed 20 September 2016 and resigned 14 July 2017.

Alexander Passmore is an experienced corporate executive with a strong financial and technical background. He has managed the arrangement of debt and equity financing for many well-known resources companies and has a wealth of experience in project evaluation. Most recently he managed the WA Natural Resources Business of Commonwealth Bank of Australia (Institutional Banking and Markets) which comprised a substantial portfolio of loan, hedge, trade finance and working capital products to ASX listed and multinational resource company counterparties. Prior to this, Mr Passmore held senior roles at Patersons Securities including Director-Corporate Finance and Head of Research. Mr Passmore holds a BSc (Hons) in Geology from the University Of Western Australia and a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia.

Mr Passmore has held no listed directorships in the past three years.

Michael Naylor
Non-Executive Director, Appointed 15 February 2016 and resigned 10 February 2017.

Michael Naylor has 20 years' experience in corporate advisory and public company management since commencing his career and qualifying as a chartered accountant with Ernst & Young.

Mr Naylor has been involved in the management of mineral and resources focused public companies serving on the board and in the executive management team focusing on advancing and developing mineral resource assets and business development. Michael is also a member of the Chartered Secretaries Australia.

Mr Naylor is currently a director of Tawana Resources NL (ASX: TAW) (Appointed 1 January 2015) and Helix Resources Limited (ASX: HLX) (Appointed 28 November 2016).

Shannon Robinson
Non-Executive Director, Appointed 11 November 2015, Resigned 20 September 2016

Shannon Robinson (LLB, B.Com, AAICD, GIA(cert)) is a former corporate lawyer specialising in providing corporate and strategic advice in relation to acquisitions and mergers, capital raisings, listing of companies on stock exchanges (ASX & AIM), due diligence reviews and legal compliance.

Company Secretary

Michael Naylor
Appointed 15 February 2016. See profile and experience for Mr Naylor above.

Interests in the shares and options of the Group

At the date of this report, the interests of the Directors, including those nominally held, in the shares and options of Cobalt One Limited were:

Name	Position	Ordinary Shares	Options
Paul Matysek	Non-Executive Chairman	1,000,000	20,000,000
Jason Bontempo	Executive Director	5,000,000	10,000,000
Nicholas Rowley	Non-Executive Director	2,500,000	13,000,000
Total		**8,500,000**	**43,000,000**

CobaltOne Limited

CORPORATE INFORMATION

Corporate Structure

Cobalt One Limited is a Company limited by shares that is incorporated and domiciled in Australia. Cobalt One Limited has fully owned subsidiaries Acacia Minerals Pty Ltd, Cobalt Camp Ontario Holdings Corp, Cobalt Camp Refinery Limited and 80% of Ophiolite Consultants Pty Ltd. The Group has prepared a consolidated financial report incorporating the entities that it controlled during the year and as at the date of this Annual Report.

Principal Activities

The principal activities of the Group throughout the year have comprised the following:

- Exploration of tenements in Australia and Canada;
- Reviewing other potential mineral exploration projects;
- Investing cash assets in interest bearing bank accounts; and
- The general administration of the Group.

LOSS PER SHARE	2017	2016
Basic loss per share (cents)	(2.62)	(3.79)
Diluted loss per share (cents)	(2.62)	(3.79)

DIVIDENDS

No dividends in respect of the current financial year have been paid, declared or recommended for payment.

EXPLORATION REVIEW

Cobalt Camp

In February 2017, Cobalt One completed the acquisition of 80% of Ophiolite Pty Ltd, which has a 100% interest in high grade, strategic Cobalt properties located in the Cobalt Town region of Ontario, Canada.

The Cobalt area is an established Tier-1 mining district, with extensive road, rail and port infrastructure, able to target future production to key North American, and export markets. The district is a proven mining region with over 600Moz Ag and 45Mlbs of Cobalt production from previous operating mines. Much of this silver was extracted in early 1900's, with minimal focus on Co or on high grade Co regions which were typically left behind or used as a tracer to track silver.

Mineralisation in the area occurs as silver-cobalt arsenides plus other cobalt arsenides such as skutterudite, cobaltite, smaltite hosted within quartz and calcite veins. Historical sampling from some of these veins (Lang-Caswell) shows exceptionally high grades of cobalt (4-12%). (source: Northern Ontario Ministry of Development and Mines "MNDM")

Within the Assets, up to 80-90% of mineralised zones is related to the Nipissing diabase, Huronian sediments and Keewatin volcanics - particularly near contact points between the diabase and the latter two rock types, which is typical regionally. The Assets cover over 20kms of highly prospective ground along these contact points.

The Project claims include and are adjacent to former operating mines with historic silver and cobalt production. Miners in early 1900s targeted easy to access outcrop due to the lack of geophysical technology that exists today. There has been minimal modern day exploration carried out to date.

The Cobalt Camp Projects include significant exploration upside and further growth opportunities due to minimal modern exploration techniques applied, structures are relatively shallow and amenable to IP analysis and low cost shallow drilling. Former mines provide a significant database for the Company on production assets and for exploration programs to target along strike.

Figure 1: Project Location Map

Acquisition of Silverfields

The Company acquired the historic Silverfields mine property (“Silverfields”) a mine previously owned by Teck Corporation Ltd to its extensive portfolio of properties. The operation was historically mined for silver mineralisation with cobalt being an unpaid by-product.

Silverfields was operated by Teck Corporation from 1964 to 1983 and was one its key operations in Canada at the time. It was a prolific silver producer producing 18Moz of Ag at 12.8oz/ ton (362 g/t Ag).

Exploration and Work Programs

The ongoing exploration program at the company’s Cobalt camp projects since completion in February 2017 has consisted of:

- GIS data integration, studying historical exploration including underground drilling and mine workings data.
- The completion of a combined high-resolution airborne magnetic and VLF-EM survey to better map main geological contacts, known veins and their extent and to locate new veins distribution, and gain an understanding of the structural control on the vein intrusion and metal deposits.

Cobalt Refinery

In 2017, Cobalt One purchased properties, permits, assets and rights, including intellectual property and goodwill, relating to or held for use in connection with the operation of the cobalt concentrates refinery located in North Cobalt, Ontario, Canada, on an “as is” basis (“Refinery Assets”).

The Company believes the purchase of the Refinery Assets is an appropriate long term strategic addition to the Company's existing cobalt project portfolio in the Cobalt Mining Camp of Ontario, Canada.

The acquisition confirms Cobalt One as a major player in the Cobalt Mining Camp to take advantage of future processing of potential cobalt resources from the Company's own land holdings. In addition, it will also include meeting the potential demand of third parties actively exploring and developing their own cobalt resources in the region, with the potential to result in a significant North American based primary cobalt producing region.
The refinery is not currently operating, and will require upgrades to meet the Company's potential future processing demands.

Option Agreement with First Cobalt

Prior to entering into the scheme implementation agreement, Cobalt One also entered into a Binding Term Sheet with First Cobalt under which the Company granted First Cobalt an option to purchase 50% of the share capital of Cobalt Camp Refinery Ltd ("Camp"), a wholly owned subsidiary of the Company incorporated in Canada ("Option"), subject to the satisfaction of conditions precedent.

First Cobalt provided a non-refundable payment of CAD$750,000 ("Option Fee") on execution of the Option Term Sheet. The Option provides First Cobalt with the right to purchase half of Camp's issued shares. The exercise price of the Option reflects the value of half of the consideration required for completion under the asset purchase agreement with 36569 Yukon Inc ("Yukon") ("Asset Purchase Agreement").

Further details of the terms of the Option can be found in ASX announcement dated 2 June 2017.

If the merger with First Cobalt become effective, the option term sheet will automatically terminate.

Northern Territory

Acacia – Frazer
The Acacia Frazer project located in the Northern Territory, approximately 50kms south of Darwin. The project area is situated within the northern part of the Pine Creek Orogen, which is host to several occurrences of gold, uranium and base metal mineralisation. The Company believes the Acacia Frazer Project area has potential to host an economically viable mineralisation with substantial benefit to both exploration and potential development with excellent infrastructure, proximity and availability of skilled labour within a favourable mining jurisdiction.

The Company completed a reconnaissance mapping and surface sampling program assessing a number of target areas generated from desktop studies and a revised interpretation of historical results following integration of various datasets.

The reconnaissance program has affirmed structural interpretations, and identified a number of areas containing quartz veining associated with moderate hydrothermal alteration, including the Acacia North prospect. Mapping of veins on surface have demonstrated limited continuity and low density of quartz veining and results of surface sampling has not identified substantial metal anomalism associated with them. Surface rock chip sampling at the Q-02 Prospect evaluating favourable lithology and structure has returned no anomalous values.

Sampling of sedimentary targets identified for Uranium potential have returned low level anomalism, however no areas tested to date are of sufficient anomalism to justify follow-up exploration activity at this time.

CORPORATE REVIEW

Acquisition of Ophiolite Pty Ltd
In February 2017 the Company completed the acquisition of 80% of Ophiolite Pty Ltd, which has a 100% interest in high grade, strategic Cobalt properties located in the Cobalt Town region of Ontario, Canada.

The terms of the acquisition is set out below:

- Provide up to $500,000 as a loan facility to Ophiolite for the funding of agreed exploration activities on the Assets until settlement, on standard commercial terms for a term of up to 6 months;

- Issue 100,000,000 ordinary shares in Cobalt One to the owner (or their nominee) of Ophiolite (these shares were issued on 9 February 2017).

The Company also issued the following to parties that assisted in the project acquisition:

- 25,000,000 Shares as a facilitation fee (Facilitation Shares). The Shares will vest on satisfaction of a performance milestone for the provision of ongoing services to the Company up to 31 December 2017.

- 5,000,000 options exercisable at $0.03 exercisable within 3 years after grant. It is a condition of exercise that Equator has been provided by the vendor with a report on the Assets that is equivalent to and compliant as a NI 43-101 report on the Assets; and

- 5,000,000 options exercisable at $0.06 cents within 3 years after grant. It is a condition of exercise that Equator has released a report in respect of the Project confirming a JORC and/ or NI 43-101 compliant resource or on any subsequent complementary mining asset acquired by Cobalt One if it was introduced by the vendor group.

