

3 November 2017

## **Ausroc Metals Limited (ACN 073 155 781) (Subject to Deed of Company Arrangement) (ASX:ARK) ASX Announcement**

**Ausroc Metals Limited (ACN 073 155 781) (Subject to Deed of Company Arrangement) (“Company”) proposed acquisition of Woomera Exploration Limited (ACN 150 741 352), holder of tenements in the highly prospective Musgrave Province and Gawler Craton regions of South Australia.**

The Deed Administrators announce that the Company has executed a series of conditional agreements to acquire 100% of the issued capital in Woomera Exploration Limited (ACN 150 741 352) (**WEX**) (**WEX Acquisition**).

### **1. About Woomera Exploration Limited**

WEX is an unlisted public mining exploration company which holds, amongst others, approximately 5,584 km<sup>2</sup> of tenements in the highly prospective Musgrave Province and Gawler Craton regions of South Australia, comprising 6 exploration licences (**ELs**) and 3 Exploration Licence Applications (**ELAs**). 3 of the ELs and 1 ELA are located within the Musgrave Province and the remaining 3 ELs and 2 ELAs are located within the Gawler Craton. Exploration rights within these regions are tightly held with holdings by several of Australia's biggest mining companies.

In addition to the above tenements, WEX has entered into agreements to acquire Volt Lithium Pty Ltd (ACN 612 465 237) and Liquid Lithium Pty Ltd (ACN 612 730 337) which together own a lithium tenement package situated in Western Australia which is highly prospective for hard rock lithium and the potential for lithium rich brine style mineralisation. Upon completion of the acquisitions Volt Lithium Pty Ltd and Liquid Lithium Pty Ltd both entities will become wholly owned subsidiaries of WEX (**Lithium Acquisition**).

### **2. Background**

As announced in the letter to Shareholders dated 24 July 2017, creditors of the Company accepted a proposal by Caason Investments Pty Ltd (ACN 089 590 858) (**Caason**) for the recapitalisation and reconstruction of the Company (**Original Proposal**) which resulted in the Company executing a deed of company arrangement between the Company, the Administrators and Caason on 14 July 2017 (**Original Deed of Company Arrangement**). However, it subsequently became clear that the Original Proposal was incapable of being completed within the applicable time constraints.

On 8 September 2017, Caason entered into a binding conditional term sheet with WEX pursuant to which Caason would, to the extent possible as the proponent under the Original Deed of Company Arrangement, procure that the Company acquire all ordinary shares issued in WEX (**Term Sheet**). In order to give effect to the Term Sheet, Caason submitted to the Deed Administrators a revised proposal which was consistent with the terms of the Term Sheet for consideration at the reconvened creditors meeting on 10 October 2017 (**Revised Proposal**).

The Deed Administrators announce that the creditors resolved in favour of varying the Original Deed of Company Arrangement to reflect the Revised Proposal and the terms of the Term Sheet. Accordingly, the deed of company arrangement was amended by the Company, the Deed Administrators and Caason by way of an Amendment and Restatement Deed on or around 13 October 2017 to reflect the Revised Proposal and Term Sheet (**Deed of Company Arrangement**).

Pursuant to the Deed of Company Arrangement, the Company has agreed to:

- (a) execute a deed of accession pursuant to which the Company agrees to observe, perform and be bound by all terms of the Term Sheet; and

- (b) do all things reasonably necessary to give effect to the Term Sheet, including, subject to shareholder approval, completing the acquisition of WEX following the termination of the Deed of Company Arrangement.

On 2 November 2017, the Supreme Court of Western Australia ordered that the winding up of the Company be terminated with effect on and from 2 November 2017.

### 3. New Tenements

Upon successful completion of the WEX Acquisition and the Lithium Acquisition by WEX, the Company will together with its subsidiaries (including Norsa Exploration Pty Ltd (ACN 156 268 727) (**Norsa**) and WEX upon completion of the WEX Acquisition) hold the following granted tenements:

#### South Australia tenements:

Tenement Name	Number	Location	Area (km <sup>2</sup> )	Status
<b>Sundown</b>	EL 5041	Musgrave Province, South Australia	768	Granted
<b>Mount Howe</b>	EL 5042	Musgrave Province, South Australia	854	Granted
<b>Mount Irwin</b>	EL 5287	Musgrave Province, South Australia	595	Granted
<b>Mount Carulina</b>	EL 5040	Gawler Craton, South Australia	401	Granted
<b>Whymlet</b>	EL 5113	Gawler Craton, South Australia	266	Granted
<b>Tallaringa</b>	EL 5116	Gawler Craton, South Australia	923	Granted

Further details regarding the tenements of the Company following completion its acquisition of WEX and Lithium Acquisition (including applications for tenements) are set out in Appendix 1 of this Announcement.

#### Western Australia tenements:

Tenement Name	Number	Location	Area (km <sup>2</sup> )	Status
<b>Magpie Range Pilgangoora</b>	E45/4790	Central Pilbara, Western Australia	64	Granted
<b>Peak Charles Salt Lake</b>	E74/596	SE Yilgarn, Western Australia	92	Granted
<b>Mt Cattlin East</b>	E74/597	SE Yilgarn / Ravensthorpe, Western Australia	56	Granted
<b>Lake Dundas</b>	E63/1804	SE Yilgarn/ Norseman, Western Australia	57	Granted
<b>Lake Sharpe</b>	E74/598	SE Yilgarn, Western Australia	60	Granted

Tenement Name	Number	Location	Area (km <sup>2</sup> )	Status
<b>Mt. Cattlin East West</b>	E74/599	SE Yilgarn / Ravensthorpe, Western Australia	40	Granted
<b>Magpie Range West</b>	E45/4796	Central Pilbara, Western Australia	29	Granted
<b>Lake Cowan</b>	E15/1532	SE Yilgarn/ Norseman, Western Australia	3	Granted

Further details regarding the tenements of the Company following completion its acquisition of WEX and Lithium Acquisition (including applications for tenements) are set out in Appendix 1 of this Announcement.

#### 4. Key terms of the WEX Acquisition

The key terms of the Term Sheet between Caason and WEX dated 8 September 2017 which the Company must do all things reasonably necessary to give effect to under the Deed of Company Arrangement are as follows:

- (a) **(Conditions Precedent)** Completion of the Term Sheet is subject to a series of conditions precedent including:
- (i) the Deed of Company Arrangement being completed in accordance with its terms;
  - (ii) a Court of competent jurisdiction making an order to the effect that the winding up of the Company is or will be terminated or indefinitely stayed pursuant to section 482 of the *Corporations Act 2001* (Cth) or otherwise;
  - (iii) the Company entering into a share sale agreement with each of the shareholders of WEX;
  - (iv) the Capital Raising discussed in paragraph 4(i) below is undertaken and completed by the Company; and
  - (v) the Company obtaining all necessary regulatory approvals (including any ASX waivers and ASIC relief including deferred relief to hold the 2017 annual general meeting outside the period required under section 250N of the *Corporations Act*) it requires to complete the WEX Acquisition;
- (b) **(Consolidation of Shares)** the Company consolidates the number of shares on issue on a one (1) new share for each fifty (50) existing shares (**Consolidation**);
- (c) **(Acquisition of WEX)** Upon termination of the Deed of Company Arrangement, the Company will enter into a share sale agreement with each of the WEX Shareholders pursuant to which the Company will acquire 100% of the issued capital in WEX to the Company on the terms consistent with the Term Sheet;
- (d) **(Consideration for Acquisition of WEX)** The consideration for the acquisition of 100% of the issued share capital of WEX is:
- (i) the issue of 68,259,459 ordinary shares in the Company (on a post-Consolidation basis) to the WEX Shareholders; and
  - (ii) a cash payment of \$500,000 and the issue of the 6,250,000 ordinary shares in the Company (on a post-Consolidation basis) to the shareholders of Volt Lithium Pty Ltd and Liquid Lithium Pty Ltd

Lithium (**Lithium Shareholders**) as consideration for the Lithium Acquisition by WEX;

- (e) **(Issue of Shares to Caason Parties)** The Company must issue to the Caason (or Caason Nominees) 3,227,635 Shares (on a post-Consolidation basis) in consideration for the payment, by Caason (or Caason Nominees) of the amount of \$451,869 in the creditors' fund under the Deed of Company Arrangement (**Proponent Sum**);
- (f) **(Caason's Forgiveness and Conversion of Debt)** Caason, as a secured creditor of the Company, will forgive \$2,329,199 of its total \$3,229,199 secured debt owed by the Company with the balance of \$900,000 (**Reduced Caason Debt**) to be converted into the following securities:
  - (i) 6,428,571 Shares (on a post-Consolidation basis) at a deemed issue price of \$0.14 per Share; and
  - (ii) 6,428,571 Options (on a post-Consolidation basis), exercisable within 3 years from the date of issue, at an exercise price of \$0.20 per Option,
- (g) **(Hunt's conversion of debt)** Mr Robert Hunt will convert the secured debt of \$266,597 owed by the Company to Mr Hunt into the following securities:
  - (i) 1,904,264 shares (on a post-Consolidation basis), which represents a price of \$0.14 per share; and
  - (ii) 1,904,264 options exercisable at \$0.20 expiring two years after the date of issue;
- (h) **(Trident Capital's conversion of debt)** in partial satisfaction of the debt owed by the Company to Trident Capital Pty Ltd (ACN 100 561 733) (**Trident Capital**), the Company will issue a total of 107,143 shares (on a post-Consolidation basis) to Trident Capital;
- (i) **(Capital Raising)** in connection with the WEX Acquisition, the Company is to undertake a non-underwritten capital raising by way of a prospectus to raise at least \$4 million and up to \$7 million (before costs) by way of the issue of at least 20,000,000 and up to 35,000,000 shares (on a post-Consolidation basis) in the Company at \$0.20 per share (**Capital Raising**);
- (j) **(Board of Directors)** on completion of the Deed of Company Arrangement, Mr Ben Mead will resign as Director of the Company and:
  - (i) Mr Gerard Anderson will be appointed as Managing Director;
  - (ii) Mr Neville Martin will be appointed as Non-Executive and Chairman;
  - (iii) Mr David Lindh will be appointed as Non-Executive Director;
  - (iv) Mr Donald Triggs will be appointed as Executive Director; and
  - (v) Mr Joe Fekete will be appointed as Non-Executive Director,to fill the casual vacancies of the Board and seek re-election at the Annual General Meeting;
- (k) **(issue of options to incoming directors)** The Company is to issue:
  - (i) 6,000,000 Options (on a post-Consolidation basis) to Mr Gerard Anderson at an exercise price of \$0.20 per Option; and
  - (ii) 3,000,000 Options (on a post-Consolidation basis) to Mr Donald Triggs at an exercise price of \$0.20 per Option,

as part of an incentive arrangement for being appointed as directors; and

- (l) **(Change of Company Name)** the name of the Company is to be changed from Ausroc Metals Limited to “Woomera Mining Limited” effective on and from the date that is 14 days after completion of the WEX Acquisition.

## 5. Pro forma Capital Structure

The Company’s indicative capital structure upon Completion of the WEX Acquisition, Lithium Acquisition, Consolidation and Capital Raising is set out in the table below.

Unless otherwise stated, all figures are expressed on post-Consolidation basis.

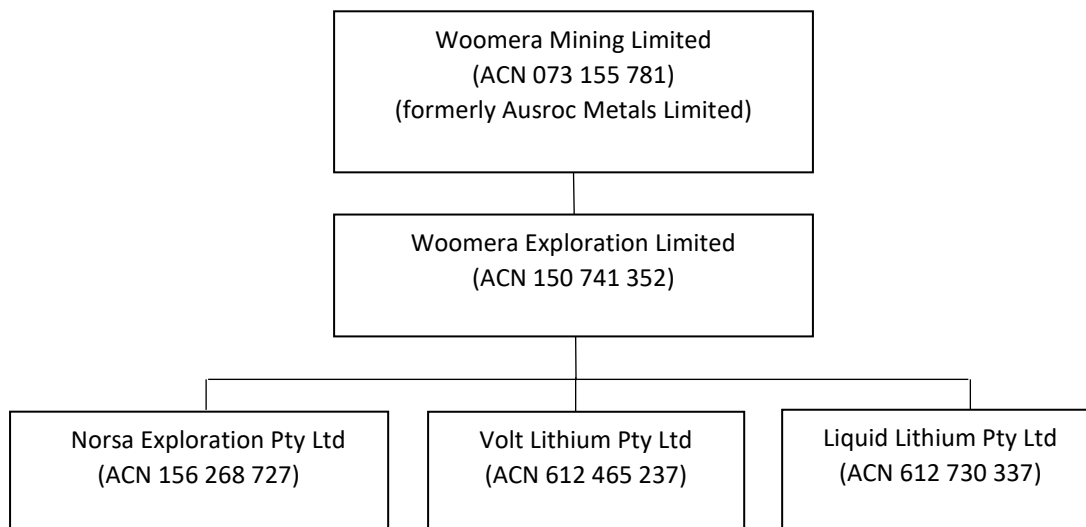
<b>Shares</b>	<b>Number of Shares</b>
Shares on issue as at the date of the Notice (post Consolidation)	6,095,480
Shares to be issued to WEX Shareholders in consideration for the acquisition of 100% of the issued shares in WEX (subject of Resolution 4)	68,259,459
Shares to be issued to Caason (or the Caason Nominee) in consideration for the payment of the Proponent Sum (subject of Resolution 5)	3,227,635
Shares to be issued to Caason (or the Caason Nominee) in satisfaction of the Reduced Caason Debt (subject of Resolution 5)	6,428,571
Shares to be issued to Mr Robert Hunt in full and final satisfaction of secured debt obligations owed by the Company to Hunt (subject of Resolution 6)	1,904,264
Shares to be issued to Trident Capital in full and final satisfaction of the Trident Conversion Debt (subject of Resolution 7)	107,143
Shares to be issued to Lithium Shareholders as partial consideration for the acquisition of 100% of the issued shares in Volt Lithium Pty Ltd and Liquid Lithium Pty Ltd by WEX (subject of Resolution 8)	6,250,000
Shares to be issued pursuant to the Capital Raising (subject of Resolution 11)	Up to 35,000,000
<b>Maximum total number of Shares on issue on completion of the Acquisition</b>	<b>127,272,552</b>
<b>Options</b>	
Options on issue as at the date of the Notice	Nil
Options to be issued to Caason (or the Caason Nominee) in satisfaction of the Reduced Caason Debt (subject of Resolution 5)	6,428,571
Option to be issued to Mr Robert Hunt in full and final satisfaction of secured debt obligations owed by the Company to Hunt (subject of Resolution 6)	1,904,264
Options to be issued to Mr Gerard Anderson (subject of Resolution 9)	6,000,000
Options to be issued to Mr Donald Triggs (subject of Resolution 10)	3,000,000
<b>Maximum total number of Options on issue on completion of the Acquisition</b>	<b>17,332,835</b>

## 6. Control Implications of the WEX Acquisition

Completion of the WEX Acquisition will not result in any person acquiring control of, or voting power of 20% or more in, the Company. However, the proposed issue of new shares in connection with the WEX Acquisition and the Lithium Acquisition will all have a significant dilutionary effect on the holdings of existing shareholders.

## 7. Post-completion Corporate Structure

If the WEX Acquisition and Lithium Acquisition is completed, the corporate structure of the Company will be as follows:



## 8. Changes to the Board

With effect on and from completion of the Deed of Company Arrangement, the existing director of the Company, Mr Ben Mead will be removed as director by the Deed Administrators and the following people will be appointed to fill the casual vacancies of the Board until the Annual General Meeting of the Company:

- (a) Mr Gerard Anderson will be appointed as Managing Director;
- (b) Mr Neville Martin will be appointed as Non-Executive and Chairman;
- (c) Mr David Lindh will be appointed as Non-Executive Director;
- (d) Mr Donald Triggs will be appointed as Executive Director; and
- (e) Mr Joe Fekete will be appointed as Non-Executive Director.

(collectively referred to as “**Casual Vacancy Directors**”)

If the Deed of Company Arrangement is completed, and the Casual Vacancy Directors are appointed to the Board prior to the 2017 Annual General Meeting, then each of the Casual Vacancy Directors (with exception to the Managing Director, Mr Gerard Anderson) will offer themselves for re-election to the Board at the Annual General Meeting pursuant to ASX Listing Rule 14.4.

ASX Listing Rule 14.4 does not apply to a managing director, therefore, Mr Gerard Anderson will not retire from the Board and is not required to seek re-election at the Annual General Meeting.

If, however, the Casual Vacancy Directors are not appointed to the Board prior to the to the 2017 Annual General Meeting, then the Casual Vacancy Directors (with exception to Mr Gerard Anderson), having consented to act, seek approval to be elected to the Board with effect on and from the close of the Meeting. Then, once the Casual Vacancy Directors (with exception to Mr Gerard Anderson) have been appointed to the Board they intend to appoint Mr Gerard Anderson as Managing Director.

## 9. Capital Raising and use of funds

As set out above, the Company is to undertake a non-underwritten Capital Raising by way of a prospectus in connection with the WEX Acquisition to raise at least \$4 million and up to \$7 million (before costs) by way of the issue of at least 20,000,000 and up to 35,000,000 shares (on a post-Consolidation basis) in the Company at \$0.20 per share.

Pursuant to Annexure A of ASX Guidance Note 12, the Company notes that WEX issued the following securities in the 6 months prior to the date of this announcement:

- (a) a placement of 1,887,854 shares to sophisticated and professional investors at an issue price of \$0.14 per share to raise \$264,299.56; and
- (b) 530,000 shares to option holders on their exercise of their options at an exercise price of \$0.05 per option, raising a total of \$26,500.

The proposed use of funds raised from the above share issues by WEX and to be raised under the Capital Raising are as follows:

Expenditure	Minimum Subscription		Maximum Subscription	
	Year 1	Year 2	Year 1	Year 2
Estimated Cash on Hand prior to offer	\$360,000	N/A	\$360,000	N/A
Capital Raised under the offer	\$4,000,000	N/A	\$7,000,000	N/A
<b>Total Funds Available</b>	\$4,360,000		\$7,360,000	
Lead Manager Fees	\$280,000	N/A	\$525,000	N/A
Expenses of the offer	\$303,450	N/A	\$333,850	N/A
Acquisition of Volt Lithium Pty. Ltd (cash component)	\$250,000	N/A	\$250,000	N/A
Acquisition of Liquid Lithium Pty. Ltd. (cash component)	\$250,000	N/A	\$250,000	N/A
<b>Proposed Exploration Expenditure:</b>				
Musgrave Project	N/A*	N/A*	N/A*	N/A*
Gawler Craton – Labyrinth Project (SA)	\$129,800	\$170,000	\$339,300	\$223,700
Gawler Craton – NAWA Project (SA)	\$95,500	\$287,500	\$102,000	\$671,000

Expenditure	Minimum Subscription		Maximum Subscription	
Gawler Craton – Carulinia Project (SA)	\$54,800	\$358,500	\$522,300	\$539,300
Pilbara – Pilgangoora Project (WA)	\$65,800	\$126,800	\$127,300	\$217,700
Mt. Catlin Project (WA)	\$43,000	\$84,000	\$109,500	\$126,600
South East Yilgarn Lithium Brine Projects	\$40,000	\$30,500	\$48,500	\$38,110
<b>Total Proposed Exploration Expenditure</b>	\$428,900	\$1,057,600	\$1,248,900	\$1,816,400
Corporate, overheads, executive remuneration and other expenses	\$700,000	\$700,000	\$700,000	\$700,000
Reimbursement of Caason	\$202,720	-	\$202,720	-
Working Capital	\$81,165	\$81,165	\$654,065	\$654,065
<b>Total Budgeted Expenditure</b>	\$2,496,235	\$1,863,765	\$4,164,535	\$3,195,465

## 10. Indicative Timetable

Event	Indicative Date
Dispatch of Notice of Meeting of Shareholders	3 November 2017
Payment of the Proponent Sum (Subject to conditions precedent in the Deed of Company Arrangement)	On or before 7 November 2017
Shareholders Meeting	5 December 2017
Lodgment of Prospectus	5 December 2017
Consolidation Record Date	10 December 2017
Offer Open	20 December 2017
Offer Close	22 February 2018
Complete the WEX Acquisition and Lithium Acquisition	28 February 2018
Anticipated readmission to official quotation (Re-compliance with Chapters 1 and 2 of the Listing Rules)	6 March 2018

As of 6 December 2017 (**Removal Date**), the Company securities will have been suspended from trading for a continuous period of 3 years and the Company may be automatically removed from the official list of the ASX on the Removal Date in accordance with paragraph 3.4 of ASX Listing Rules Guidance Note 33.

However, pursuant to paragraph 3.4 of the ASX Listing Rules Guidance Note 33, ASX may grant a short extension of the 3-year deadline for the automatic removal of a long-term suspended entity if the Company



can demonstrate to ASX's satisfaction that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities.

If shareholders approve all resolutions necessary for the Company to complete the WEX Acquisition, the Company considers that there are reasonable prospects that it will be in a position to satisfy the necessary requirements of the ASX under paragraph 3.4 of the ASX Listing Rules Guidance Note 33 to seek a short extension of the 3-year deadline for the automatic removal of the Company from the official list of the ASX in order to complete the WEX Acquisition and seek reinstatement to official quotation. However, Shareholders should be aware that the decision to grant short extension of the 3-year deadline for the automatic removal is within the absolute discretion of the ASX.

The above timetable is indicative only and assumes that the ASX grants a short-term extension to the automatic removal of the Company from the official list of the ASX. Trading in the securities will only be reinstated by ASX after the Company has completed the WEX Acquisition and complied with Chapters 1 and 2 of the ASX Listing Rules.

#### **11. Company's intentions post completion of the WEX Acquisition and the Lithium Acquisition**

The Company had either been in liquidation or voluntary administration from 23 August 2016 until 2 November 2017, and currently the Company remains subject to a deed of company arrangement.

Given the Company's current state of affairs, the lack of profit history and the immediate lack of a reliable future cash flow from any remaining assets, it is anticipated that the completion of the WEX Acquisition will improve the commercial viability of the Company.

The Company's main objective is to provide a return to shareholders through the successful exploration for, and development of, economically viable mineral deposits.

In seeking to achieve its objectives, the Company will identify, fund, acquire and develop:

- (a) mineral deposits in South Australia; and
- (b) lithium projects in Western Australia;

and to undertake those activities either as sole explorer, funders and manager of the relevant operations or through farm-in agreements and joint venture arrangements with larger companies.

#### **12. Shareholder Approval and re-admission to the official list of the ASX**

Upon completion of the WEX Acquisition and the Lithium Acquisition by WEX, the Company intends to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules to obtain re-instatement of the Company's securities to official quotation.

Completion of the WEX Acquisition and the Lithium Acquisition by WEX should allow the Company to meet the requirements of Chapters 1 and 2 of the ASX Listing Rules, and enable the securities in the Company to recommence trading on the ASX.

It is important to note that:

- (a) Completion of the WEX Acquisition and Lithium Acquisition is subject to shareholder approval as required under the ASX Listing Rules and therefore the WEX Acquisition and Lithium Acquisition may not proceed if such shareholder approval is not obtained;
- (b) The Company is required to re-comply with ASX's requirements for admission and quotation and therefore the WEX Acquisition and Lithium Acquisition may not proceed if those requirements are not met;

- (c) The ASX has an absolute discretion in deciding whether to re-admit the Company to the official list and to quote its securities and therefore the WEX Acquisition and Lithium Acquisition may not proceed if ASX exercises that discretion not to re-admit the Company; and
- (d) Shareholders and investors should take account the above uncertainties in deciding whether to approve the Acquisition or buy or sell the Company's securities; and
- (e) The ASX takes no responsibility for the contents of this announcement.

The Company is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1.

### **13. Further Information**

For further information, please do not hesitate to contact the proponent of the Deed of Company Arrangement, Caason Investments Pty Ltd on (03) 9211 6000.

By Order of Christopher Michael Williamson and David Ashley Norman Hurt in their capacity as Deed Administrators of the Company

**Ausroc Metals Limited (subject to deed of company arrangement)**

Signed by Christopher Michael Williamson and David Ashley Norman Hurt in their capacity as Deed Administrators of the Company

**In making this announcement, the Deed Administrators of the Company have relied on the information provided by Caason Investments Pty Ltd (the proponent of the Deed of Company Arrangement) and Woomera Exploration Limited. They have not independently verified any of the information contained in this announcement. Neither the Deed Administrators of the Company, nor their servants, agents or employees make any representation or warranty express or implied as to the accuracy, reasonableness or completeness of the information contained in this announcement. To the extent permissible by law, all such parties and entities expressly disclaim any and all liability for, or based on or relating to, any such information contained in, or errors in or omissions from this announcement.**

## Appendix 1 – Projects

### Overview of WEX Tenement

WEX commenced preliminary exploration operations in May 2011 following the Australian government's announcement of the relaxing of access conditions to the Woomera Prohibited Area.