The vendor also granted Cobalt One a call option to acquire the remaining 20% of Ophiolite. In consideration for this Equator issued the following to the Vendors:

- 20,000,000 options exercisable at $0.03 exercisable within 3 years after grant. It is a condition of exercise that Equator has been provided by the vendor with a report on the Assets that is equivalent to and compliant as a NI 43-101 report on the Assets; and

- 20,000,000 options exercisable at $0.06 cents within 3 years after grant. It is a condition of exercise that Equator has released a report in respect of the Project confirming a JORC and/ or NI 43-101 compliant resource or on any subsequent complementary mining asset acquired by Cobalt One if it was introduced by the vendor group.

If both tranches of the call options vest then Cobalt One has the option (but not obligation) to require the transfer of the remaining 20% in Ophiolite (resulting in Cobalt One becoming a 100% shareholder).

If only one tranche of the options has vested then Cobalt One has the option (but not obligation) to require the transfer of a 10% shareholding interest in the Company to Equator and the parties agree to enter into good faith discussions regarding the remaining 10% shareholding interest in Ophiolite by Cobalt One at a price to be agreed between the parties.

Acquisition of Refinery

Cobalt One completed an asset purchase agreement with 36569 Yukon Inc ("Yukon") and its parent company, Yukon Refinery AG, ("Agreement") whereby the Company purchased properties, permits, assets and rights, including intellectual property and goodwill, from Yukon relating to or held for use in connection with the operation of the cobalt concentrates refinery located in North Cobalt, Ontario, Canada, on an "as is" basis ("Refinery Assets") (together the "Transaction").

Under the Agreement, the Company:

- paid A$6,000,000 to Yukon's legitimate creditors with a claim against the Refinery Assets and the remainder to Yukon or its nominee as directed by Yukon ("Cash Consideration"); and
- issued 100,000,000 fully paid ordinary shares in Cobalt One of which 50,000,000 Shares are escrowed for a period of 24 months from the date of issue, and 50,000,000 are escrowed for a period of 12 months from the date of issue.

Cobalt One received shareholder approval under ASX Listing Rule 7.1 for the Share Consideration on 9 June 2017 and they were issued in July 2017.

Board Changes

On 20 September 2016, Mr Nicholas Rowley and Mr Alex Passmore were appointed to the board as Non-Executive Directors and Ms Shannon Robinson resigned from the board.

On 10 February 2017, Mr Naylor resigned from the board as a Director and Mr Paul Matysek was appointed to the Board as a Non-Executive Chairman on 15 February 2017.

Placements

In December 2016, Equator completed a placement raising $1.2m at an issue price of $0.02 per share.

In February 2017, the Company completed a placement raising $3.0m at an issue price of $0.085 per share. In addition, 60m options were converted at an issue price of $0.02 per option.

In June 2017, the Company completed a placement raising $2.0m at an issue price of $0.10 per share.

Merge with First Cobalt

Cobalt One and First Cobalt Corp entered into a binding Scheme Implementation Deed, under which it is proposed that First Cobalt will acquire 100% of the shares in Cobalt One via a Scheme of Arrangement (“Scheme”).

Overview of the Scheme

Cobalt One shareholders will receive 0.145 fully paid common shares of First Cobalt in the form of First Cobalt common shares or ASX-listed CHESS Depository Interests.

Cobalt One will become a wholly-owned subsidiary of First Cobalt.

The Scheme is subject to approval by Cobalt One shareholders and other customary conditions, including court approval. Under the Scheme Implementation Deed, the parties will be bound by all customary provisions including “no shop”, “no talk” and “notification” obligations, as well as “matching” rights.

Full details of all conditions precedent to the Scheme and other agreed terms are set out in the Scheme Implementation Deed (a copy of which is attached to ASX announcement dated 14 July 2017).

Board recommendations

The Board of Cobalt One recommends that Cobalt One shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of Cobalt One shareholders. Subject to those same qualifications, each director of Cobalt One intends to vote all the Cobalt One shares controlled by them in favour of the Scheme.

Change of Company Name

In May 2017, the Company changed its name from “Equator Resources Limited” to “Cobalt One Limited”. The name change is consistent with the Company embarking on a Cobalt development strategy at the Cobalt Camp in Ontario, Canada.

The Company has also advised the ASX of the change of name and the new ASX Code is “CO1”.

OPERATING AND FINANCIAL REVIEW

Operating Results for the Year

The operating loss for the Group after income tax was $9,762,425 (2016: $887,793). The Group has continued to focus on development of its mining tenements during the year.

Operating costs incurred during the year mainly comprised of costs associated with share based payments, general administration of the Group and compliance expenses incurred during the year.

Review of Financial Condition

During the financial year, the Group utilised funds for administration and exploration at Acacia Frazer project.

Review of Financial Position
The Group has cash reserves of $2,147,481 (2016: $1,863,444) and net assets of $32,803,631 (2016: $1,805,825).

Cash Flows
The cash flows of the Group consisted of:
- Interest income from interest bearing bank accounts;
- Payments in relation to asset acquisitions
- Payments in relation to administration costs;
- Payments to Directors, consultants and suppliers; and
- Proceeds from loans
- Proceeds from capital raisings

Risk Management
The Board takes a pro-active approach to risk management. The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis and the Group's objectives and activities are aligned with the risks and opportunities identified by the Board. The Group believes that it is crucial for all Board members to be a part of this process and as such has not established a separate risk management committee. Risk management is a recurring agenda item at meetings of the Board.

Share Options
As at the date of this report, there were 96,500,000 unissued ordinary shares under options. Refer to the remuneration report for further details of the options outstanding for Key Management Personnel (KMP).

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

69,750,000 shares were issued as a result of the exercise of options during the year or until the date of this report (30 June 2016: Nil).

Summary of Shares at Reporting Date
The Group has the following shares on issue at the date of this report.

Security Description	**Number of Securities**
Fully paid shares	682,026,602

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes in the state of affairs occurred during the year:

- The Group purchased exploration and refinery assets in the cobalt sector in Canada.

There were no other significant changes in the state of the state of affairs of the Group for the year ended 30 June 2017.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In July 2017, the following events occurred:
- 10m facilitation shares were issued to advisors in consideration for facilitation services in relation to assisting the Company in the Yukon refinery asset acquisition and corporate services.
- 250,000 options were exercised at $0.02 per share.
- The Group entered into a binding Scheme Implementation Deed with First Cobalt Corp, under which it is proposed that First Cobalt Corp. will acquire 100% of the shares in the Group via a Scheme of Arrangement. The Group's shareholders (other than ineligible foreign holders) will receive 0.145 fully paid common shares of First Cobalt Corp. in the form of First Cobalt common shares or ASX-listed CHESS Depository interests. The Scheme is subject to approval by the Group's shareholders and other customary conditions, including court approval. Should the scheme not go ahead, a break fee of $1.4 million could be payable and a termination payment of $312,000 payable to Mr Paul Matysek.

- Mr Alex Passmore resigned as Non-Executive Director due to other work commitments.
- 100m shares were issued to nominees of 36569 Yukon Inc as consideration for the purchase of the Canadian Refinery Assets. Those shares were approved at the General Meeting dated 9 June 2017.
- The Company lodged the Scheme Booklet with ASIC.

No matters or circumstance has arisen since 30 June 2017 that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The likely developments in the operations of the Group and the expected results of operations will be:

- Exploring its Canadian cobalt exploration assets in Canada; and
- Reviewing the production potential of its Refinery assets in Canada.

ENVIRONMENTAL REGULATION

The consolidated entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The Directors have considered the National Greenhouse and Energy Reporting Act 2007 ('the NGER Act') and at the current stage of development and based on the locations of the Company's operations, the Directors have determined that the NGER Act will have no effect on the Group for the current or subsequent financial year. The Directors will reassess this position as and when the need arises. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 30 June 2017.

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director and executive remuneration arrangements of Cobalt One Limited in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purpose of this report Key Management Personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

The information provided in this remuneration report has been audited as required by section 308 (3C) of the *Corporations Act 2001*.

Names and positions held of Key Management Personnel in office at any time during the financial year

Directors

Paul Matysek	Non-Executive Chairman – appointed 10 February 2017.
Jason Bontempo	Executive Director – appointed 11 November 2015.
Nicholas Rowley	Non-Executive Director – appointed 20 September 2016.
Alexander Passmore	Non-Executive Director – appointed 20 September 2016 – resigned 14 July 2017.
Michael Naylor	Non-Executive Director – appointed 15 February 2016 – resigned 10 February 2017.
Shannon Robinson	Non-Executive Director – appointed 11 November 2015 – resigned 20 September 2016.

All Directors and KMP held their positions for the entire financial year and up to the date of this report unless otherwise stated.

Remuneration Governance

The Board of Directors of Cobalt One Limited is currently responsible for determining and reviewing compensation arrangements for the Directors and senior executives. The Board's remuneration policy has been implemented to ensure that the remuneration package properly reflects the person's duties and responsibilities, with the overall objective of ensuring goal congruence between Directors, executives and shareholders from the retention of a high quality Board and executive team. The policy seeks to provide remuneration and benefits that encourage high standards of performance and demonstrate the value the Group places on its officers by being equitable, consistent with individual performance and experience, and market competitive. Such officers are given the opportunity to receive their base emolument in a variety of forms. It is intended that the manner of payment chosen will be optimal for the recipient without creating any additional cost to the Group.

Overview of Remuneration Framework

The objective of the Group's remuneration policy for Directors and other Key Management Personnel is to ensure that:

- Remuneration packages properly reflect the duties and responsibilities of the person concerned; and
- Remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The remuneration framework has regard to shareholders' interests by:

- Focusing on sustained growth in share price, as well as focusing the executive on key non-financial drivers of value; and
- Attracting and retaining high calibre executives.

The remuneration framework has regard to executives' interests by:

- Rewarding capability and experience,
- Providing a clear structure for earning rewards,
- Providing recognition for contribution.

Remuneration Mix

To link executive remuneration with the Company's performance, the Company's policy is to endeavour to provide an appropriate portion of each executive's total remuneration as "at risk". However, fees and salaries were kept to a minimum and only fixed remuneration was received in the year ended 30 June 2017.