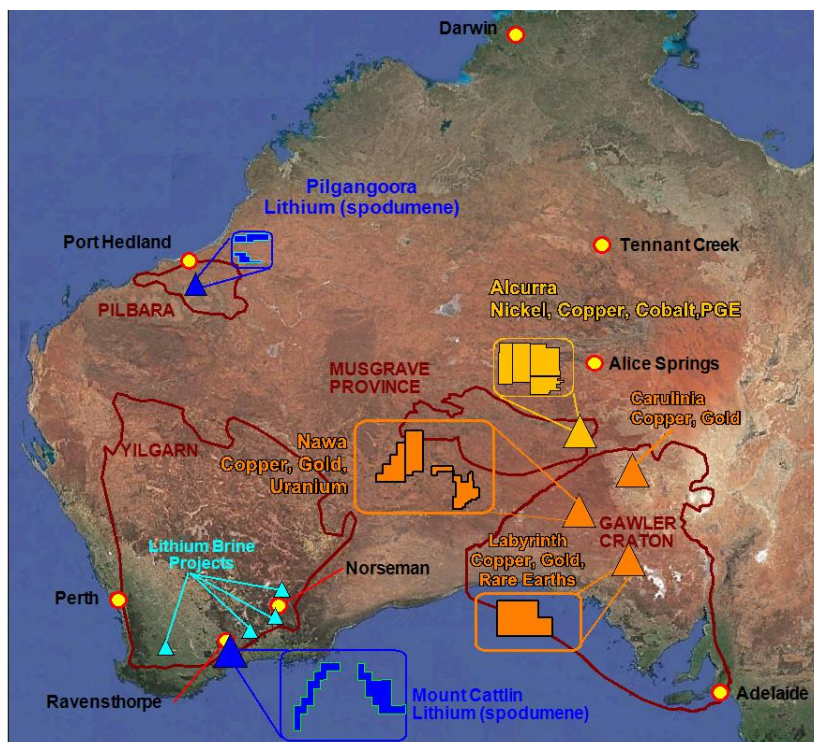
WEX currently holds approximately 5,584 km<sup>2</sup> of tenements in the highly prospective Musgrave Province and Gawler Craton regions of South Australia, comprising 6 Exploration Licences (ELs) and 3 Exploration Licence Applications (ELAs). Three of the ELs and 1 ELA are located within the Musgrave Province and the remaining 3 ELs and 2 ELAs are located within the Gawler Craton.

In addition to the above tenements, WEX has entered into agreements to acquire Volt Lithium Pty Ltd (ACN 612 465 237) and Liquid Lithium Pty Ltd (ACN 612 730 337) which together own a lithium tenement package situated in Western Australia which is highly prospective for hard rock lithium and has the potential for lithium rich brine style mineralisation.

Apart from WEX's tenements in the Musgrave Province (which are subject to the OZ Minerals HOA discussed below), all of the South Australian tenements are currently 100% owned by WEX. Upon completion of the acquisition of Volt Lithium Pty Ltd and Liquid Lithium Pty Ltd, the Western Australian hard rock and lithium rich brine projects will also be 100% controlled by WEX.

WEX's tenements provide the Company with strong exposure to several strategic and expanding metals markets, namely copper (± gold, uranium), nickel, cobalt and lithium.

Figure 2 – Overview of tenements:



### South Australia Granted Tenements

The table below sets out the tenements situated in South Australia for which exploration licences have been granted as at the date of this Announcement. WEX's strategy is to explore these tenements; in the case of the Musgrave Province under the farm in arrangements contemplated in the OZ Minerals HOA (discussed below); and otherwise by WEX directly.

Tenement Name	Number	Location	Area (km <sup>2</sup> )	Status	Expiry Date	Notes
<b>Sundown</b>	EL 5041 (Subsequent ELA 2017/00156)	Musgrave Province	768	Granted	10 October 2017**	Held by WEX. Subject of the Oz Minerals HOA
<b>Mount Howe</b>	EL 5042 (Subsequent ELA 2017/00157)	Musgrave Province	854	Granted	10 October 2017**	Held by WEX. Subject of the Oz Minerals HOA
<b>Mount Irwin</b>	EL 5287	Musgrave Province	595 ++	Granted	24 June 2018	Held by Norsa. Subject of the Oz Minerals HOA
<b>Mount Carulinia</b>	EL 5040 (Subsequent ELA 2017/00155)	Gawler Craton	401	Granted	10 October 2017**	Held by WEX
<b>Whymlet</b>	EL 5113 (Subsequent ELA 2017/00182)	Gawler Craton	266	Granted	28 November 2017**	Held by WEX
<b>Tallaringa</b>	EL 5116 (Subsequent ELA 2017/00183)	Gawler Craton	923 ++	Granted	28 November 2017**	Held by WEX

**Note:**

++ tenement is subject of a partial surrender of area

\*\* the Exploration Licence is in its final term and an application for a subsequent licence has been submitted.

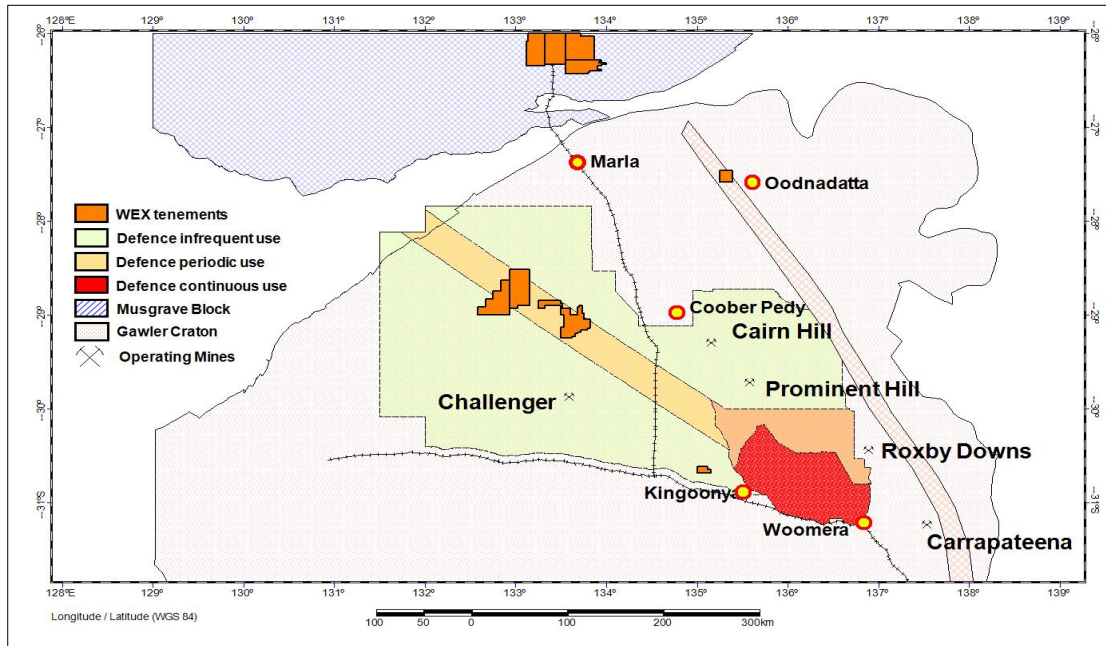
Each of EL 5040 (Subsequent 2017/00155), EL 5041 (Subsequent ELA 2017/00156) and EL 5042 (Subsequent ELA 2017/00157) have reached their 5-year anniversary of being granted, and as is required in South Australia, WEX has submitted Subsequent Licence Applications to retain each of these tenements.

The Department of Premier and Cabinet of South Australia – Mineral Resources Division (**Department**) has confirmed that the Department will progress EL 5041 (Subsequent ELA 2017/00156) and EL 5042 (Subsequent ELA 2017/00157) to grant.

The Department has also indicated that they will grant EL 5040 (Subsequent ELA 2017/00155), EL 5113 (Subsequent ELA 2017/00182) and EL 5116 (Subsequent ELA 2017/00183), however, WEX is obliged to reduce the area of its holding by 25%. In order to meet the reduction requirement, WEX has surrendered all of its previously held EL 5286 in the Eastern Musgrave and submitted partial surrender documents to reduce EL 5116 (Subsequent ELA 2017/00183) by 446 km<sup>2</sup> and EL 5287 by 90 km<sup>2</sup>.

As a result, EL 5116 (Subsequent ELA 2017/00183) will be reduced to a total area of 462 km<sup>2</sup> and EL 5287 will be reduced to a total area of 505 km<sup>2</sup>.

**Figure 3 – Tenements in South Australia:**



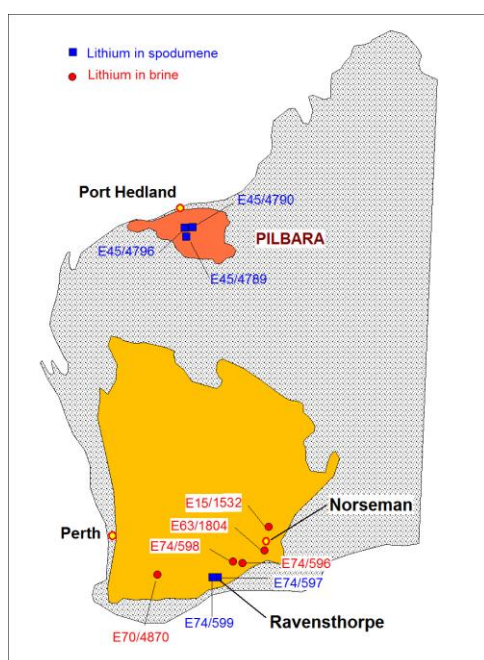
**Western Australia Granted Tenements**

These below tenements are held by Volt Lithium Pty Ltd and Liquid Lithium Pty Ltd, which companies are to be acquired by WEX.

Tenement Name	Number	Location	Area (km <sup>2</sup> )	Status	Expiry Date	Notes
Magpie Range Pilgangoora	E45/4790	Central Pilbara	64	Granted	6 June 2022	Held by Volt Lithium Pty. Ltd.
Peak Charles Salt Lake	E74/596	SE Yilgarn	92	Granted	3 May 2022	Held by Volt Lithium Pty. Ltd.
Mt Cattlin East	E74/597	SE Yilgarn / Ravensthorpe	56	Granted	3 January 2022	Held by Volt Lithium Pty. Ltd.
Lake Dundas	E63/1804	SE Yilgarn/	57	Granted	30 April 2022	Held by Liquid

Tenement Name	Number	Location	Area (km <sup>2</sup> )	Status	Expiry Date	Notes
		Norseman				Lithium Pty. Ltd.
Lake Sharpe	E74/598	SE Yilgarn	60	Granted	27 April 2022	Held by Liquid Lithium Pty. Ltd
Mt. Cattlin East West	E74/599	SE Yilgarn / Ravensthorpe	40	Granted	17 January 2022	Held by Liquid Lithium Pty. Ltd
Magpie Range West	E45/4796	Central Pilbara	29	Granted	4 July 2022	Held by Liquid Lithium Pty Ltd.
Lake Cowan	E15/1532	SE Yilgarn/ Norseman	3	Granted	4 May 2022	Held by Liquid Lithium Pty. Ltd

Figure 4- Western Australia tenement locations (including applications for tenements)



### Applications for Tenements

#### (a) South Australian Applications for Tenements

The below table sets out the tenements situated in South Australia which are presently the subject of Exploration Licence Applications. These tenements are not granted exploration licences and until granted, WEX cannot undertake any exploration operation on the relevant land.

Tenement Name	Number	Location	Area (km <sup>2</sup> )	Status	Notes
Great Central Desert	ELA 2012/00119	Gawler Craton	929	Not Granted – under Application	Application by Norsa.
Great Victorian Desert	ELA 2012/00120	Gawler Craton	848	Not Granted – under Application	Application by Norsa.
Not applicable	ELA 2017/00139	Musgrave Province	929	Not Granted – under Application	Application by WEX. Subject of the Oz Minerals HOA

(b) Western Australian Applications for Tenements

The below table sets out the tenements situated in Western Australia which are the subject of applications for the grant of exploration licences by Volt Lithium Pty Ltd and Liquid Lithium Pty Ltd.

Tenement Name	Number	Location	Area (km <sup>2</sup> )	Status	Notes
Turner Siding Pilgangoora	E45/4789	Central Pilbara	57	Not Granted – under Application	Application by Volt Lithium Pty Ltd.
Dumbleyung Salt Lake	E70/4870	SE Yilgarn	86	Not Granted – under Application	Application by Volt Lithium Pty Ltd.