Use of remuneration consultants

No remuneration consultants were used by the Group during the 2017 year.

Voting at the Group's 2016 Annual General Meeting

Equator received more than 100% of "yes" votes on its Remuneration Report for the financial year ending 30 June 2016. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution specifies that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The aggregate remuneration to non-executive directors will not exceed the maximum approved amount of $300,000.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Director receives a fee for being a Director of the Group. Directors who are called upon to perform extra services beyond the Director's ordinary duties may be paid additional fees for those services.

Non-Executive Directors have long been encouraged by the Board to hold shares in the Group. It is considered good governance for Directors to have a stake in the Group on whose Board he or she sits. The Group considers the granting of options as a long-term variable component of the remuneration of Key Management Personnel as it provides a direct relationship as to increases in shareholders wealth via an increasing share price and the remuneration of individuals. During the year 2017, a $43,820 signing cash bonus was paid to Mr Paul Matysek per his agreement (2016: Nil).

The remuneration of Non-Executive Directors for the year ending 30 June 2017 is detailed in the table on page 16 of this report.

Senior Executive Remuneration

Objective

The Group aims to reward executives and executive Directors with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- Reward executives for business unit and individual performance;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals of the Group; and
- Ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board determines appropriate remuneration levels for executive roles based on available information.

Fixed Remuneration

Executives receive a fixed base cash salary and other associated benefits. All executives also receive a superannuation guarantee contribution required by Australian legislation which was 9.5%. No executives receive any retirement benefits.

Variable Remuneration – Short Term Incentives

Objective

Short Term incentives are used to recognise directors and executives for the achievement of short term goals and successes. At this stage of the Group's life, there are currently no set Key Performance Indicators by which short term incentives are measured, and therefore any payments are at the sole discretion of the board. No short term incentives of variable remuneration were paid to Key Management Personnel for 2017 and 2016.

The Group does not currently have a policy for limiting the level of at risk (incentive) remuneration.

Variable Remuneration – Long Term Incentives

Objective

The objectives of long term incentives are to:

- Recognise the ability and efforts of the Directors, employees and consultants of the Group who have contributed to the success of the Group and to provide them with rewards where deemed appropriate;
- Provide an incentive to the Directors, employees and consultants to achieve the long term objectives of the Group and improve the performance of the Group; and
- Attract persons of experience and ability to employment with the Group and foster and promote loyalty between the Group and its Directors, employees and consultants

Structure

Long term incentives granted to senior executives has and will be delivered in the form of options issued under an Employee Share Option Plan adopted during prior financial years.

Group Performance

It is not possible at this time to evaluate the Group's financial performance using generally accepted measures such as profitability, total shareholder return or peer Group comparison as the Group is at a very early stage in the implementation of the corporate strategy. Shareholder wealth is the only evaluation at this stage. This assessment will be developed over the next few years.

	2013 $	2014 $	2015 $	2016 $	2017 $
Revenue	9,360	556	107	777,650	17,302
Net Profit/(Loss)	(10,101,095)	(1,348,280)	1,692,034	(887,793)	(9,762,425)
Profit/(Loss) per share (cents)	(7.95)	(1.04)	1.30	(3.79)	(2.62)

Relationship of Reward and Performance

The value of options will represent a significant portion of an executive's salary package. The ultimate value to the executives of the options depends on the share price of Cobalt One Limited. The share price is the key performance criteria for long term incentive as the realised value arising from options issued is dependent upon an increase in the share price to above the exercise price of the options.

Short Term Incentive to Performance

The objective of the shorter term incentive plan is to reward executives in a manner which aligns reward with the creation of shareholder wealth. As such this reward is only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance.

Long Term Incentive to Performance

The objective of the long term incentive plan is to reward executives in a manner which aligns reward with the creation of shareholder wealth. As such this reward is only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance.

Long term incentives are delivered in the form of options. The strike price of options are determined so as to ensure that the options only have value if there is an increase in shareholder wealth over time.

The Group has no policy on executives and Directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

Employment Contracts

As at the date of the report there are no employment contracts in place.

Directors

Name	Base Salary / Fee	Term of Agreement	Notice Period by Company	Notice Period from Executive
Bedrock Capital Corporation[1]	CAD 144,000	N/A	N/A	N/A
J Bontempo[2]	AUD 60,000	N/A	N/A	N/A
N Rowley[2]	AUD 42,000	N/A	N/A	N/A
A Passmore[2]	AUD 42,000	N/A	N/A	N/A
Blue Leaf Corporate Pty Ltd[3]	AUD 60,000	Not specified	3 months	3 months
Ms S Robinson[4]	AUD 30,000	N/A	N/A	N/A

[1] Mr P Matysek is a Director of Bedrock Capital Corporation. A one-time signing bonus of CAD 42,000 was paid in June 2017 in recognition of the volume of work expected to be undertaken. In addition, an incentive fee subject to the discretion of the board.
[2] Fees may be adjusted at any time by the board.
[3] Mr M Naylor is a Director of Blue Leaf Corporate Pty Ltd. Included in this fee is directorship, company secretarial and financial accounting support. Mr M Naylor resigned as a director on 10 February 2017.
[4] Ms S Robinson resigned on 20 September 2017.

There are no other specific employment contract or service agreement for the Non-Executive Directors. Upon appointment Non-Executive Directors sign a letter which acknowledges that the Director will discharge their duties in accordance with the Corporations Act 2001.

Remuneration of Key Management Personnel

Remuneration for the year ended 30 June 2017

	Short Term		Post-Employment	Termination Benefits	Share Based Payments	Total	Fixed Remuneration	At risk – LTI
	Salary & Fees	Non-Monetary Benefits	Superannuation					
	$	$	$	$	$	$	%	%
Executive Directors								
Mr J Bontempo	125,000	-	-	-	305,000	430,000	29	71
Non-Executive Directors[1]								
Mr P Matysek	43,820[2]	-	-	-	1,265,000	1,308,820	3	97
Mr N Rowley	65,500		-	-	585,000	650,500	10	90
Mr A Passmore	80,500	-	-	-	280,000	360,500	22	78
Mr M Naylor	67,500	-	-	-	87,500	155,000	44	56
Ms S Robinson	15,000	-	1,425	-	-	16,425	100	-
Total	**397,320**	**-**	**1,425**	**-**	**2,522,500**	**2,921,245**		

[1] For appointment and resignation dates, refer to pages 4 and 5 of the Directors' Report.

[2] Relates to one off cash payment for sign-on bonus upon appointment

For the financial year 2017, no remuneration was paid to any other directors other than what is listed above.

Remuneration for the year ended 30 June 2016

	Short Term		Post-Employment	Termination Benefits	Share Based Payments	Total	Fixed Remuneration	At risk – LTI
	Salary & Fees	Non-Monetary Benefits	Superannuation					
	$	$	$	$	$	$	%	%
Executive Directors								
J Bontempo	25,000	-	-	-	164,613	189,613	13	87
Non-Executive Directors[1]								
S Robinson	25,000	-	2,375	-	77,465	104,840	26	74
M Naylor	34,500	-	-	-	29,049	63,549	54	46
R Marusco	56,000	-	-	-	-	56,000	100	0
Total	**140,500**	**-**	**2,375**	**-**	**271,127**	**414,002**		

[1] For appointment and resignation dates, refer to pages 4 and 5 of the Directors' Report.

For the financial year 2016, no remuneration was paid to any other directors other than what is listed above.

Equity Based Compensation
For the year ended 30 June 2017, the following options were issued to KMP:

Executive Directors	*Number of options over ordinary shares*
Mr J Bontempo	5,000,000
Non-Executive Directors	
Mr P Matysek	20,000,000
Mr N Rowley	13,000,000
Mr A Passmore	8,000,000
Mr M Naylor	2,500,000
Ms S Robinson	-

All options issued to directors and KMP are issued for nil consideration.

All options issued carry no dividend or voting rights. When exercised, each option is converted into one ordinary share pari passu with existing ordinary shares.

Value of Options Awarded, Exercised and Lapsed During the Year

Name	*Financial Year*	*Value of Options Granted During the Year $*	*Grant Date*	*Number of options granted*	*Fair Value Per Option*	*Exercise Price*	*Expiry Date*	*Value of Options Exercised during the year $**	*Value of Options Lapsed or Cancelled During the Year**	*Number of Options Lapsed or Cancelled During the Year**
Executive Directors										
Mr J Bontempo	2017	305,000	9 May17	5,000,000	$0.061	$0.08	10 Feb 20	-	-	-
Non-Executive Directors										
Mr P Matysek	2017	305,000	9 May 17	5,000,000	$0.061	$0.08	10 Feb 20	-	-	-
Mr P Matysek	2017	960,000	9 Jun 17	15,000,000	$0.064	$0.001	15 Jun 20	-	-	-
Mr N Rowley	2017	280,000	29 Nov 16	8,000,000	$0.035	$0.03	29 Nov 19	-	-	-
Mr N Rowley	2017	305,000	9 May 17	5,000,000	$0.061	$0.08	10 Feb 20	-	-	-
Mr A Passmore	2017	280,000	29 Nov 16	8,000,000	$0.035	$0.03	29 Nov 19	-	-	-
Mr M Naylor	2017	87,500	29 Nov 16	2,500,000	$0.035	$0.03	29 Nov 19	-	-	-

* Value at grant date.

Shareholdings of Key Management Personnel

The number of shares in the Company held during the financial year by each director of Cobalt One Limited and other key management personnel of the Group, including their personally related parties, are set out below.

30 June 2017	*Balance 01 Jul 16*	*Granted as Remuneration*	*Purchases*	*Held at Date of Appointment*	*Held at Date of Resignation*	*Balance 30 Jun 17*
Executive Directors						
Mr J Bontempo	5,000,000	-	-	-	-	5,000,000
Non-Executive Directors						
Mr P Matysek	-	-	1,000,000	-	-	1,000,000
Mr N Rowley	-	-		2,500,000	-	2,500,000
Mr A Passmore	-	-	-	-	-	-
Mr M Naylor	-	-	-	-	-	-
Ms S Robinson	-	-	-	-	-	-
	5,000,000	-	1,000,000	2,500,000	-	8,500,000

For appointment and resignation dates refer to pages 4 and 5 of the Directors' Report.

The Directors and KMP not mentioned above did not hold shares during the year. No shares were issued as part of remuneration.

Option Holdings of Key Management Personnel

The number of options over ordinary shares in the Company held during the financial year by each director of Cobalt One Limited and other key management personnel of the Group, including their personally related parties, are set out below.

30 June 2017	*Balance 01 Jul 16*	*Granted as Remuneration*	*Vested*	*Exercised*	*Disposed/ Lapsed*	*Held at Date of Appoint -ment*	*Held at Date of Resignation*	*Balance 30 Jun 17*
Executive Directors								
Mr J Bontempo	8,500,000	5,000,000	5,000,000	-	3,500,000	-	-	10,000,000
Non-Executive Directors								
Mr P Matysek	-	20,000,000	15,000,000	-	-	-	-	20,000,000
Mr N Rowley	-	13,000,000	8,000,000	-	-	-		13,000,000
Mr A Passmore	-	8,000,000	-	-		-	8,000,000	-
Ms S Robinson	4,000,000	-	-	-	-	-	4,000,000	-
Mr M Naylor	1,500,000	2,500,000	-	-	-	-	4,000,000	-
	14,000,000	48,500,000	28,000,000	-	3,500,000	-	16,000,000	43,000,000

Other than as detailed above, no key management personnel were issued options or had options outstanding in the financial year ended 30 June 2017.

Related Party Transactions
The Company has adopted a policy to contract services of certain Director Related entities to retain access to relevant expertise. The policy provides that Equator will only enter into a transaction with a Director Related entity in the following circumstances:

1. Any proposed transaction is at arm's length and on normal commercial terms; and
2. Where it is believed that the Director Related entity is best equipped to undertake the work after taking into account experience, expertise, knowledge of the Group, and value for money.

There are no loans or other transactions with KMP.

End of Audited Remuneration Report

MEETINGS OF DIRECTORS

The number of meetings of the Directors (including the Audit and Compliance Committee) held during the year and the number of meetings attended by each Director was as follows:

	Board of Directors	
	Number of Directors' Meetings Attended	**Number of Directors' Meetings Eligible to Attend**
Executive Directors		
Mr J Bontempo	-	-
Non-Executive Directors		
Mr P Matysek	-	-
Mr N Rowley	-	-
Mr A Passmore		
Former Directors		
Mr M Naylor	-	-
Ms S Robinson	-	-

Committee membership

As at the date of this report the current Board has not established an Audit and Risk Management Committee and the full Board attends to matters that would normally be completed by the Committee. As the Group is small scale, has limited resources and does not have an operating business the establishment of an Audit and Risk Management Committee is not warranted
The details of the functions and membership of the Audit and Risk Management Committee are included in the Statement of Corporate Governance Practices.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors and officers liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

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

CORPORATE GOVERNANCE

Cobalt One has reviewed its corporate governance practices and policies to ensure they are appropriate for the Company's current stage of development. This year, the review was made against the new ASX Corporate Governance Council's Principles and Recommendations (third edition) which became effective for financial years beginning on or after 1 July 2014.

The Company's Corporate Governance Statement for the year ended 30 June 2017 was approved by the Board on 29 September 2017 and is available on the Company's website at www.cobaltonelimited.com. The directors of Cobalt One Limited believe that effective corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Changes and improvements are made in a substance over form manner, which appropriately reflect the changing circumstances of the company as it grows and evolves. Accordingly, the Board has established a number of practices and policies to ensure that these intentions are met and that all shareholders are fully informed about the affairs of the Company.

The Company has a corporate governance section on the website at www.cobaltonelimited.com. The section includes details on the company's governance arrangements and copies of relevant policies and charters.

NON-AUDIT SERVICES

The board of directors is satisfied that the provision of non-audit services during the year, being taxation services of $16,705, 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 by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

AUDITOR'S INDEPENDENCE

The Directors received the declaration included on page 21 of this annual report from the auditor of Cobalt One Limited.

Signed in accordance with a resolution of the Directors

Jason Bontempo
Director
Perth, Western Australia
29th day of September 2017

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF COBALT ONE LIMITED

As lead auditor of Cobalt One Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Cobalt One Limited and the entities it controlled during the period.

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2017

CobaltOne Limited

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2017

CobaltOne Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Notes	***2017*** ***$***	***2016*** ***$***
ASSETS			
Current Assets			
Cash and cash equivalents	12	**2,147,481**	**1,863,444**
Other receivables and prepayments	13	**1,687,157**	**28,294**
Total Current Assets		**3,834,638**	**1,891,738**
Non-current Assets			
Exploration asset	14	**13,962,174**	**-**
Plant and equipment	15	**15,904,805**	**-**
Total Non-current Assets		**29,866,979**	**-**
TOTAL ASSETS		**33,701,617**	**1,891,738**
LIABILITIES			
Current Liabilities			
Trade and other payables	16	**168,094**	**85,913**
Other liability	17	**729,892**	**-**
Total Current Liabilities		**897,986**	**85,913**
TOTAL LIABILITIES		**897,986**	**85,913**
NET ASSETS		**32,803,631**	**1,805,825**
EQUITY			
Equity attributable to equity holders			
Contributed equity	18	**47,759,370**	**15,903,139**
Reserves	19	**7,641,000**	**1,362,000**
Accumulated losses		**(25,221,739)**	**(15,459,314)**
Non – Controlling Interest		**2,625,000**	**-**
TOTAL EQUITY		**32,803,631**	**1,805,825**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CobaltOne Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	***2017***	***2016***
		$	*$*
Revenue from continuing operations	7(a)	**17,302**	**2,852**
Gain on creditor settlement	20	**-**	**774,798**
Director and employee benefit expense	8(a)	**(398,745)**	**(52,375)**
Compliance costs		**(375,591)**	**(126,624)**
Consultants fees		**(29,989)**	**(67,018)**
Exploration and evaluation		**(22,131)**	**(32,453)**
Insurance expenses		**(20,066)**	**(4,913)**
Occupancy costs		**(11,400)**	**-**
Share based payment	8(b)	**(8,706,759)**	**(1,362,000)**
Travel		**(108,370)**	**-**
Other administration expenses		**(106,677)**	**(20,060)**
Loss before income tax		**(9,762,425)**	**(887,793)**
Income tax benefit	9	**-**	**-**
Loss for the year after tax		**(9,762,425)**	**(887,793)**
Other comprehensive loss			
Items that will be transferred to profit or loss:			
Exchange differences on translation of foreign operations		**-**	**-**
Total comprehensive loss for the year attributable to owners of Equator Resources Ltd		**(9,762,425)**	**(887,793)**
Loss per share for loss attributable to the ordinary equity holders of the Group:			
Basic earnings/(loss) per Share (cents per share)	11(b)	**(2.62)**	**(3.79)**
Diluted earnings/(loss) per Share (cents per share)	11(b)	**(2.62)**	**(3.79)**

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

Consolidated	Notes	Attributable to Owners of Cobalt One Limited Contributed Equity $	Reserves $	Accumulated Losses $	Total $	Non-controlling interests $	Total $
Balance at 1 July 2015		13,577,338	1,453,943	(16,025,464)	(994,183)	-	(994,183)
Loss for the year		-	-	(887,793)	(887,793)	-	(887,793)
Total comprehensive loss		-	-	(887,793)	(887,793)	-	(887,793)
Transactions with owners in their capacity as owners							
Contributions of equity	18	2,478,381	-	-	2,478,381	-	2,478,381
Transaction costs	18	(152,580)	-	-	(152,580)	-	(152,580)
Share options issued	19	-	1,362,000	-	1,362,000	-	1,362,000
Transfer of reserve to accumulates losses	19	-	(1,453,943)	1,453,943	-	-	-
Balance at 30 June 2016		15,903,139	1,362,000	(15,459,314)	1,805,825	-	1,805,825
Balance at 1 July 2016		15,903,139	1,362,000	(15,459,314)	1,805,825	-	1,805,825
Profit/(Loss) for the year		-	-	(9,762,425)	(9,762,425)	-	(9,762,425)
Total comprehensive loss		-	-	(9,762,425)	(9,762,425)	-	(9,762,425)
Transactions with owners in their capacity as owners							
Contributions of equity	18	32,355,884	-	-	32,355,884	2,625,000	34,980,884
Transaction costs	18	(499,653)	-	-	(499,653)	-	(499,653)
Share options issued	19	-	6,279,000	-	6,279,000	-	6,279,000
Transfer of reserve to accumulates losses	19	-	-	-	-	-	-
Balance at 30 June 2017		47,759,370	7,641,000	(25,221,739)	30,178,631	2,625,000	32,803,631

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	***2017***	***2016***
		$	***$***
Cash flows from operating activities			
Payments to suppliers and employees		**(1,133,804)**	**(340,751)**
Interest received		**16,674**	**2,850**
Net cash used in operating activities	21	**(1,117,130)**	**(337,901)**
Cash flows from investing activities			
Exploration and evaluation		**(844,805)**	**-**
Purchase of property, plant and equipment		**(6,004,694)**	**-**
Option fee received		**729,892**	**-**
Net cash used in investing activities		**(6,119,607)**	**-**
Cash flows from financing activities			
Proceeds from issue of shares		**6,287,392**	**2,050,000**
Proceeds from exercise of share options		**1,420,000**	**-**
Share issue costs		**(186,618)**	**(148,921)**
Proceeds from borrowings	30	**2,521,000**	**-**
Repayment of borrowings	30	**(2,521,000)**	**-**
Proceeds from convertible notes		**-**	**282,000**
Net cash from financing activities		**7,520,774**	**2,183,079**
Net increase in cash and cash equivalents		**284,037**	**1,845,178**
Cash and cash equivalents at beginning of financial year		**1,863,444**	**18,266**
Cash and cash equivalents at end of financial year	12	**2,147,481**	**1,863,444**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 CORPORATE INFORMATION

The financial statements of Cobalt One Limited for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 29th September 2017.