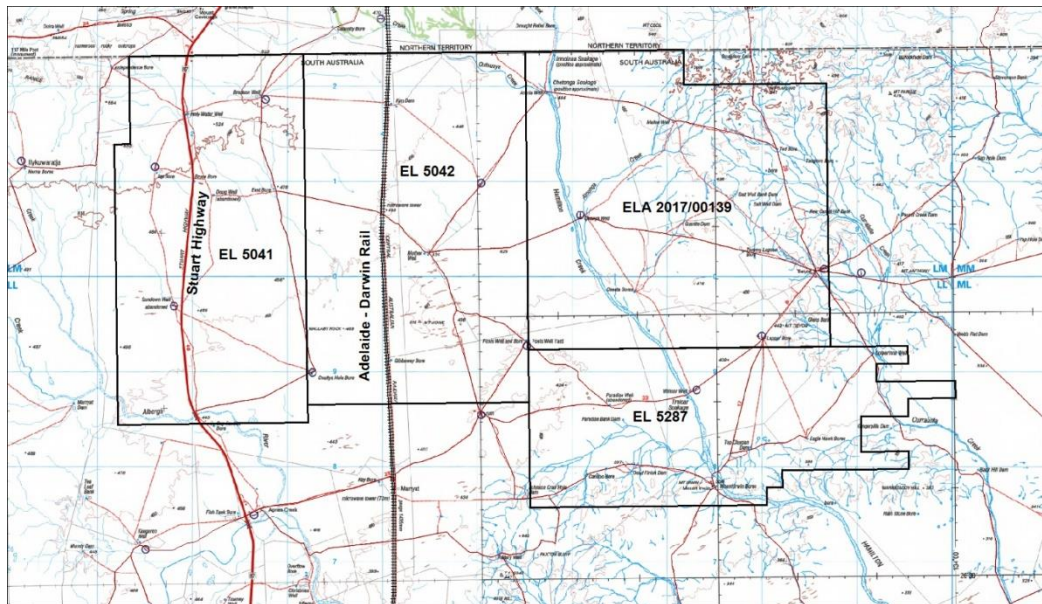
**Summary of WEX's tenements**

**1. Musgrave Block Alcurra Ni-Cu-Co-PGE Project (SA)**

The Musgrave Province is considered highly prospective for intrusion hosted nickel copper sulphide deposits within the Giles Complex, which is part of the Warakurna Large Igneous Province, one of the largest layered mafic to ultramafic igneous provinces in the world.

WEX's tenements in the Musgrave Province (EL 5041, EL 5042 & EL 5287) are considered by WEX to be highly prospective for Nebo-Babel style magmatic Ni-Cu-Co-PGE sulphide. There is also recognised potential for base metal mineralisation.

**Figure 1 – Location of Musgrave tenements**



On 11 September 2017, WEX entered into a binding heads of agreement with OZ Exploration Pty Ltd (ACN 137 626 914) (**OZ Exploration**) (a wholly owned subsidiary of ASX listed OZ Minerals Limited (ACN 005 482 824) (ASX:OZL)) in relation to a series of mining tenements in the Musgrave Province in South Australia (**Musgrave Tenements**) pursuant to which OZ Exploration Pty Ltd agrees to complete a Reverse Circulation drilling program totalling 3,850 metres on the tenements with the Musgrave Province (**OZ Minerals HOA**).

The key terms of the OZ Minerals HOA are as follows:

- (a) the OZ Minerals HOA is conditional on the execution of a Native Title Mining Agreement (**NTMA**) with the Tjawiwara Unmurru (the relevant recognised native title claimants);
- (b) the Reverse Circulation drilling program is to be completed by OZ Exploration on or before the period of 12 months from the date that WEX gives OZ Exploration written notice that the NTMA has been entered into with the traditional owners of the relevant land (**Effective Date and Stage 1 Commitment**);
- (c) on completion of the Stage 1 Commitment, OZ Exploration may elect to earn a 51% interest in the Musgrave Tenements by funding \$2,500,000 of exploration expenditure (inclusive of the Stage 1 Commitment expenditure) within 18 months of the Effective Date (**Stage 2 Commitment**);
- (d) upon OZ Exploration meeting its Stage 2 Commitment, OZ Exploration will be entitled to a 51% interest in the Musgrave Tenements and the parties must execute all documents required under the *South Australian Mining Act 1978* (SA) to effect a transfer of a 51% interest in the Musgrave Tenements from WEX to OZ Exploration;
- (e) if OZ Exploration becomes entitled to the 51% interest in the Musgrave Tenements a joint venture will come into effect between the parties with the initial joint venture interest being: OZ Exploration 51% and WEX 49%;
- (f) within 60 days of the commencement of the joint venture, OZ Exploration may, by written notice to WEX, elect to earn a further 24% interest in the Musgrave Tenements by spending a further \$5,000,000 on exploration within 24 months of the commencement of the joint venture (**Stage 3 Commitment**); and



- (g) upon OZ Exploration meeting its Stage 3 Commitment, OZ Exploration will become entitled to hold a 75% interest in the Musgrave Tenements and the parties must execute all documents required under the *South Australian Mining Act 1978 (SA)* to effect such outcome.

## 2. The Gawler Craton tenements

The Gawler Craton is considered highly prospective for a spectrum of mineral deposits including IOCGs, ISCGs, Pb-Zn, Au and Ag, which are temporally linked to the Hiltaba Suite and Gawler Range Volcanics (GRV) magmatic event (1595-1570Ma). These include the formation of the well known IOCG deposits of Olympic Dam, Prominent Hill, Carrapateena and Hillside which demonstrate the high potential for further IOCG type deposits in the region.

While there has been a significant amount of exploration and discoveries made in the Gawler Craton, there is a vast quantity of almost untouched exploration space which remains available. For many of these areas, the remote location and the presence of cover has hindered exploration activities. The relaxing of access conditions by the Australian Government in respect of the Woomera Prohibited Area has created a unique opportunity to access a prospective region within the Woomera Prohibited Area which has been subjected to only limited exploration in the past.

Under a co-existence framework, the Department of Defence remains the primary user of the Woomera Prohibited Area. The Woomera Prohibited Area is divided into “green”, “amber” and “red” access zones, each offering different levels of access or time-share to non-Defence users.

Four of WEX's Gawler Craton Tenements, being EL5113, EL5116, ELA 2012/00119 and ELA 2017/00139 fall within the Woomera Prohibited Area as follows:

- (a) EL5113 is located within the “Infrequent Defence Use” exclusion zone (Green Zone) in which WEX will have a presumption of access, however, WEX may be required to evacuate for up to 56 days a year; and
- (b) EL 5116 and ELA 2012/00119 and ELA 2012/00120 are located within the “Periodic Defence Use” exclusion zone (Amber Zone 2) which could exclude the WEX from conducting exploration operations on the tenement area for up to 70 days a year and requires the Company to give 3 months' notice of exploration activity.

None of the above regulatory requirements in respect of the Woomera Prohibited Area are anticipated to adversely affect the WEX's exploration plans.

### (i) Gawler Craton Carulinia IOCGU Project (SA)

The Carulinia project (EL 5040) is WEX's only Gawler Craton tenement that falls outside the Woomera Prohibited Area and is situated approximately 10 km west of Oodnadatta on the Torrens Hinge Zone which is a complex structure defining the eastern margin of the Gawler Craton.

The primary target on EL 5040 is a large coincident gravity (14 mGal) and magnetic (1000nT) anomaly which has striking similarities to those signatures over Olympic Dam and Carrapateena. There is a thick cover sequence in the project area that has been a deterrent to extensive investigations. Only two drill holes have intersected basement and the vast majority of the tenement remains unexplored.

Recent 3D magnetic and gravity inversion modelling undertaken by WEX indicate that the Mount Carulinia anomaly is composed of a highly magnetic core, surrounded by high density gravity shell. None of the historic drill holes previously undertaken by other companies intersected the high grade gravity shell associated with the target.

(ii) Gawler Craton Labyrinth Ni-Cu Project (SA)

The Labyrinth project (EL 5113) covers an area of 266 km<sup>2</sup> and lies within Woomera Prohibited Area in the central Gawler Craton approximately 30 Kms north-west of Kingoonya and 40 Kms north-east of Tarcoola between the Stuart Highway and the Adelaide-Darwin rail. The prospectivity of a large portion of EL 5113 remains unknown, due to the limited exploration completed over the tenement to date, however previous drilling has revealed the potential for Ni-Cu sulphide and rare earth mineralisation in peridotites and basalts respectively.

EL5113 is located within the "Infrequent Defence Use" exclusion zone in which WEX will have a presumption of access, however, WEX can be excluded for up to 56 days a year.

The western portion of the tenement is highly prospective for gold mineralisation. Elsewhere on the tenement, there exists the potential for Lithium Brines with Lake Labryinth.

(iii) Gawler Craton Nawa Project (SA)

This project is situated within EL 5116 and ELA 2012/00119 and ELA 2012/00120, all within the Woomera Prohibited Area. The presence of a Hiltaba Suite in the project area highlights the potential for a variety of mineralisation styles including IOCG deposits. There is also the potential for BIF hosted gold mineralisation.

EL5116 and the two ELAs are located within the "Periodic Defence Use" exclusion zone in which new non-Defence users could be excluded for up to 70 days a year.

### 3. **Yilgarn Craton and Pilbara Craton tenements**

WEX, through its acquisition of Volt Lithium Pty Ltd and Liquid Lithium Pty Ltd, will acquire approximately 544 km<sup>2</sup> of tenement within the Yilgarn Craton and Pilbara Craton (including the Western Australia tenements under application set out above). Six of the granted tenements and one of the tenement applications are located within the Yilgarn Craton and the two remaining granted tenements and one tenement application are located within Pilbara Craton.

The Pilbara and Yilgarn cratons are both prospective for hard rock spodumene mineralization. The Yilgarn Craton contains a number of non-perennial salt lakes considered to be prospective for lithium enriched brine mineralization. This prospective for lithium enriched brine mineralization is supported by a regional analysis by Geoscience Australia ranking the Yilgarn as one of several regions favourable to host lithium enriched brines.

(i) Pilgangoora Lithium Project (WA)

The Pilgangoora 'hard rock' lithium project (E45/4790, E45/4789 & E45/4796) is a highly prospective tenement package located in the Pilbara Craton.

WEX's Pilgangoora tenements are proximal to the Pilgangoora Lithium-Tantalum Project of Pilbara Minerals Limited which has an Indicated and Inferred Resource of 156.3 million tonnes grading 1.25% Li<sub>2</sub>O (lithia) and 128ppm Ta<sub>2</sub>O<sub>5</sub> (tantalite) containing 1.57 million tonnes of lithium oxide and 44.2 million pounds of Ta<sub>2</sub>O<sub>5</sub> making it one of the larger pegmatite hosted Lithium projects in the world (ASX:PLS Announcement, 25 January 2017).

South-west along the Wodgina-Strelley shear is the Wodgina Lithium Mine which has announced a resource 120Mt @ 1.28% Li<sub>2</sub>O (ASX:MIN Announcement, 28 April 2017) and to the east, Altura Mining has announced a resource of 40.3Mt @ 1.0% Li<sub>2</sub>O (ASX:AJM Announcement, 30 January 2017).

(ii) Mt Cattlin Lithium Project (WA)

WEX's Mount Cattlin Lithium project comprises two exploration licences (E74/597 and E74/599)

covering an area of approximately 96 km<sup>2</sup> and is located immediately north of Ravensthorpe, WA.

The WEX tenements lie on the boundary of the Ravensthorpe greenstone belt where the Geological Survey of WA have noted that structurally controlled lithium hosted pegmatites are widespread. The tenements are considered to be prospective for hard rock lithium mineralisation based on geological and structural analogues drawn from the nearby Mount Cattlin lithium discovery of Galaxy Lithium Australia Limited. WEX considers that structurally controlled lithium hosted pegmatites are widespread through the area of these tenements and that early stage exploration is warranted.

(iii) WA Lakes Lithium Project (WA)

The lithium rich brine projects (Lake Dundas E63/1804, Lake Cowan E15/1532, Lake Dumbleyung E70/4870, Lake Sharpe E74/598 and Peak Charles Salt Lake E74/596) lie within the Yilgarn Craton, which is identified as a region rated favourably to host lithium enriched brines in salt lakes. The prospects for these lakes to host lithium enriched brines varies from lake to lake however WEX considers that each lake warrants further evaluation.

E70/4870 is within an environmentally sensitive area with Dumbleyung Lake Nature Park and Cobline Nature Reserve covering a significant portion of the tenement.

#### 4. **Company's Intentions and Business Model**

The Company's main objective is to provide a return to shareholders through the successful exploration for, and development of, economically viable mineral deposits.

- (a) In seeking to achieve its objectives, the Company will identify, fund, acquire and develop:
- (b) Mineral deposits in South Australia; and
- (c) Lithium projects in Western Australia;

and to undertake those activities either as sole explorer, funders and manager of the relevant operations or through farm-in agreements and joint venture arrangements with larger companies (for example, the arrangements contemplated under the OZ Minerals HOA).

#### 5. **Risk Factors**

If the WEX Acquisition is to be completed, the business, assets and operations of WEX, and the inherent risks associated with WEX's business, will have the potential to influence the operating and financial performance of the Company in the future. As a result, the performance of WEX can impact the value of an investment in the Company and its securities.

The Board of the Company will manage the risks associated with the WEX business, assets and operations by carefully planning its activities and implementing risk control measures. However, some of the risks are highly unpredictable and the extent to which the Board can manage such risks after the Acquisition may be limited.

Based on the information currently available, there are key risk factors affecting the Company, shareholders of the Company and WEX's business, assets and operations as follows:

- (d) **(Exploration and development risk)** the business of exploration, project development and mining contains risks by its very nature. To prosper, a mining exploration and development company needs to have successful exploration operations and acquisition of reserves; it must be competent in the design and construction of efficient production/processing facilities, and must be competent in its operations and managerial performance and must be proficient in the marketing of product.

There can be no assurance that funds spent on exploration will result in the discovery of an economic resource and even if an apparently viable deposit or economic resource is identified, there is no guarantee that it can be viably or commercially exploited.

- (e) **(Operational Risks)** The operations of WEX may be affected by various factors including failures in internal controls and financial fraud. To the extent that such matters may be within the control of WEX, the risks will be addressed through management and supervision controls.

The exploration programs of WEX and project development and mining operations may be affected by numerous factors beyond the control of WEX. These may include adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, and events involving fire or explosions and the occurrence of other incidents beyond the control of WEX.

- (f) **(Tenement Risks)** WEX's interest in tenements situated in South Australia and Western Australia are governed by legislation and are evidenced by the granting of leases and licences by the relevant States. The maintaining of tenements, obtaining subsequent licences or renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities.

Despite WEX's intention to be in full compliance with all obligations applicable to the tenements, there can be no guarantee that tenements that are subject to renewal will be renewed or that expenditure commitments and other conditions that apply to the tenements will be satisfied.

- (a) **(Woomera Prohibited Area access)** four of WEX's Gawler Craton Tenements (EL5113, EL5116, ELA 2012/00119 and ELA 2017/00139) fall within the Woomera Prohibited Area which is subject to a co-existence arrangement with the Department of Defence which may occasionally restrict WEX's access to areas within the Woomera Prohibited Area. As a result, the operations of WEX may be affected by evacuation periods whereby WEX may not be permitted to enter parts of the Woomera Prohibited Area.
- (b) **(Ability to exploit successful discoveries)** It may not always be possible for the Company or WEX to exploit successful discoveries which may be made in areas in with the tenement areas. Such exploration would involve obtaining the necessary licences or clearances from the relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploration may require participation of other companies whose interests and objectives may not be the same as the Company's.
- (c) **(Environmental Approvals Risk)** WEX is reliant on environmental approvals in South Australia and Western Australia to enable it to proceed with the exploration and any development of the tenements. There is no guarantee that the required approvals will be granted and failure by WEX to obtain the relevant approvals, or any delay in the award or transfer of the approvals, may materially and adversely affect the ability of WEX to proceed with the proposed exploration and development operations.
- (d) **(Native Title and Aboriginal Heritage)** Many of the areas the subject of WEX's tenements or applications for tenements are subject in whole or in part to native title determinations, or claims made by native title parties and may contains aboriginal heritage sites. The ability of WEX to gain access to a tenement and to undertake exploration or development operations on that tenement may be delayed or prohibited in the event that applicable consents cannot be obtained from the relevant native title parties.
- (e) **(Grant of Future Authorisation to Explore and Mine)** If WEX discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various

approvals, licences and permits before it will be able to mine the deposit. There can be no guarantee that WEX will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, WEX's operational and financial performance may be adversely affected.

- (f) **(Future Funding)** The funds the Company proposes to raise under the Prospectus are considered sufficient to meet the immediate objectives of WEX. Further funding may be required for example if costs exceed estimates or if there are revenue shortfalls. Additional funding will likely be required for further exploration activities beyond the immediate objectives or to acquire other assets. This may require the Company to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders or may be undertaken at lower prices than the offer price under the Prospectus. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient funding for the Company and WEX's activities and future projects may result in the delay or cancellation of certain activities or projects.
- (g) **(Reliance on key personnel)** The Company's success and growth depends, in part, on its ability to retain and attract key personnel. The Company may not be able to hire and retain such personnel at compensation levels consistent with market salary structures. The Company's future, like most businesses, also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace.

The inability (if any) to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

- (h) **(Government Regulation)** The mining, processing, development and mineral exploration activities of the Company and WEX are subject to various laws governing prospecting, development, production, occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters.

No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development or the operations of the Company. Amendments to current laws and regulations governing operations and activities of mining or more stringent implementation thereof could have a substantial adverse impact on the Company.

- (i) **(Removal from Official List)** As of 6 December 2017 (**Removal Date**), the Company securities will have been suspended from trading for a continuous period of 3 years and the Company may be automatically removed from the official list of the ASX on the Removal Date in accordance with paragraph 3.4 of ASX Listing Rules Guidance Note 33.

However, pursuant to paragraph 3.4 of the ASX Listing Rules Guidance Note 33, ASX may grant a short extension of the 3-year deadline for the automatic removal of a long-term suspended entity if the Company can demonstrate to ASX's satisfaction that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities. For these purposes, "final stages" means:

- (i) having announced the transaction to the market;
- (ii) having signed definitive legal agreements for the transaction (including for any financing required in respect of the transaction);

- (iii) if the transaction requires a prospectus or product disclosure statement to be lodged with ASIC, having lodged that document with ASIC and it not being the subject of a stop order or other regulatory action by ASIC;
- (iv) if the transaction requires approval by security holders or from a governmental agency or financier, the entity having obtained all such approvals; and
- (v) ASX otherwise being satisfied that the transaction is reasonably capable of being consummated within the period of extension.

While there are significant time constraints in reaching the “final stages” of implementing a transaction that will lead to the resumption of trading in its securities before the Removal Date, if the Acquisition Resolutions are passed by the shareholders, the Company considers that there are reasonable prospects that it will be in a position to satisfy the necessary requirements of the ASX under paragraph 3.4 of the ASX Listing Rules Guidance Note 33 to seek a short extension of the 3-year deadline for the automatic removal of the Company from the official list of the ASX in order to complete the Acquisition and seek reinstatement to official quotation. However, Shareholders should be aware that the decision to grant short extension of the 3-year deadline for the automatic removal is within the absolute discretion of the ASX.

- (j) **(Re-quotation of Shares on ASX)** The proposed Acquisition constitutes a significant change in the scale of the Company’s activities and the Company needs to re-comply with Chapters 1 & 2 of the ASX Listing rules as if it were seeking admission to the official

There is a risk that the Company may not be able to meet the requirements of the ASX in order for the Shares to be re-quoted on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until all such requirements are satisfied (if at all). Accordingly, Shareholders may be prevented from trading their Shares if the Company remains suspended until such time as it re-complies with the ASX Listing Rules.

- (k) **(Dilution Risk)** As at the date of this Notice, the current Shareholders of the Company hold 304,773,963 Shares which, subject to the Acquisition Resolutions will be consolidated into 6,095,480 Shares. It is anticipated that upon completion of the Acquisition, the existing Shareholders will retain approximately 4.79% of the issued capital in the Company (assuming the maximum amount of \$7,500,000 is raised in the Capital Raising).

There is a risk that the interests of Shareholders will be further diluted in the event that the Company undertakes any future raisings to fund the development of its business.

- (l) **(Contractual Risk)** Under the Deed of Company Arrangement and Term Sheet, the Company has agreed to acquire 100% of the issued capital in WEX. The ability for the Company to complete the Acquisition and achieve its objectives stated in this Notice will depend on each of the condition precedent being satisfied and the performance by the parties of their obligations under the abovementioned agreements. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which may be costly.

- (m) **(Share Market Risk)** If re-admitted to the official list of the ASX, share market conditions may affect the value of the Company’s quoted Securities regardless of the Company’s operating performance. Share market conditions are affected by many factors which are outside the control of the Company. These risks include:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;

- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) general market sector performance;
- (vi) changes in investor sentiment toward particular market sectors;
- (vii) terrorism and other hostilities

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company, WEX, Shareholders or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

**Appendix 2 - Woomera Exploration Limited audited financial accounts for financial year ending 30 June 2017 and 30 June 2016**

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Financial Report

**Woomera Exploration Limited**

Year Ended 30 June 2017

## **WOOMERA EXPLORATION LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017**

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The Directors present their report together with the financial report of Woomera Exploration Limited ("the Company or WEX") for the year ended 30 June 2017.

#### **Principal activities**

The Company holds a number of exploration licences in South Australia and engages in exploration activities including identifying future drill targets and maintaining its tenements in good standing. The Company proposes to undertake further exploration activities on such tenements in the future subject to further capital raisings.

The Company is working towards a listing on the ASX either by way of an IPO or a back door listing, the timing of which will depend on a number of factors including market conditions and satisfaction of regulatory requirements.

#### **Review and results of operations**

During the financial year, the Company entered into binding terms sheets to acquire 100% of two private companies, Volt Lithium Pty Ltd and Liquid Lithium Pty Ltd. These companies hold 10 lithium tenements (2 granted licences and 8 applications), situated in Western Australia. Three of the tenements are in the Pilbara region and are within the Pilgangoora province, which has proven lithium resources as spodumene bearing pegmatites. The Pilgangoora tenements lie within the same granitoid complex that hosts the 129Mt spodumene deposit of Pilbara Minerals Limited.

The other 7 tenements are in the vicinity of the Ravensthorpe/Norseman region of WA. Two of the Ravensthorpe tenements are near the Mt Cattlin spodumene mine. The other tenements overlay Lakes Sharpe, Dundas, Cowan, Dumblebung and Peak Charles, and have been identified by Geoscience Australia for their high concentrations of lithium in brine.

WEX has agreed to pay to the vendors a total of \$500,000 and to issue 6.25 million WEX shares by way of consideration, and the transactions are conditional on securing an ASX Listing for WEX.

The net loss of the Company after income tax for the financial year ended 30 June 2017 was \$94,228 (2016: \$42,328).

#### **Significant changes in the state of affairs**

As part of the preparation for a proposed IPO or back door listing, WEX completed a 53:100 consolidation during the financial year (i.e. 53 new shares were issued for every 100 shares held)("Consolidation"). The Consolidation reduced the then current 123,275,242 shares on issue (calculated on a fully diluted basis) to a more IPO manageable 65,335,878. The Consolidation was recommended by WEX's financial advisers in order to enhance the Company's proposed offering and to avoid any overreach with the pre IPO valuation.

There have been no other significant changes in the state of affairs of the Company other than the issue of additional shares following the completion of seed capital raisings.

#### **Dividends paid or recommended**

No dividends have been paid or provided by the Company.

#### **After balance date events**

The Company entered into a binding heads of agreement with Oz Exploration Pty Ltd (a wholly owned subsidiary of ASX listed OZ Minerals Limited) ("OZE") pursuant to which OZE has agreed to explore our Eastern Musgrave province tenements (ELs 5041, 5042 and 5287 and ELA 2017/0039)("Tenements") via a farm in arrangement and joint venture.

## WOOMERA EXPLORATION LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

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The key terms of the OZE transaction are as follows:

- OZE will complete a Reverse Circulation drilling program totalling approximately 3,850m on the Tenements within the first 12 months of the grant of native title access ("Stage 1 Commitment");
- On completion of the Stage 1 Commitment, OZE may elect to earn a 51% interest in the Tenements by funding \$2.5 million of exploration expenditure (inclusive of the Stage 1 Commitment expenditure) within a further 6 months ("Stage 2 Commitment"), following such earn-in the parties will form a JV;
- Within 60 days of commencing the JV, OZE may elect by notice in writing to earn a further 24% interest in the Tenements by spending a further \$5 million on exploration within a further two years (securing a 75% interest for total expenditure of \$7.5 million);
- WEX will manage the exploration during the Stage 1 and Stage 2 Commitment periods pursuant to the directions made by an exploration committee established by the parties;
- During the JV period, OZE will be solely responsible for exploration programs and budgets;
- OZE will be the first manager of the JV and shall remain so while it still holds the larger JV interest.

The Company has also entered into a binding term sheet with Caason Investments Pty Ltd ("Caason") with respect to a proposed back door listing of the Company's shares via ASX listed Ausroc Metals Limited (ASX:ARK)("ARK"). ARK is an ASX listed company which is currently the subject of a Deed of Company Arrangement. Caason is the largest creditor of ARK and has agreed to procure ARK to acquire 100% of the issued shares of WEX which will then issue that same number of shares in ARK to the WEX shareholders upon readmission to the ASX.

The existing debts of ARK will be extinguished as part of the transaction. WEX has also agreed to appoint a Board nominee of Caason to the merged entity.

There has not arisen in the interval between 30 June 2017 and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future years.

#### Likely developments

Plans are well underway for WEX to seek a back door listing of its shares via ARK in early 2018. This will depend on the successful completion of a capital raising. Although there can be no certainty that the proposed back door will be achieved, the WEX Board believes that the Company has good prospects for a successful outcome.