Cobalt One Limited is a Group limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited. The financial statements include Acacia Minerals Pty Ltd, Cobalt Camp Ontario Holdings Corp, Cobalt Camp Refinery Ltd and Ophiolite Consultants Pty Ltd as its subsidiaries (the Group) for 30 June 2017. The nature of the operations and principal activities of the Group are described in the Directors' Report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Cobalt One Limited and its subsidiaries that it controlled at any time during the year.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Cobalt One limited is a for profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Cobalt One Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year ended 30 June 2017 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. The Group has not early adopted any new accounting standards. Refer to Note 2(u) for table of these standards.

(iii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of Consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cobalt One Limited ('company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. Cobalt One Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2(j)).

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Cobalt One Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(d) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

(f) Investments and other financial assets

Classification

The Group classifies its financial assets in the following categories: financial assets are fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to settle within 12 months otherwise they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) Available-for-sale financial assets

Available-for-sale financial assets comprising principally marketable securities are non-derivatives that are either designated in this category of not classified in any other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investments and other financial assets (continued)

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value though profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established. Interest income from these financial assets is included in the net gains/ (losses).

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 3.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income. If a loan or held-to-maturity has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investments and other financial assets (continued)
Impairment (continued)

(ii) Assets classified as available-for-sale
If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from the equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increase in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed though profit or loss.

(g) Exploration and evaluation expenditure
The Group applies the most appropriate accounting policy for exploration and evaluation expenditure incurred for each area of interest. From 1 July 2016, the Group has adopted its accounting policy for exploration and evaluation expenditure incurred in the Cobalt, Canada area of interest to capitalise as follows:
Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has legal rights to explore in the specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.
Accounting for exploration and evaluation expenditures is assessed separately for each ‘area of interest’. An ‘area of interest’ is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such deposit.
Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure prior to securing the legal rights to explore an area, is expensed as incurred. For each area of interest the expenditure is recognised as an exploration and evaluation asset where the following conditions are satisfied:
a) The rights to tenure of the area of interest are current; and
b) At least one of the following conditions is also met:
   i) The expenditure is expected to be recouped through the successful development and commercial exploitation of an area of interest, or alternatively by its sale; and
   ii) Exploration and evaluation activtiies in the area of interest have no, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of ‘economically recoverable reserves’ and active and significant operations in, or in relation to, the area of interest are continuing. Economically recoverable reserves are the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable conditions.

Impairment testing of exploration and evaluation expenditure
Exploration and evaluation expenditure is assessed for impairment if insufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.
Exploration and evaluation expenditure is tested for impairment when any of the following facts and circumstances exist:
- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Exploration and evaluation expenditure (continued)

- Exploration for and evaluation of mineral resources in the specific area of interest have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

(h) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the part is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the statement of profit or loss and other comprehensive income as incurred.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

- Plant and equipment – 5 to 8 years
- Furniture and fittings – 5 to 10 years
- Motor Vehicles – 8 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on unrecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

(i) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Company as a lessee
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised as an expense in the statement of profit or loss and other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases (continued)

Capitalised leases assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term. Lease incentives are recognised in the statement of profit or loss and other comprehensive income as an integral part of the total lease expense.

(j) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts have been reviewed the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and values in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or Group of assets (Cash-generating units). Non-financial assets that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(l) Trade and other payables

Trade payables and other payables are carried at amortised costs. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Provisions and employee leave benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Employee Leave benefits
(i)Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of the employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Share-based payment transactions

(i) Equity settled transactions:
The Group provides benefits to its employees (including Key Management Personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

In prior years the Group has adopted an Employee Share Option Plan to provide these benefits to Directors, executives, employees and consultants.

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the market price of the shares of Cobalt One Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of profit or loss and other comprehensive income is the product of (i) the grant date of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employees turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to the statement of profit or loss and other comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vested than were originally expected to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share based payment arrangements, or is otherwise beneficial to the employee, as measured at the date of modification.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(o) Contributed Equity

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(q) Interest income

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

(r) Income tax and other taxes

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities based in the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Reporting Date.

Deferred income tax is provided on all temporary differences at the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit not taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint venture, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each Reporting Date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each Reporting Date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax and other taxes (continued)

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as part of operating cash flows.

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

(s) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Group, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Group, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares;
- Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) New standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2017. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
AASB 9 *Financial Instruments*	AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to	This standard is not expected to have a material impact on the Group's financial statements and disclosures.	Mandatory for financial years commencing on or after 1 January 2018, but available for early adoption Expected date of adoption by the group: 1 January 2018.

	changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.		
AASB 15 *Revenue from Contracts with Customers*	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.	This standard is not expected to have a material impact on the Group's financial statements and disclosures.	Mandatory for financial years commencing on or after 1 January 2018, but available for early adoption Expected date of adoption by the group: 1 January 2018.
AASB 16 *Leases*	The key features of IFRS 16 are as follows:	This standard is not expected to have a material impact on the Group's financial statements and	Mandatory for financial years commencing on or after 1 January 2018,

	Lessee accounting (a) Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. (b) A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. (c) Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. (d) IFRS 16 contains disclosure requirements for lessees. Lessor accounting (a) IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. (b) FRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. IFRS 16 supersedes: (a) IAS 17 Leases; (b) IFRIC 4 Determining whether an arrangement contains a Lease; (c) SIC-15 Operating Leases—Incentives; and (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.	disclosures.	but available for early adoption Expected date of adoption by the group: 1 January 2018.
AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-*	This standard amends AASB 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: The effects of vesting and non-vesting conditions on the measurement of cash- settled share-based payments	This standard is not expected to have a material impact on the Group's financial statements and disclosures.	Mandatory for financial years commencing on or after 1 January 2018, but available for early adoption Expected date of adoption by the

based Payment Transactions	Share-based payment transactions with a net settlement feature for withholding tax obligations A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity- settled		group: 1 January 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash and short-term deposits. The Group has various other financial assets and liabilities such as equity investments, trade receivables and trade payables.

The main risks from the Group's financial instruments are interest rate, foreign currency, credit and liquidity risk. The board reviews and agrees polices for managing each of these risks and they are summarised below:

Foreign Currency Risk
The Group is exposed to fluctuations in foreign currencies arising from expenditure in currency other than the Group's measurement currency.

The Group has foreign operations with functional currencies in the Canadian dollar. The Group has not formalised a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements.

The Group had no significant exposure to foreign currency risk at the end of the reporting period.

Interest Rate Risk
The Group's main interest rate risk arises from cash held on deposit by Australian financial institutions. Cash held is subject to prevailing variable interest rates and expose the Group to cash flow interest rate risk. As at the end of the reporting period, the Group had $2,147,481 (2016: $1,863,444) on deposit in operating bank accounts earning a weighted average interest rate of 0.9% (2016: 0.4%).

Sensitivity
At 30 June 2017, if interest rates had increased/decreased by 80 basis points from the year end rates, with all other variables held constant, post-tax profit for the period would have been $14,603 (2016: $14,908) higher/lower, mainly as a result of higher/lower interest income earned from cash and cash equivalents.

Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of primarily dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. All cash equivalents are held with financial institutions with a credit rating of A1+.

All trade and other receivables amounts are not rated. Note all credit ratings have been resourced from Moody's Investor Service.

Sensitivity
The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics at the end of the reporting period. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and financial assets are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration and development, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

The financial liabilities of the Group are confined to trade and other payables as disclosed in the Consolidated Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of reporting date.

The following table details the Group's non-derivative financial instruments according to their contractual maturities.

Consolidated 30 June 2017	**Carrying amount**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-interest bearing						
Trade and other payables	**168,093**	**168,093**	**-**	**-**	**-**	**-**
	168,093	**168,093**	**-**	**-**	**-**	**-**

Consolidated 30 June 2016	**Carrying amount**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-interest bearing						
Trade and other payables	85,913	85,913	-	-	-	-
	85,913	85,913	-	-	-	-

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting policies, management continually evaluates, estimates and makes assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the estimates and assumptions. Significant estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year are:

(a) Asset Acquisition not Constituting a business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

(b) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact expenses and equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

(c) Recognition of deferred tax assets

The group has not recognised a deferred tax asset for tax losses as the group does not believe it probable to be recovered by future taxable income in the short-term future.

(d) Exploration and evaluation expenditure

Exploration and evaluation expenditure is capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

5 SEGMENT INFORMATION

The Group operates in one business segment and two geographical segments, namely the mineral exploration industry in Australia and Canada. AASB 8 *Operating Segments* states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds and as such do not have to be reported separately. The Group has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenues and results of this segment are those of the Group as a whole and are set out in the statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the Group as a whole and are set out in the statement of financial position.

The Group has exploration and evaluation assets and property, plant and equipment in Canada and geographical segment information is shown below:

Geographical Segment Information	2017 Revenue	2017 Non-current Assets	2016 Revenue	2016 Non-current Assets
Australia	17,302	-	777,650	-
Canada	-	29,866,979	-	-
	17,302	**29,866,979**	**777,650**	**-**

6 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy noted in Note 2 (b)(i).

Name of Entity	Country of Incorporation	Class of Shares	Equity holding 2017 %	Equity holding 2016 %
Acacia Minerals Pty Ltd	Australia	**Ordinary**	100	100
Cobalt Camp Ontario Holdings Corp	Canada	**Ordinary**	100	-
Cobalt Camp Refinery Limited	Canada	**Ordinary**	100	-
Ophiolite Consultants Pty Ltd	Canada	**Ordinary**	80	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

		2017 $	2016 $
7	**REVENUE FROM CONTINUING OPERATINGS**		
	(a) Revenue		
	Interest revenue	**17,302**	2,852
8	**EXPENSES**		
	(a) Director and Employee benefit expense		
	Wages and fees	**397,320**	50,000
	Superannuation costs	**1,425**	2,375
		398,745	52,375
	(b) Share based payment		
	Options issued to directors[1]	**2,522,500**	1,362,000
	25m options as part of the Ophiolite transaction (Tranche1)[2]	**2,125,000**	-
	25m options as part of the Ophiolite transaction (Tranche2)[3]	**1,825,000**	-
	25m facilitation shares as part of the Ophiolite transaction[4]	**1,134,259**	-
	10m facilitation performance shares as part of the Yukon refinery transaction[5]	**1,100,000**	-
		8,706,759	1,362,000

[1] Options relate to the 18.5m options issued in November 2016, 15m options issued in May 2017 and 15m options issued in June 2017. Please refer to note 18 for more information on option parameters.

[2] Options relating to the acquisition of Ophiolite Pty Ltd are exercisable at $0.03 exercisable within 3 years after grant. Please refer to note 18 for more information on option parameters.

[3] Options relating to the acquisition of Ophiolite Pty Ltd are exercisable at $0.06 exercisable within 3 years after grant. Please refer to note 18 for more information on option parameters.

[4] As part of the acquisition of Ophiolite Pty Ltd, 25m shares were issued as a facilitation fee. The shares will vest on satisfaction of a performance milestone for the provision of ongoing services to the Company up to 31 December 2017. $1,134,259 is the amortised portion up to 30 June 2017.

[5] 10m performance shares were issued to third parties for Yukon acquisition facilitation services and other corporate-related services rendered during the year. The shares will vest upon the share price exceeding a barrier price of $0.20 for 5 consecutive trading days.

9 INCOME TAX

	2017 $	2016 $
(a) The components of tax benefit comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax benefit reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-
(b) The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss from continuing operations before income tax expense	**(9,762,425)**	(887,793)
Prima facie tax expense/benefit on profit/loss from ordinary activities before income tax at 27.5% (2016: 28.5%)	**(2,684,667)**	(253,021)
Add tax effect of:		
Non-assessable income	-	-
Non-deductible exploration	**2,482,050**	-
Tax losses and timing differences not brought to account/used	**202,617**	(253,021)
Income tax benefit	-	-
(c) Deferred income tax at 30 June relates to the following		
Deferred tax liabilities:		
Temporary differences for which deferred tax liabilities have not been recognised:	**(3,349)**	-
Deferred tax assets to offset deferred tax liability	**3,349**	
	-	-
Deferred tax assets:		
Deferred tax assets have not been recognised in the statement of financial position for the following items:		
Unused Tax losses	**1,419,786**	(697,455)
Deductible temporary difference	**78,142**	(17,768)
Offset of deferred tax liability	**(3,349)**	
	1,494,579	(715,223)
Total deferred tax assets not recognised	**1,494,579**	(715,223)

10 DIVIDENDS PAID AND PROPOSED

No dividends in respect of the current financial year have been paid, declared or recommended for payment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

11 PROFIT/(LOSS) PER SHARE

(a) Profit/(Loss) used in calculating loss per share
For basic and diluted profit/(loss) per share:

	2017 $	2016 $
Profit/(Loss) attributable to owners of Cobalt One Limited	**(9,762,425)**	(887,793)

(b) Weighted average number of shares

	2017 Number	2016 Number
Weighted average number of ordinary shares used in calculating basic profit/(loss) per share	**372,838,747**	23,411,067
Basic profit/(loss) per share (cents per share)	**(2.62)**	(3.79)
Weighted average number of ordinary shares used in calculating diluted profit/(loss) per share	**372,838,747**	23,411,067
Diluted profit/(loss) per share (cents per share)	**(2.62)**	(3.79)

(c) Information on the classification of securities

(i) Options
104,750,000 options (2016: 76,000,000) issued are considered to be potential ordinary shares but have not been included in the calculation of earnings per share as they are not dilutive.

12 CASH AND CASH EQUIVALENTS

	2017 $	2016 $
Cash at bank and in hand	**2,147,481**	1,863,444
	2,147,481	1,863,444

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

Short-term deposits are made for varying periods of between one day and six months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

	2017 $	2016 $
13 OTHER RECEIVABLES & PREPAYMENTS		
Prepayments	**1,502,918**[1]	2,472
GST Receivable	**184,239**	25,822
	1,687,157	28,294

[1] Prepayments include the 25m shares issued as a facilitation fee regarding the acquisition of Ophiolite Consultants Pty Ltd. These shares were issued subject to a holding lock which will be released subject to the Group being satisfied that ongoing corporate services are provided to the Group up to 31 December 2017.

(a) Allowance for Impairment Loss

Trade and other receivables are non-interest bearing and are generally paid on 30-day settlement terms. Trade and other receivables are neither past due nor impaired at 30 June 2017.

(b) Fair value

The receivables and GST are incurred in the normal course of business and no allowance has been made for non-recovery. The receivables and GST are of short-term nature. It is expected that these balances will be received when due. Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivable mentioned above. Further information relating to credit risk and interest rate risk can be found at Note 3.

14 EXPLORATION ASSET

	2017	2016
Balance at beginning of year	**-**	-
Acquisition of Ophiolite Consultants Pty Ltd (refer Note 29)	**13,125,000**	-
Acquisition costs relating to tenements	**2,625,000**	-
Expenditure incurred in the year	**20,060**	-
	817,114	-
Balance at year-end	**13,962,174**	-

15 PLANT AND EQUIPMENT

	2017	2016
Plant & Equipment at cost	**-**	-
Acquisition of refinery asset (refer Note 29)	**15,900,000**	
Additions	**4,805**	-
Impairment of assets	**-**	-
Accumulated depreciation	**-**	-
Net carrying amount	**15,904,805**	-

	2017 $	2016 $
16 TRADE AND OTHER PAYABLES		
Trade payables (a)	**168,094**	85,913
	168,094	85,913

(a) Trade payables are non-interest bearing and are normally settled on 30 – 60 day terms.

Information relating to the Group's exposure to foreign exchange risk is provided in Note 3.

17 OTHER LIABILITY

	2017 $	2016 $
Option fee received[1]	**729,892**	-
Total	**729,892**	-

[1] This relates to the non-refundable option fee received from First Cobalt Corp, granting it the option to acquire 50% of Cobalt Camp Refinery Ltd, a wholly owned subsidiary of the Group. This binding term sheet was entered into prior to entering into the scheme implementation agreement.

18 CONTRIBUTED EQUITY

	2017 Shares	2016 Shares
Ordinary shares		
Issued and fully paid	**566,176,602**	249,974,711

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Shares	*$*
Movement in ordinary shares on issue		
At 1 July 2016	**249,974,711**	15,903,139
Issue of shares 5 July 2016 [1]	**3,669**	-
Issue of shares 2 December 2016 [2]	**24,869,595**	497,390
Issue of shares 7 December 2016 [3]	**35,125,000**	702,500
Issue of shares 23 January 2017 [4]	**1,250,000**	43,425
Issue of shares 30 January 2017 [5]	**4,000,000**	152,000
Issue of shares 9 February 2017 [6]	**127,500,000**	13,175,000
Issue of shares 14 February 2017 [7]	**60,000,000**	2,280,000
Issue of shares 22 February 2017 [8]	**39,000,000**	3,170,570
Issue of shares 23 February 2017 [9]	**2,585,294**	219,750
Issue of shares 18 April 2017 [10]	**868,333**	130,250
Issue of shares 17 May 2017 [11]	**1,000,000**	85,000
Issue of shares 21 June 2017 [12]	**20,000,000**	2,000,000
Acquisition of refinery – 100m shares [13]	**-**	9,900,000
Less share issue costs incurred	**-**	(499,654)
At 30 June 2017	**566,176,602**	47,759,370

[1] Re-issue of shares that were cancelled that should not have been.

[2] Issue of 24,869,595 shares to fund the exploration and evaluation of the Cobalt Assets in Canada.

[3] Issue of 35,125,000 shares to fund the exploration and evaluation of the Cobalt Assets in Canada.

[4] Exercise of 1,000,000 class A options and 250,000 Class C options.

[5] Exercise of 4,000,000 class A options.

[6] Issue of 125,000,000 shares to purchase Ophiolite Consultants Pty Ltd that were approved on 29 November 2016. The remaining 2,500,000 shares were issued to fund exploration and evaluation of the Cobalt Assets in Canada.

[7] Exercise of 60,000,000 class B options.

[8] Issue of 34,500,000 shares to fund exploration and evaluation of the Cobalt Assets in Canada. Exercise of 1,500,000 class A options, 500,000 class C options and 2,500,000 class D options.

[9] Issue of 235,294 shares to fund exploration and evaluation of the Cobalt Assets in Canada and issue of 2,350,000 shares as a fee to the lead manager for placement and conversion of options.

[10] Issue 868,333 shares as fee for corporate advisory services.

[11] Issue of 1,000,000 shares that were approved at the General Meeting dated 9 May 2017, to fund exploration and evaluation of the Cobalt Assets in Canada.

[12] Issue of 20,000,000 shares to fund the exploration and evaluation of the Cobalt Assets in Canada.

[13] As disclosed in Note 25, post-year end the company issued 100,000,000 shares to nominees of 36569 Yukon Inc as consideration for the acquisition of Canadian Refinery Assets that were approved at the General Meeting dated 9 June 2017.

18 CONTRIBUTED EQUITY (continued)

	Shares	*$*
Movement in ordinary shares on issue		
As at 1 July 2015	**106,825,829**	13,577,338
Share consolidation 50:1	**2,136,571**	13,577,338
Issue of shares 27 April 2016	**17,488,140**	174,881
Issue of shares 25 May 2016	**25,000,000**	250,000
Issue of shares 2 June 2016	**205,000,000**	2,050,000
Issue of shares 13 June 2016	**350,000**	3,500
Less share issue costs incurred	**-**	(152,580)
At 30 June 2016	**249,974,711**	15,903,139

	Options	***$***
Movement in options on issue		
At 1 July 2016	**76,000,000**	1,362,000
Issue of class D options on 29 November 2016	**18,500,000**	647,500
Conversion of class A options on 23 January 2017	**(1,000,000)**	(18,000)
Conversion of class C options on 23 January 2017	**(250,000)**	(3,000)
Conversion of class A options on 30 January 2017	**(4,000,000)**	(72,000)
Issue of performance A options on 9 February 2017	**25,000,000**	2,125,000
Issue of performance B options on 9 February 2017	**25,000,000**	1,825,000
Conversion of class A options on 22 February 2017	**(1,500,000)**	(27,000)
Conversion of class C options on 22 February 2017	**(500,000)**	(6,000)
Conversion of class D options on 22 February 2017	**(2,500,000)**	(87,500)
Conversion of class B options on 23 February 2017	**(60,000,000)**	(1,080,000)
Issue of director options on 17 May 2017	**15,000,000**	915,000
Issue of director performance options on 9 June 2017	**15,000,000**	960,000
At 30 June 2017	**104,750,000**	6,541,000

*10M performance shares were issued to third parties for facilitation and other corporate related services valued at $1,100,000.