It is proposed that ARK will raise up to \$7 million via a prospectus in conjunction with its readmission to the ASX. The minimum subscription is expected to be \$4 million. Sequoia Corporate Finance Pty Ltd has entered into a mandate letter with WEX to act as Lead Manager for the back door listing or IPO. It will be necessary to raise the minimum subscription in order to achieve the readmission of ARK to the ASX.

#### Environmental issues

The operations of the Company are not subject to any particular and significant environmental regulation under a law of the Commonwealth or a State or Territory. To the best of the Company's knowledge no member of the Company has incurred any material environmental liability during the year.

#### Information on Directors

The Directors of the Company at any time during or since the end of the financial year are as set out below. Details of Directors' qualifications, experience and special responsibilities are as follows.

**Neville Wayne Martin LLB** (*University of Adelaide*) – Chairman, Non-Executive Director (Appointed 30 May 2011)

Mr Martin is the Non-Executive Chairman of the Company and is a former partner (now consultant) with the law firm Minter Ellison. He has over 40 years' experience in corporate law and mining, oil and gas law. He is also a director of ASX Listed Sundance Energy Australia Limited.

## WOOMERA EXPLORATION LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

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**David John Lindh LLB** – Non-Executive Director (Appointed 22 May 2012)

Mr Lindh is a non-executive director of the Company. He is a consultant in corporate and commercial matters and is the former Chairman of ASX listed Centrex Metals Limited and was a non-executive director of ETSA Corporation, Electranet and ASX Listed company Enterprise Energy Ltd. He is also Chairman of currently NSX listed NuCannaCo Science Limited.

**Donald Maxwell Triggs B.Sc. (University of Adelaide)** – Executive Director (Appointed 23 May 2012)

Mr Triggs is an executive director of the Company and senior executive holding the position of Exploration Director. He has over 30 years' experience consulting to the resource, utilities and information technology sectors. He is a former General Manager of ASX Listed Primary Resources Limited.

**Gerard Anderson** – Managing Director (Appointed 5 September 2016)

Mr Anderson is a geologist with 42 years' experience in exploration, mine and resource geology, principally in iron ore, gold and base metals. Gerard's senior management positions have included Exploration Superintendent of the Boddington Gold Mine, Chief Geologist of the Bronzewing Gold Mine, Chief Geologist Kalgoorlie Consolidated Gold Mines, General Manager Golden Grove Operations, General Manager Newmont Joint Ventures, Managing Director of ASX Listed companies Croesus Mining NL, Centrex Metals Limited and Archer Exploration Limited.

#### Company Secretary

Jonathan Lindh was appointed as Company Secretary on 27 May 2014. Jonathan is an Australian qualified lawyer with over 10 years' legal, company secretarial and corporate advisory experience, predominantly in the energy and resources sector. He holds a Bachelor of Laws, a Bachelor of International Studies and post graduate qualifications in corporate finance and corporate governance. He also serves as company secretary of various other listed and unlisted public and private companies.

#### Meetings of Directors

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board Meetings	
	A	B
<i>Neville Martin</i>	7	7
<i>David Lindh</i>	7	7
<i>Donald Triggs</i>	7	7
<i>Gerard Anderson</i>	7	7

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

#### Shares Issued on Exercise of Remuneration Options

Gerard Anderson exercised 200,000 options for 200,000 shares at an exercise price of \$0.05 each on 24 February 2017.

#### Options

At the date of signing this report, there were no options on issue.

#### Indemnification and insurance of officers

##### *Indemnification*

The Company is required to indemnify the Directors and other officers of the Company against any liabilities incurred by the Directors and officers that may arise from their position as Directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

## WOOMERA EXPLORATION LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

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#### *Insurance premiums*

The Company has not paid insurance premiums in respect of Directors' and officers' either during the year or since the end of the year.

#### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. There were no such proceedings brought or interventions on behalf of the Company with leave from the Court under section 237 of the Corporations Act 2001.

#### **Non-audit Services**

During the year, Grant Thornton, the Company's auditors, performed certain other services in addition to their statutory audit duties. The Board has considered the non-audit services provided during the year and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001*.

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 4 to the Financial Statements.

#### **Auditor's Independence Declaration**

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 30 June 2017 is set out immediately following the end of the Directors' report.

The Report of Directors is signed in accordance with a resolution of the Board of Directors:

Dated this 23rd day of October 2017



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N. W. Martin  
Chairman

Grant Thornton House  
Level 3  
170 Frome Street  
Adelaide, SA 5000  
Correspondence to:  
GPO Box 1270  
Adelaide SA 5001

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## Auditor's Independence Declaration to the Directors of Woomera Exploration Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Woomera Exploration Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner - Audit & Assurance  
Adelaide, 23 October 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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WOOMERA EXPLORATION LIMITED

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

	Note	2017 \$	2016 \$
Revenue		-	-
Other revenue		-	-
Total revenue		-	-
Administration expenses		(13,280)	(3,284)
Accounting & audit fees		(7,000)	(2,531)
Advertising		(495)	-
Professional services expense		(38,500)	(9,004)
Finance expense		(33)	(197)
Impairment expense		(34,920)	(27,312)
<b>Loss before income tax expense</b>		<b>(94,228)</b>	<b>(42,328)</b>
Income tax expense	2	-	-
Loss for the year attributable to members of the parent entity		(94,228)	(42,328)
Other comprehensive income for the year.		-	-
<b>Total comprehensive income for the year attributable to members of the parent entity</b>		<b>(94,228)</b>	<b>(42,328)</b>
Earnings per share			
- <b>Basic Earnings per share (cents)</b>	13	(0.15)	(0.07)

The accompanying notes form part of these financial statements

WOOMERA EXPLORATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
<b>Current assets</b>			
Cash and cash equivalents	5	208,461	12,381
Other receivables		2,384	605
<b>Total current assets</b>		<u>210,845</u>	<u>12,986</u>
<b>Total non-current assets</b>			
Intangible assets – software		680	-
Exploration assets	6	265,737	188,252
		<u>266,417</u>	<u>188,252</u>
<b>Total assets</b>		<u>477,262</u>	<u>201,238</u>
<b>Current liabilities</b>			
Trade and other payables	7	82,845	88,665
Share subscriptions received in advance		129,992	-
<b>Total current liabilities</b>		<u>212,837</u>	<u>88,665</u>
<b>Total non-current liabilities</b>		<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>212,837</u>	<u>88,665</u>
<b>Net assets</b>		<u>264,425</u>	<u>112,573</u>
<b>Equity</b>			
Issued capital	8	624,608	378,528
Retained losses		(360,183)	(265,955)
<b>Total equity</b>		<u>264,425</u>	<u>112,573</u>

The accompanying notes form part of these financial statements



**WOOMERA EXPLORATION LIMITED**

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

	<b>Issued Capital</b>	<b>Retained Losses</b>	<b>Total</b>
	\$	\$	\$
<b>Balance as at 30 June 2015</b>	<b>302,477</b>	<b>(223,627)</b>	<b>(78,850)</b>
Shares issued for the year	76,051	-	76,051
Loss for the year	-	(42,328)	(42,328)
Other comprehensive income	-	-	-
<b>Balance as at 30 June 2016</b>	<b>378,528</b>	<b>(265,955)</b>	<b>112,573</b>
<b>Balance as at 30 June 2016</b>	<b>378,528</b>	<b>(265,955)</b>	<b>112,573</b>
Shares issued for the year	246,080	-	246,080
Loss for the year	-	(94,228)	(94,228)
Other comprehensive income	-	-	-
<b>Balance as at 30 June 2017</b>	<b>624,608</b>	<b>(360,183)</b>	<b>264,425</b>

The accompanying notes form part of these financial statements

WOOMERA EXPLORATION LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		-	-
Cash payments to suppliers		(56,908)	(33,917)
Interest received		-	2
<b>Net cash (used in) operating activities</b>	10(a)	<u>(56,908)</u>	<u>(33,915)</u>
<b>Cash flows from investing activities</b>			
Payments for software licences		(680)	-
Payments for exploration assets		(112,404)	(34,746)
<b>Net cash (used in) investing activities</b>		<u>(113,084)</u>	<u>(34,746)</u>
<b>Cash flows from financing activities</b>			
Proceeds received for shares issued		246,080	50,385
Proceeds received for shares not yet issued		129,992	-
Short term loans from shareholders		-	26,000
Repayment of short term loans to shareholders		(10,000)	-
<b>Net cash provided by financing activities</b>		<u>366,072</u>	<u>76,385</u>
<b>Net increase (decrease) in cash</b>		<u>196,080</u>	<u>7,724</u>
<b>Cash at the beginning of the financial year</b>		<u>12,381</u>	<u>4,657</u>
<b>Cash at the end of the financial year</b>	5	<u>208,461</u>	<u>12,381</u>

The accompanying notes form part of these financial statements

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This general purpose financial statements of the Company have been prepared in accordance with the requirements of the Corporations Act 2001 (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Woomera Exploration Limited is an unlisted public company, registered and domiciled in Australia. Woomera Exploration Limited is a for profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2017 were approved and authorised by the Board of Directors on       October 2017.

The Financial Report has been prepared on an accruals basis, and is based on historical costs, modified by the measurement at fair value of selected on-current assets, financial assets and financial liabilities.

The significant policies which have been adopted in the preparation of this financial report are summarised below.

**(a) Operating segment**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the Board.

The Company aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in the nature of the minerals targeted.

Operating segments that meet the quantitative criteria, as prescribed by AASB 8, are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

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

**(b) Finance income and expense**

Finance income comprises interest income on funds invested, gains on disposal of financial assets and changes in fair value of financial assets held at fair value through profit or loss. Finance expenses comprise changes in the fair value of financial assets held at fair value through profit or loss and impairment losses on financial assets.

Interest income is recognised as it accrues in profit or loss, using the effective interest rate method. All income is stated net of goods and services tax (GST).

**(c) Exploration and evaluation expenditure**

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

Refer key judgements – note 1(k)(ii)

**(d) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the provisions to the instrument. For financial assets, this is equivalent to date that the Company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified as 'fair value through profit and loss', in which case the costs are expensed to profit or loss immediately.

*Classification and subsequent measurement*

Financial instruments are subsequently measured at either fair value or amortised cost using the interest method or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settle, between knowledgeable willing parties. Where available, quoted prices in an active market are used to determine fair value.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets except for those not expected to mature within 12 months after the end of the reporting period.

(ii) Financial liabilities

Non-derivative financial liabilities are subsequently measured at cost.

*Impairment*

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired.

**(e) Impairment of assets**

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

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

## WOOMERA EXPLORATION LIMITED

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

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#### **(f) Trade and other receivables**

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivables. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, less provision for impairment. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

#### **(g) Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently amortised cost using the effective interest rate method. Trade and other payables are stated at amortised cost.

#### **(h) Income Tax**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set-off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

#### **(i) 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.

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

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**(j) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

**(k) Critical accounting estimates and judgements**

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

**i) Key estimates – impairment**

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

**ii) Key judgements – exploration and evaluation expenditure**

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

**(l) Adoption of the new and revised accounting standards**

The Company has adopted the following revisions and amendments to AASB's issued by the Australian Accounting Standards Board and IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 July 2016:

- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations;
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation;
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle;
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
- AASB 1057 Application of Australian Accounting Standards;
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010); and
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

Management has reviewed the requirements of the above standards and has concluded that there was no effect on the classification or presentation of balances.

**WOOMERA EXPLORATION LIMITED**

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

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**(m) Recently issued accounting standards to be applied in future accounting periods**

The accounting standards that have not been early adopted for the period ended 30 June 2016, but will be applicable to the Company in future reporting periods are detailed below. Apart from these standards, we have considered other accounting standards that will be applicable in future reporting periods, however they have been considered insignificant to the Company.

<b>Standard / Interpretation</b>	<b>Effective Date</b>
AASB 9 Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2014-1 Amendments to Australian Accounting Standards (Part E- Financial Instruments), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014).	1 January 2018
AASB 16 'Leases'	1 January 2019
AASB 2016-1 'Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2017
AASB 2016-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107'	1 January 2017

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

WOOMERA EXPLORATION LIMITED

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

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NOTE 2 - INCOME TAX EXPENSE

	2017 \$	2016 \$
The components of tax expense comprise:		
Current income tax charge	-	-
	-	-
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie income tax benefit calculated at 27.5% on loss from ordinary activities	25,913	12,698
Deferred tax asset in respect of tax losses not brought to account	(27,913)	(12,698)
Income tax expense attributable to loss from ordinary activities	-	-
<b>Income tax losses</b>		
Deferred tax asset arising from carried forward tax losses not recognised at reporting date as the asset is not regarded as meeting the probable criteria		
- tax losses at 27.5%	84,577	58,664

NOTE 3 - REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

(a) **Directors and Key Management Personnel**

The names and positions held by Directors and Key Management Personnel of the Company during the financial year are:

<b>Directors</b>	<b>Position</b>
Neville Wayne Martin	Director
David Lindh	Director
Donald Triggs	Director
Gerard Anderson	Director

(b) **Directors' Remuneration**

No remuneration has been paid to the Directors during the year.



**WOOMERA EXPLORATION LIMITED**

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

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**NOTE 4 - AUDITORS' REMUNERATION**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor for:		
- Audit services	6,200	2,500
- Taxation and other services	800	-
	<u>7,000</u>	<u>2,500</u>

**NOTE 5 - CASH AND CASH EQUIVALENTS**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank and on hand	208,461	12,381
	<u>208,461</u>	<u>12,381</u>

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Cash and cash equivalents	208,461	12,381
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**NOTE 6 – EXPLORATION ASSET**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Opening balance	188,252	159,883
Additions through normal activities	112,405	55,861
Impairment of exploration assets	(34,920)	(27,312)
Closing balance	<u>265,737</u>	<u>188,252</u>

Exploration assets represent expenditure on exploration licenses in the north of South Australia.

Impairment expense for the financial year represents capitalised costs for exploration on tenements which have since been relinquished.

WOOMERA EXPLORATION LIMITED

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

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NOTE 7 - TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
Trade payables and accruals	47,745	43,565
Short term loans from shareholders	35,100	45,100
	<u>82,845</u>	<u>88,665</u>

Included in short term loans from shareholders are cash advances received from two shareholders/Directors - Mr David Lindh and Mr Neville Martin. The amount of the loans are \$24,000 and \$11,100 respectively. The loans are considered to be short term and are non-interest bearing.

NOTE 8 - ISSUED CAPITAL

Issued and paid-up share capital	Number of shares	\$
<b>(a) Ordinary shares</b>		
<b>Balance at 30 June 2015</b>	<b>117,118,233</b>	<b>302,477</b>
Shares issued during the year	2,599,600	76,051
<b>Balance at 30 June 2016</b>	<b>119,717,833</b>	<b>378,528</b>
Shares issued during the year	3,557,409	246,080
Share consolidation	(57,939,364)	-
<b>Balance at 30 June 2017</b>	<b>65,335,878</b>	<b>624,608</b>

Effective 12 May 2017, the shareholders of the company approved a share consolidation be undertaken which resulted in 53 for 100 consolidation.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

**(a) Capital management**

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure accordingly. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's capital is shown as issued capital in the statement of financial position.

**WOOMERA EXPLORATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

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**NOTE 9 - FINANCIAL INSTRUMENTS**

The company's financial instruments consist of cash and cash equivalents, other receivables, and trade and other payables.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	208,461	12,381
Other receivables	2,384	605
Trade and other payables	(82,845)	(88,665)
Net financial liabilities	<u>128,000</u>	<u>(75,679)</u>

**Net fair values of financial assets and liabilities**

Fair values are amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms-length transaction. The carrying value of financial assets and financial liabilities held are approximate to their fair value.

**NOTE 10 - NOTES TO THE STATEMENTS OF CASH FLOWS****(a) Reconciliation of loss from ordinary activities after income tax to net cash provided by operating activities**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Loss from ordinary activities after income tax	(94,228)	(42,328)
Non-cash flows in loss		
Impairment of exploration assets	34,920	27,312
Net cash (used in) operating activities before changes in assets and liabilities	<u>(59,308)</u>	<u>(15,016)</u>
Change in assets and liabilities during the financial year		
(Increase) / decrease in other current assets	(1,780)	(365)
Increase / (decrease) in trade payables (excluding loans)	4,180	(18,534)
Net cash provided by/(used in) operating activities	<u>(56,908)</u>	<u>(33,915)</u>

## WOOMERA EXPLORATION LIMITED

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

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#### NOTE 11 - RELATED PARTIES

##### (a) Directors' transactions with the Company

The company has incurred professional expenses totalling \$21,420 and \$39,000 with Jonathan Lindh (Company Secretary) and Don Triggs (Director) respectively for services provided during the year.

Unsecured director loans of \$11,100 and \$24,000 from Neville Martin and David Lindh and their related entities, respectively, remain outstanding at year end.

##### (b) Equity holdings: Directors interests (direct or indirect) in shares and options of the company as at 30 June 2017 are as follows

###### Fully paid ordinary shares

Director	Opening Balance	Issued during the year	Closing balance
N. Martin	16,859,999	100,000	11,378,837
D. Lindh	31,433,333	100,000	15,652,667
D. Triggs	17,000,000	-	8,177,901
G. Anderson	2,200,000	200,000	1,272,000

###### Options

Director	Opening Balance	Excersied	Closing balance
N. Martin	-	-	-
D. Lindh	-	-	-
D. Triggs	-	-	-
G. Anderson	200,000	(200,000)	-

#### NOTE 12 – INTEREST IN SUBSIDIARIES

CONTROLLED ENTITY	COUNTRY OF INCORPORATION	2017	2016
Norsa Exploration Pty Ltd	Australia	100%	100%

#### NOTE 13 - EARNINGS PER SHARE

The weighted average number of shares for the purpose of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2017	2016*
Weighted average number of shares used in basic earnings per share	64,023,618	62,247,888
Profit / (loss) per share – basic (cents)	(0.15)	(0.07)

\* post consolidation

In accordance with AASB 133 'Earnings per Share', there are no dilutive securities.

**WOOMERA EXPLORATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017****NOTE 14 – PARENT ENTITY INFORMATION**

Information relating to Woomera Exploration Ltd (the parent entity)

	2017	2016
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	208,461	12,381
Other receivables	2,384	605
<b>Total current assets</b>	<b>210,845</b>	<b>12,986</b>
<b>Total non-current assets</b>		
Intangible assets - software	680	-
Exploration assets	265,737	188,252
	<b>266,417</b>	<b>188,252</b>
<b>Total assets</b>	<b>477,262</b>	<b>201,238</b>
<b>Current liabilities</b>		
Trade and other payables	82,845	88,665
Share subscriptions received in advance	129,992	-
<b>Total current liabilities</b>	<b>212,837</b>	<b>88,665</b>
<b>Total liabilities</b>	<b>212,837</b>	<b>88,665</b>
<b>Net assets</b>	<b>264,425</b>	<b>112,573</b>
<b>Equity</b>		
Issued capital	624,608	378,528
Retained losses	(360,183)	(265,955)
<b>Total equity</b>	<b>264,425</b>	<b>112,573</b>
<b>Total comprehensive loss for the year</b>	<b>(94,228)</b>	<b>(42,328)</b>

**NOTE 15 - EVENTS SUBSEQUENT TO BALANCE DATE**

There has not arisen in the interval between 30 June 2017 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future years.

**WOOMERA EXPLORATION LIMITED**

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

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**NOTE 16 - COMPANY DETAILS**

The registered office and principal place of business of the Company is:

Level 4, 22 Grenfell Street  
Adelaide SA 5000

**NOTE 17 - GOING CONCERN**

The financial report has been prepared on the basis of going concern. The Company incurred a loss of \$94,228 for the year ended 30 June 2017 and had net cash outflows from operations and investing activities of \$169,992 as at 30 June 2017. The Company's ability to continue as a going concern is contingent upon successfully raising additional capital and/or the support of director related entities for the provision of working capital loans.

If additional funds are not raised the going concern basis may not be appropriate, with the result that the Company may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and in amounts different from those stated in this financial report. No allowance for such circumstances has been made in the financial report.

**WOOMERA EXPLORATION LIMITED**

**DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2017**

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- 1 In the opinion of the Directors of Woomera Exploration Limited:
- (a) the financial statements and notes, as set out on pages 7 to 21, are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company; and
    - (ii) complying with Accounting Standards.
  - (b) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated this 23rd day of October 2017



---

N. W. Martin  
Chairman

Grant Thornton House  
Level 3  
170 Frome Street  
Adelaide, SA 5000  
Correspondence to:  
GPO Box 1270  
Adelaide SA 5001

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W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## Independent Auditor's Report to the members of Woomera Exploration Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Woomera Exploration Limited (the Company) and its subsidiary (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, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**Material Uncertainty Related to Going Concern**

We draw attention to Note 17 in the financial report which indicates that the Group incurred a net loss of \$94,228 during the year ended 30 June 2017 and had net cash outflows from operations and investing activities of \$169,992 as at 30 June 2017. These conditions, along with other matters as set forth in Note 17, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**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*. The Directors responsibility also includes 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner - Audit & Assurance

Adelaide, 23 October 2017

Financial Report

**Woomera Exploration Limited**

Year Ended 30 June 2016

## **WOOMERA EXPLORATION LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016**

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The Directors present their report together with the financial report of Woomera Exploration Limited ("the Company or WEX") for the year ended 30 June 2016.

#### **Principal activities**

The Company is still in the formation stage and has no current business activities. It does, however, hold a number of exploration licences in South Australia and proposes to undertake exploration activities on such tenements in the future subject to further capital raisings.

#### **Review and results of operations**

The net loss of the company after income tax for the financial year ended 30 June 2016 was \$42,328 (2015: 168,600).

#### **Significant changes in the state of affairs**

There have been no significant changes in the state of affairs of the Company.

#### **Dividends paid or recommended**

No dividends have been paid or provided by the Company.

#### **After balance date events**

There has not arisen in the interval between 30 June 2016 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future years.

#### **Likely developments**

The company was incorporated on the 30<sup>th</sup> May 2011 and is the holder of a number of exploration licences in South Australia. The company intends to undertake exploration activities on its tenements in due course following a capital raising from shareholders and other investors.

#### **Environmental issues**

The operations of the Company are not subject to any particular and significant environmental regulation under a law of the Commonwealth or a State or Territory. To the best of the Company's knowledge no member of the Company has incurred any material environmental liability during the year.

## WOOMERA EXPLORATION LIMITED

### DIRECTORS' REPORT (CONT) FOR THE YEAR ENDED 30 JUNE 2016

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#### Information on Directors

The Directors of the Company at any time during the financial year are as set out below. Details of Directors' qualifications, experience and special responsibilities are as follows.

**Neville Wayne Martin LLB** (*University of Adelaide*) – Chairman, Non-Executive Director (Appointed 30 May 2011)

Neville Martin is a consultant with the law firm Minter Ellison in Adelaide, and has over 35 years experience in corporate and commercial law. He is a former director of Stuart Petroleum Limited and Austin Exploration Limited (oil and gas exploration companies listed on the ASX) and was the Chairman of the ASX listed Adelaide Energy Limited. He is currently a non-executive director of ASX listed Sundance Energy Ltd and Pawnee Energy Limited.

**David John Lindh LLB** – Non-Executive Director (Appointed 22 May 2012)

Mr Lindh has over 30 years experience as both a lawyer and company director. Mr Lindh is currently the chairman of ASX listed Pawnee Energy Ltd and has been the Chairman of Enterprise Energy Ltd, Orca Petroleum Ltd and Centrex Metals Ltd.

Mr Lindh is also a director of various other unlisted companies and a consultant with Minter Ellison lawyers in Adelaide. Mr Lindh was awarded a Medal of the Order of Australia in recognition of his services to business and equestrian sport.

**Donald Maxwell Triggs B.Sc.** (*University of Adelaide*) – Executive Director (Appointed 23 May 2012)

Donald Triggs has over thirty years experience consulting to the Resource, Utilities, and Information Technology sectors. Clients have included CRA/Rio Tinto, Normandy, MIM, Xstrata, Optima Energy, Telstra, Santos, New Hampton Goldfields and Mineral Deposits Limited. He is the former General Manager of the ASX listed company, Primary Resources Limited and is currently director of Norsa Exploration Pty Ltd and is managing exploration projects in the West Pilbara, Musgrave Block and Gawler Craton.

#### Company Secretary

Jonathan Lindh was appointed as Company Secretary on 27 May 2014. Jonathan has over 10 years' legal and corporate advisory experience predominantly in the energy and resources sector. He holds a Bachelor of Laws, a Bachelor of International Studies and post graduate qualifications in corporate finance and corporate governance.

#### Meetings of Directors

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board Meetings	
	A	B
<i>Neville Martin</i>	2	2
<i>David Lindh</i>	2	2
<i>Donald Triggs</i>	2	2

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

**WOOMERA EXPLORATION LIMITED**

**DIRECTORS' REPORT (CONT)  
FOR THE YEAR ENDED 30 JUNE 2016**

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**Shares Issued on Exercise of Remuneration Options**

No shares were issued to Directors as result of the exercise of options during the financial year.

**Directors' Interests in shares and options**

Directors' relevant interests in shares and options of the Company are disclosed in Note 11 to the financial statements.

**Options**

At the date of signing this report, there were 1,000,000 WEX options on issue exercisable at \$0.05 each on or before 30 June 2017.