Movement in options on issue		
At 1 July 2015	1,500,000	-
Lapse of options on 11 July 2015	(1,500,000)	-
Issue of Class A options on 27 April 2016	15,000,000	270,000
Issue of Class B options on 25 May 2016	60,000,000	1,080,000
Issue of Class C options on 30 June 2016	1,000,000	12,000
At 30 June 2016	76,000,000	1,362,000

18 CONTRIBUTED EQUITY (continued)

The following unlisted options to subscribe for ordinary fully paid shares are outstanding at 30 June 2017:

	Class A	Class C	Class D
Quantity	8,500,000	250,000	16,000,000
Grant date	27 Apr 16	30 Jun 16	29 Nov 16
Expiry date	05 Apr 20	30 Jun 19	29 Nov 19
Exercise price	$0.02	$0.02	$0.03
Volatility	105%	105%	105%
Value per option	$0.018	$0.012	$0.035

	Director Options (Tranche 1)	Performance A	Performance B
Quantity	15,000,000	25,000,000	25,000,000
Grant date	9 May 17	6 Feb 17	6 Feb 17
Expiry date	10 Feb 20	9 Feb 20	9 Feb 20
Exercise price	$0.08	$0.03	$0.06
Volatility	90%	90%	90%
Value per option	$0.061	$0.085	$0.073

	Director Options (Tranche 2
Quantity	15,000,000
Grant date	9 Jun 17
Expiry date	15 Jun 20
Exercise price	$0.001
Volatility	35%
Value per option	$0.064

The Class A, D and director performance options were issued to directors, and Class C options were issued to consultants of the company. The performance A and performance B options were issued as part of the acquisition of Ophiolite Consultants Pty Ltd. All options vested immediately and were expensed during the year.

**The director tranche 2 options are based on market conditions and as such have been valued using a market-based model.*

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

Capital risk management
The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefit other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings.

		2017 $	2016 $
19	**RESERVES**		
	Share based payment reserve	7,641,000	1,362,000
	Total reserves	7,641,000	1,362,000

(a) Share Based Payments Reserve

	2017	2016
At 1 July	**1,362,000**	1,453,943
Transfer of expired options to Accumulated Losses	**-**	(1,453,943)
Issue of options	**6,472,500**	1,362,000
Exercise of options	**(1,293,500)**	-
10m performance shares for the Yukon refinery facilitation services	**1,100,000**	
At 30 June	**7,641,000**	1,362,000

The equity incentive reserve records items recognised on valuation of director, employee and contractor equity incentives.

20 GAIN ON CREDITOR SETTLEMENT

	2017 $	2016 $
Gain on creditor settlement	-	774,798

During the 2016 financial year the Company reached agreement with a number of its outstanding creditors (excluding Government or quasi Government entities, ASX and ASIC) to accept a substantial reduction in the amount owing in exchange for equity and some cash. This resulted in the Company recognising a gain on creditor settlements as shown above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

21 CASH FLOW RECONCILIATION

(a) Reconciliation of net loss after tax to net cash flows from operations

	2017	2016
	$	$
Net profit/(loss)	**(9,762,425)**	(887,793)
Adjustments for:		
Gain on creditor settlement	**-**	(774,798)
Share based payments	**8,706,759**	1,362,000
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	**(143,644)**	6,210
Increase/(Decrease) in trade and other payables	**82,180**	(43,520)
Net cash from operating activities	**(1,117,130)**	(337,901)

(b) Non-cash investing and financing activities

Equity settled payment for exploration and evaluation assets	**10,500,000**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22 KEY MANAGEMENT PERSONNEL

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

	2017	*2016*
	$	*$*
Short-term employee benefits	**397,320**	140,500
Post-employment benefits	**1,425**	2,375
Share based payments	**2,522,500**	271,127
	2,921,245	414,002

Detailed remuneration disclosures are provided within the audited remuneration report which can be found on pages 9 to 15 of the Directors Report.

23 RELATED PARTY DISCLOSURES

(a) Parent entities

Cobalt One Limited is the ultimate Australian parent entity and ultimate parent of the Group.

(b) Subsidiaries

Interest in subsidiaries are set out in note 6.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Transactions with Directors and their Director related entities are detailed in the Remuneration Report.

24 COMMITMENTS AND CONTINGENCIES

Due to the nature of the consolidated entity's operations in exploring and evaluating areas of interest, it is very difficult to accurately forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure in order to retain present interests in mineral tenements. Expenditure commitments on mineral tenure for the parent entity and consolidated entity can be reduced by selective relinquishment of exploration tenure or by the renegotiation of expenditure commitments.

There are no minimum commitments currently being undertaken by the Group for the Australian tenements. Minimum commitments for the Canadian tenements are C$180,400 (A$180,813 equivalent).

Refer to note 25 regarding any commitments relating to the Scheme Implementation Deed with First Cobalt Corp.

25 EVENTS AFTER THE REPORTING DATE

In July 2017, the following events occurred:

- 10m facilitation shares were issued to advisors in consideration for facilitation services in relation to assisting the Company in the recent capital raising.
- 250,000 options were exercised at $0.02 per share.
- The Group entered into a binding Scheme Implementation Deed with First Cobalt Corp, under which it is proposed that First Cobalt Corp. will acquire 100% of the shares in the Group via a Scheme of Arrangement. The Group's shareholders (other than ineligible foreign holders) will receive 0.145 fully paid common shares of First Cobalt Corp. in the form of First Cobalt common shares or ASX-listed CHESS Depository interests. The Scheme is subject to approval by the Group's shareholders and other customary conditions, including court approval. Should the scheme not go ahead, a break fee of $1.4 million could be payable and a termination payment of $312,000 payable to Mr Paul Matysek.
- Mr Alex Passmore resigned as Non-Executive Director due to other work commitments.
- 100m shares were issued to nominees of 36569 Yukon Inc as consideration for the purchase of the Canadian Refinery Assets. Those shares were approved at the General Meeting dated 9 June 2017.

No other matters or circumstance have arisen since 30 June 2017 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

26 AUDITOR'S REMUNERATION

	2017	*2016*
	$	*$*
Amounts received or due and receivable for:		
An audit and review of the financial report of the Group by BDO Audit (WA) Pty Ltd	**55,635**	**22,000**
Non-Audit Services*	**16,705**	**-**
Total Remuneration of Auditors	**72,340**	**22,000**

*Non-audit services provided by BDO during the year ended 30 June 2017 relate to costs associated with the preparation of the Group's income tax returns.

27 PARENT ENTITY DISCLOSURES

The following details information related to the entity, Cobalt One Limited, at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented

	2017	*2016*
	$	*$*
Financial Position		
Assets		
Current assets	**2,159,657**	1,865,917
Non-current	**28,565,851**	
Total Assets	**30,328,188**	1,865,917
Liabilities		
Current liabilities	**149,555**	60,092
Total Liabilities	**149,555**	60,091
Equity		
Issued capital	**47,759,371**	15,903,139
Accumulated Losses	**(25,221,739)**	(15,459,314)
Reserve	**7,641,000**	1,362,000
Total equity/(deficiency in equity)	**30,178,632**	1,805,825
Financial Performance		
Profit/(Loss) for the year	**(9,762,425)**	(906,339)
Other comprehensive income/(loss)	**-**	-
Total comprehensive income/(loss)	**(9,762,425)**	(906,339)

There are no guarantees or contingent liabilities in the Parent Entity.

28 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 – a valuation technique is used which takes into account inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices), or indirectly (i.e. derived from prices), and
- Level 3 – a valuation technique is used which takes into account inputs that are not based on observable market data (unobservable inputs).

.

Transfers

During the year ended 30 June 2017 and 30 June 2016, there were no transfers of financial instruments between level 1 and 2 of the fair value hierarchy. There were also no transfers into or out of level 3 during the period.

Fair value of financial instruments not measured at fair value.

Due to their short-term nature, the carrying amounts of current trade and other receivables and current trade and other payables is assumed to approximate their fair value.

29 ACQUISITION OF ASSETS

Acquisition – Ophiolite Consultants Pty Ltd

On 10 February 2017, the Company acquired 80% of the ordinary shares of Ophiolite Consultants Pty Ltd.

The exploration asset acquired is in the exploration phase and this together with the unique nature of the asset, means that the valuation of the asset cannot be reliably estimated and as such, the fair value of the assets acquired have been measured by reference to the value of the equity instruments granted. The consideration payable was 75,000,000 ordinary shares in the Company valued at $7,875,000 and 25,000,000 performance shares valued at $2,625,000, both based on share price on the date of completion when the rights of ownership to the assets were transferred. It is considered that the acquisition of Ophiolite Consultants Pty Ltd is not a business combination, but rather an acquisition of assets.

The fair value of the identifiable net assets and liabilities of Ophiolite Consultants Pty Ltd as at the date of acquisition are:

	$
Purchase consideration comprises:	
75,000,000 fully paid ordinary shares	7,875,000
25,000,000 performance shares	2,625,000
Total consideration	**10,500,000**
Net assets acquired:	
Exploration	13,125,000
Fair value of identifiable net assets	**13,125,000**
Less: Non-controlling interest (20%)	(2,625,000)
Net assets acquired	**10,500,000**

Acquisition – Refinery Assets from 36569 Yukon Inc

On 19 June 2017, the Company acquired refinery assets, which include properties, permits, assets and ri from 36569 Yukon Inc relating to or held for use in connection with the operation of the cobalt concent refinery located in North Cobalt, Ontario, Canada.