**Indemnification and insurance of officers**

*Indemnification*

The Company is required to indemnify the Directors and other officers of the Company against any liabilities incurred by the Directors and officers that may arise from their position as Directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

*Insurance premiums*

The Company has not paid insurance premiums in respect of Directors' and officers' either during the year or since the end of the year.

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. There were no such proceedings brought or interventions on behalf of the Company with leave from the Court under section 237 of the Corporations Act 2001.

**Non-audit Services**

During the year, Grant Thornton, the Company's auditors, performed certain other services in addition to their statutory audit duties. The Board has considered the non-audit services provided during the year and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001*.

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 4 to the Financial Statements.

**Auditor's Independence Declaration**

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 30 June 2016 is set out immediately following the end of the Directors' report.

The Report of Directors is signed in accordance with a resolution of the Board of Directors:

Dated this 31st day of October 2016



David J. Lindh OAM  
Director

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF WOOMERA EXPLORATION LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Woomera Exploration Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

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

  
GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

  
Justin Humphrey  
Partner - Audit & Assurance

Adelaide, 31 October 2016

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**WOOMERA EXPLORATION LIMITED****CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Revenue		-	-
Total revenue		-	-
Administration expenses		(3,284)	(7,419)
Accounting & audit fees		(2,531)	(2,500)
Professional service expense		(9,004)	(26,556)
Finance expense		(197)	(146)
Impairment expense		(27,312)	(131,979)
<b>Loss before income tax expense</b>		<b>(42,328)</b>	<b>(168,600)</b>
Income tax expense	2	-	-
Loss for the year attributable to members of the parent entity		(42,328)	(168,600)
Other comprehensive income for the year.		-	-
<b>Total comprehensive income for the year attributable to members of the parent entity</b>		<b>(42,328)</b>	<b>(168,600)</b>

The accompanying notes form part of these financial statements

**WOOMERA EXPLORATION LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	5	12,381	4,657
Other receivables		605	250
<b>Total current assets</b>		<u>12,986</u>	<u>4,907</u>
<b>Total non-current assets</b>			
Exploration assets	6	188,252	159,883
		<u>188,252</u>	<u>159,883</u>
<b>Total assets</b>		<u>201,238</u>	<u>164,790</u>
<b>Current liabilities</b>			
Trade and other payables	7	88,665	85,940
<b>Total current liabilities</b>		<u>88,665</u>	<u>85,940</u>
<b>Total non-current liabilities</b>		<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>88,665</u>	<u>85,940</u>
<b>Net assets</b>		<u>112,573</u>	<u>78,850</u>
<b>Equity</b>			
Issued capital	8	378,528	302,477
Retained losses		(265,955)	(223,627)
<b>Total equity</b>		<u>112,573</u>	<u>78,850</u>

The accompanying notes form part of these financial statements



WOOMERA EXPLORATION LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016

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	Issued Capital \$	Retained Losses \$	Total \$
<b>Balance as at 30 June 2014</b>	<b>222,477</b>	<b>(55,027)</b>	<b>167,450</b>
Shares issued for the year	80,000	-	80,000
Loss for the year	-	(168,600)	(168,600)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2015</b>	<b>302,477</b>	<b>(223,627)</b>	<b>(78,850)</b>
Shares issued for the year	76,051	-	76,051
Loss for the year	-	(42,328)	(42,328)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2016</b>	<b>378,528</b>	<b>(265,955)</b>	<b>112,573</b>

The accompanying notes form part of these financial statements

**WOOMERA EXPLORATION LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		2	2
Cash payments in the course of operations		(33,917)	(23,323)
<b>Net cash (used in) operating activities</b>	10(a)	<u>(33,915)</u>	<u>(23,321)</u>
<b>Cash flows from investing activities</b>			
Payments for exploration assets		(34,746)	(62,495)
<b>Net cash (used in) investing activities</b>		<u>(34,746)</u>	<u>(62,495)</u>
<b>Cash flows from financing activities</b>			
Proceeds received for shares issued		50,385	80,000
Loans from shareholders		26,000	5,348
<b>Net cash provided by financing activities</b>		<u>76,385</u>	<u>85,348</u>
<b>Net increase (decrease) in cash</b>		<u>7,724</u>	<u>(468)</u>
<b>Cash at the beginning of the financial year</b>		<u>4,657</u>	<u>5,125</u>
<b>Cash at the end of the financial year</b>	5	<u>12,381</u>	<u>4,657</u>

The accompanying notes form part of these financial statements

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The following report covers Woomera Exploration Limited and its controlled entities (The Group), an unlisted public Company, incorporated and domiciled in Australia.

**(a) Basis of preparation**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting reduced disclosure requirements of the Australian Accounting Standard Board (AASB) and the Corporation Act 2001. The company is a for-profit-entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**(b) Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred income tax (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax (expense)/benefit is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(c) Impairment of assets**

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

**(d) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(e) Exploration, development and evaluation expenditure**

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

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

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**(f) New and revised standards that are effective for these financial statements**

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

WOOMERA EXPLORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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NOTE 2 - INCOME TAX EXPENSE

	2016 \$	2015 \$
The components of tax expense comprise:		
Current income tax charge	-	-
	-	-

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie income tax benefit calculated at 30% on loss from ordinary activities	12,698	45,966
Deferred tax asset in respect of tax losses not brought to account	(12,698)	(45,966)
Income tax expense attributable to loss from ordinary activities	-	-

**Income tax losses**

Deferred tax asset arising from carried forward tax losses not recognised at reporting date as the asset is not regarded as meeting the probable criteria

- tax losses at 30%	58,664	45,966
---------------------	--------	--------

NOTE 3 - REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

(a) **Directors and Key Management Personnel**

The names and positions held by Directors and Key Management Personnel of the Company during the financial year are:

<b>Directors</b>	<b>Position</b>
Neville Wayne Martin	Director
David Lindh	Director
Donald Triggs	Director

(b) **Directors' Remuneration**

No remuneration has been paid to the Directors during the year.

**WOOMERA EXPLORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**NOTE 4 - AUDITORS' REMUNERATION**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor for:		
- Audit services	2,500	2,500
- Taxation and other services	-	6,000
	<u>2,500</u>	<u>8,500</u>

**NOTE 5 - CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank and on hand	12,381	4,657
	<u>12,381</u>	<u>4,657</u>

**NOTE 6 – EXPLORATION ASSET**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Opening balance	159,883	183,272
Additions through normal activities	55,861	108,590
Impairment of exploration assets	(27,312)	(131,979)
Closing balance	<u>188,252</u>	<u>159,883</u>

Exploration assets represent expenditure on exploration licenses in the north of South Australia.

WOOMERA EXPLORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 7 - TRADE AND OTHER PAYABLES

	2016	2015
	\$	\$
Trade payables and accruals	43,565	66,840
Other payables	45,100	19,100
	<u>88,665</u>	<u>85,940</u>

NOTE 8 - ISSUED CAPITAL

Issued and paid-up share capital	Number of shares	\$
(a) Ordinary shares		
Balance at 30 June 2014	105,961,166	222,477
Shares issued during the year	8,733,334	80,000
Balance at 30 June 2015	<u>114,694,500</u>	<u>302,477</u>
Shares issued during the year	2,599,600	76,051
Balance at 30 June 2016	<u>117,294,100</u>	<u>378,528</u>

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

NOTE 9 - FINANCIAL INSTRUMENTS

The company's financial instruments consist of cash and cash equivalents and trade and other payables.

	2016	2015
	\$	\$
Cash and cash equivalents	12,381	4,657
Trade and other payables	(88,665)	(85,940)
Net financial liabilities	<u>(76,284)</u>	<u>(81,283)</u>

**Net fair values of financial assets and liabilities**

Fair values are amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms-length transaction. The carrying value of financial assets and financial liabilities held are approximate to their fair value.

**WOOMERA EXPLORATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**NOTE 10 - NOTES TO THE STATEMENTS OF CASH FLOWS****(a) Reconciliation of loss from ordinary activities after income tax to net cash provided by operating activities**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Loss from ordinary activities after income tax	(42,328)	(168,600)
Non-cash flows in loss		
Impairment of exploration assets	27,312	131,979
Net cash (used in) operating activities before changes in assets and liabilities	<u>(15,016)</u>	<u>(36,621)</u>
Change in assets and liabilities during the financial year		
(Increase) / decrease in other current assets	(365)	413
Increase / (decrease) in payables	<u>(18,534)</u>	<u>12,887</u>
Net cash provided by/(used in) operating activities	<u>(33,915)</u>	<u>(23,321)</u>

**NOTE 11 - RELATED PARTIES****(a) Directors' transactions with the Company**

The company has incurred professional expenses totalling \$5,100 and \$15,300 with Jonathan Lindh (Company Secretary) and Don Triggs (Director) respectively for services provided during the year. \$6,180 and \$36,017 were payable at year end respectively.

Unsecured director loans of \$16,098 and \$29,000 from Neville Martin and David Lindh and their related entities, respectively, remain outstanding at year end.

**(b) Equity holdings: Directors interests (direct or indirect) in shares and options of the company as at 30 June 2016 are as follows****Fully paid ordinary shares**

<b>Director</b>	<b>Opening Balance</b>	<b>Issued during the year</b>	<b>Closing balance</b>
N. Martin	16,859,999	-	16,859,999
D. Lindh	31,433,333	-	31,433,333
D. Triggs	14,666,667	2,333,333	17,000,00



WOOMERA EXPLORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 12 – INTEREST IN SUBSIDIARIES

CONTROLLED ENTITY	COUNTRY OF INCORPORATION	2016	2015
Norsa Exploration Pty Ltd	Australia	100%	100%

NOTE 13 – PARENT ENTITY INFORMATION

Information relating to Woomera Exploration Ltd (the parent entity)

	2016	2015
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	12,381	4,273
Prepayments	605	250
<b>Total current assets</b>	<b>12,986</b>	<b>4,523</b>
<b>Total non-current assets</b>		
Exploration assets	188,252	160,267
	<b>188,252</b>	<b>160,267</b>
<b>Total assets</b>	<b>201,238</b>	<b>164,790</b>
<b>Current liabilities</b>		
Trade and other payables	88,665	85,940
<b>Total current liabilities</b>	<b>88,665</b>	<b>85,940</b>
<b>Total liabilities</b>	<b>88,665</b>	<b>85,940</b>
<b>Net assets</b>	<b>112,573</b>	<b>78,850</b>
<b>Equity</b>		
Issued capital	378,528	302,477
Retained losses	(265,955)	(223,627)
<b>Total equity</b>	<b>112,573</b>	<b>78,850</b>
<b>Total comprehensive loss for the year</b>	<b>(42,328)</b>	<b>(168,600)</b>

**WOOMERA EXPLORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**NOTE 14 - EVENTS SUBSEQUENT TO BALANCE DATE**

There has not arisen in the interval between 30 June 2016 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future years.

**NOTE 15 - COMPANY DETAILS**

The registered office and principal place of business of the Company is:

92 Osterley Avenue  
Bridgewater SA 5155

**NOTE 16 - GOING CONCERN**

The financial report has been prepared on the basis of going concern. The Company incurred a loss of \$42,328 for the year ended 30 June 2016 and had a current asset deficiency of \$75,679 as at 30 June 2016. The Company's ability to continue as a going concern is contingent upon successfully raising additional capital and/or the support of director related entities for the provision of working capital loans.

If additional funds are not raised the going concern basis may not be appropriate, with the result that the Company may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and in amounts different from those stated in this financial report. No allowance for such circumstances has been made in the financial report.

**WOOMERA EXPLORATION LIMITED**

**DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2016**

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- 1 In the opinion of the Directors of Woomera Exploration Limited:
- (a) the financial statements and notes, as set out on pages 5 to 16, are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Company; and
    - (ii) complying with Accounting Standards.
  - (b) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated this 31st day of October 2016



David J. Lindh OAM  
Director

Level 1,  
67 Greenhill Rd  
Wayville SA 5034

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOOMERA EXPLORATION LIMITED**

We have audited the accompanying financial report of Woomera Exploration Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### **Directors' Responsibility 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*. The Directors' responsibility also includes 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.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

### **Auditor's Opinion**

In our opinion:

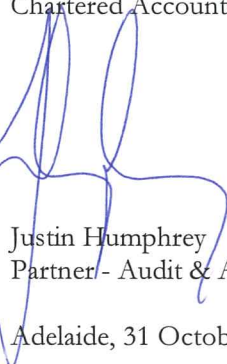
- a the financial report of Woomera Exploration Limited is in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - ii Complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b The financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

### **Material uncertainty regarding going concern**

Without qualification to the audit opinion expressed above, we draw attention to Note 16 in the financial report which indicates that the company incurred a net loss of \$42,328 during the year ended 30 June 2016 and, as of the date, had a current asset deficiency of \$75,679. These conditions, along with other matters as set forth in Note 16, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Justin Humphrey  
Partner - Audit & Assurance

Adelaide, 31 October 2016