The unique nature of the asset, means that the valuation of the asset cannot be reliably estimated ar such, the fair value of the assets acquired have been measured by reference to the value of the e instruments granted. The consideration payable cash consideration of $6,000,000 and 100,000,000 ord shares in the Company valued at $9,900,000 based on share price on the date of shareholder approval b the date that the rights of ownership to the assets were transferred. It is considered that the acquisition c refinery assets is not a business combination, but rather an acquisition of assets.

The fair value of the identifiable net assets and liabilities acquired from 36569 Yukon Inc as at the da acquisition are:

	$
Purchase consideration comprises:	
100,000,000 fully paid ordinary shares	9,900,000
$6,000,000 cash	6,000,000
Total consideration	**15,900,000**
Net assets acquired:	
Property, plant & equipment	15,900,000
Fair value of identifiable net assets	**15,900,000**

30 BORROWINGS

Due to bank policy, the Group was unable to break a term deposit of $4m (maturing on 29 June 2017) without providing the bank with a month's notice, to pay the A$6m to Yukon Inc per the Yukon agreement for the acquisition of the refinery. Hence the bank provided a short-term loan of $2.521m to the Group. The loan was repaid upon receipt of the funds from the term deposit.

DIRECTORS' DECLARATION

In the Director's opinion:

1. The consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
   - giving a true and fair view, noting the matters documented in Note 2(a), of the consolidated entity's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
   - complying with Accounting Standards (including Australian Accounting Interpretation), Corporation Regulation 2001 and other mandatory professional reporting requirements;
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declaration required to be made to the directors in accordance with Section 295A of the Corporations Act 2011 for the financial year ended 30 June 2017.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Jason Bontempo
Non-Executive Director

Perth, Western Australia
29th day of September 2017

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Cobalt One Limited

Report on the Audit of the Financial Report

Qualified opinion

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

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, 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 financial performance for the year ended on that date; and

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

Basis for qualified opinion

Comparatives – Gain on Settlement of Creditors

Attention is drawn to the gain on settlement of creditors of $774,798 recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2016. Cobalt One Limited (previously Equator Resources Limited) held a 100% interest in the BJH Group which was disposed of on 24 June 2015. We were not able to access management and the financial records of the BJH Group for the years ending 30 June 2015 and 2016 and, as a result, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to the completeness of this amount. Our audit opinion has been modified accordingly.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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. In addition to the matter described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Acquisition Accounting

Key audit matter	How the matter was addressed in our audit
On 10 February 2017 and 19 June 2017, the Group acquired a controlling interest in certain exploration assets and refinery assets in Canada for purchase consideration of A$13,125,000 and A$15,900,000 respectively as disclosed in Note 29. The Group assessed each of these transactions as asset acquisitions, rather than business combinations. Accounting for acquisitions is complex and requires management to exercise judgement to determine the appropriate accounting treatment including whether the acquisition should be classed as an asset or business acquisition, estimating the fair value of assets acquired and estimating the fair value of the purchase consideration as disclosed in Note 4(a).	Our procedures included, but were not limited to: • Obtaining an understanding of the transactions, including reviewing management's assessment of whether the transactions constituted an asset acquisition or business combination; • Reviewing the sale and purchase agreements to understand key terms and conditions of each transaction; • Assessing management's determination of the fair value of consideration paid and agreeing the consideration to supporting documentation; • Evaluating management's assessment of the fair value of the assets acquired; • Agreeing that no goodwill was recognised and that costs associated with the acquisition were capitalised in order to be in line with the accounting policy for asset acquisitions; and • Assessed the adequacy of the related disclosures in Note 4(a) and Note 29 to the financial statements.

Share-based Payments

Key audit matter	How the matter was addressed in our audit
During the year ended 30 June 2017, the Group issued shares, performance shares and options to key management personnel, vendors and to consultants, which have been accounted for as share-based payments. Refer to Note 2(n) and Note 4(b) of the financial report for a description of the accounting policy and significant estimates and judgements applied to these transactions. Share-based payments are a complex accounting area, which include assumptions utilised in the fair value calculations and judgements regarding the options, performance shares and shares issued during the year. There is a risk in the financial statements that the amounts are incorrectly recognised and/or inappropriately disclosed.	In addressing this matter our procedures included, but were not limited to the following: • Reviewing the relevant agreements to obtain an understanding of the contractual nature of the share-based payment transactions; • Holding discussions with management to understand the share-based payment in place and, where applicable, evaluating management's assessment of the likelihood of the performance conditions attached to the share-based payments being achieved; • Reviewing management's determination of fair value of the share-based payments, considering the appropriateness of the valuation methodology used and assessing the valuation inputs using internal specialists where appropriate; and • Assessing the allocation of the share-based payment expense over the relevant vesting period We have also assessed the adequacy of the related disclosures in Note 2(n), Note 4(b), Note 8(b) and Note 18 to the financial statements.

Other information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 19 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Cobalt One 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.

BDO Audit (WA) Pty Ltd

BDO

Neil Smith

Neil Smith

Director

Perth, 29 September 2017

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd Listing Rules and not disclosed elsewhere in this report is as follows. The information is current as at 27 September 2017.

DISTRIBUTION OF EQUITY HOLDINGS

	Class of Equity Security	
	Number of Holders	**Fully Paid Ordinary Shares**
1 – 1,000	274	111,942
1,001 – 5,000	110	354,507
5,001 – 10,000	74	613,748
10,001 – 100,000	388	20,263,498
100,001 and over	315	660,682,907
	1,161	**682,026,602**

There were 366 Shareholders holding less than a marketable parcel based on the last traded price of CO1 of $0.105.

TWENTY LARGEST SHAREHOLDERS

Name of Holder	No. of Ordinary Shares Held	Percentage of Issued Capital %
MARCOR LTD	100,000,000.00	14.66%
J P MORGAN NOMINEES AUSTRALIA LIMITED	60,563,970.00	8.88%
CITICORP NOMINEES PTY LIMITED	37,074,514.00	5.44%
RZJ CAPITAL MANAGEMENT LLC	35,000,000.00	5.13%
TAZGA TWO PTY LTD <TAZGA TWO A/C>	31,585,726.00	4.63%
UBS NOMINEES PTY LTD	24,402,166.00	3.58%
SONJA LOUISE NEWMAN HEATH	22,000,000.00	3.23%
VONROSS NOMINEES PTY LTD <VONROSS FAMILY A/C>	15,596,000.00	2.29%
VONROSS NOMINEES PTY LTD <VONROSS FAMILY A/C>	11,525,000.00	1.69%
CLIPPER GROUP LIMITED	11,240,000.00	1.65%
ONSWITCH INVESTMENTS PTY LTD <FOXFIRST A/C>	10,000,000.00	1.47%
MERRIWEE PTY LTD <MERRIWEE SUPER FUND A/C>	10,000,000.00	1.47%
JOKE PTY LTD <AC KENNY FAMILY A/C>	9,000,000.00	1.32%
HELMET NOMINEES PTY LTD <TIM WEIR FAMILY FUND A/C>	9,000,000.00	1.32%
RAVENHILL INVESTMENTS PTY LTD <HOUSE OF EQUITY A/C>	8,000,000.00	1.17%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,857,101.00	1.15%
VONROSS NOMINEES PTY LTD <VONROSS FAMILY A/C>	7,000,000.00	1.03%
AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	6,751,545.00	0.99%
MR BRETT MITCHELL + MRS MICHELLE MITCHELL <MITCHELL SPRING FAMILY A/C>	6,750,000.00	0.99%
Total	**682,026,602**	**62.09%**

ASX ADDITIONAL INFORMATION

SUBSTANTIAL SHAREHOLDERS

Name of Holder	No. of Ordinary Shares Held	Percentage of Issued Capital %
Marcor Limited	100,000,000	14.66%
CG Nominees (Australia) Pty Ltd	60,000,000	8.80%
Tribeca Investment Partners Pty Ltd	34,611,759	5.07%
RZJ Capital Management LLC	35,000,000	5.13%

VOTING RIGHTS

All shares carry one vote per share without restriction.

CobaltOne Limited

ASX ADDITIONAL INFORMATION

Mineral Tenements Held at 27 September 2017:

Tenement	Location	Registered Owner	Structure and Ownership
Acacia Fraser Project, Australia			
EL 27282	Northern Territory	Acacia Minerals Pty Ltd (100% subsidiary of Co1)	Granted, 100%
EL 27349	Northern Territory	Acacia Minerals Pty Ltd (100% subsidiary of CO1)	Granted, 100%
EL 27747	Northern Territory	Acacia Minerals Pty Ltd (100% subsidiary of CO1)	Granted, 100%
Cobalt Camp, Ontario, Canada			
4280138	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4283320	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
1230544	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
1230840	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4278446	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280116	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280120	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280130	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280131	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280132	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280133	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280134	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280144	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280145	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280157	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%

4280180	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280181	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280182	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280183	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280184	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280192	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280193	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280194	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280195	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280196	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280197	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280198	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280199	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280200	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4282378	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4282379	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4283319	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4283505	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4276645	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280159	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280160	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280161	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280162	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280163	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%

4280164	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280165	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280166	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280167	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280168	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280177	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4281661	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4281662	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4281663	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4275044	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280136	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280137	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280140	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280141	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280142	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280143	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280158	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280169	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280170	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280171	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280172	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280173	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280174	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280175	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%

4280176	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280178	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4281637	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4281639	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4281640	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4281664	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4280135	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4286015	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
4286016	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of CO1)	Granted, 80%
Cobalt Camp Refinery Limited Ontario, Canada[1]			
PIN 61390-0213(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61357-0142(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0001(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0002(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0003(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0004(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0005(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0006(LT	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0007(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0008(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0009(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0010(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0011(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0012(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%

PIN 61358-0013(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0014(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0015(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0016(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0017(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0018(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0019(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0020(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0021(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0022(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0023(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0024(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0131(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0132(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0133(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0134(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0135(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0136(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0137(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0138(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0139(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0140(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0141(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0142(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%

PIN 61358-0143(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0144(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0145(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0146(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0147(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0148(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0149(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0150(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0151(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0152(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0153(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0154(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0155(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0156(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0157(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0158(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0159(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0160(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0161(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0184(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%
PIN 61358-0198(LT)	Ontario, Canada	Cobalt Camp Refinery Limited (100% subsidiary of CO1)	Granted, 100%