Zinc of Ireland NL

ABN 23 124 140 889

and its controlled entities

Half year report for the half-year ended

31 December 2017

Company Directory

Board of Directors

Mr Patrick Corr	Non-Executive Chairman
Mr Peter van der Borgh	Managing Director
Mr Thomas Corr	Non-Executive Director
Mr Keith Bowker	Non-Executive Director

Company Secretary
Mr Keith Bowker

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Auditors
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London House, Level 3,
216 St Georges Terrace, Perth WA 6000

Share Registry
Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000

Stock Exchange
Australian Securities Exchange
Level 40, Central Park
152- 158 St Georges Terrace
Perth WA 6000

ASX Code
ZMI, ZMICA, ZMIOC

Half year report for the half-year ended 31 December 2017

Contents

Directors' report

The directors of Zinc of Ireland NL ("Zinc of Ireland" or "the Company") (ASX: ZMI) submit herewith the financial report of Zinc of Ireland and its controlled entities ("the Group") for the half-year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Names of Directors

The names of directors of the Company during or since the end of the half-year are:

Mr Patrick Corr	Non-Executive Chairman
Mr Peter van der Borgh	Managing Director
Mr Benjamin Sharp	Technical Director (appointed 22 July 2016, resigned 31 July 2017)
Mr Thomas Corr	Non-Executive Director
Mr Keith Bowker	Non-Executive Director (appointed 31 July 2017)

The above named directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Operating and financial review

The loss of the Group for the half-year ended 31 December 2017, after accounting for income tax, amounted to $542,471. The loss after tax for the Group was $3,448,933 for the half year ended 31 December 2016.

During the half-year, Mr Benjamin Sharp resigned as Technical Director and Mr Keith Bowker was appointed as Non-Executive Director.

In addition, the Company completed the Rights Issue undertaking and also a Placement on the same terms as the Rights Issue. A total of approximately $2,332,797 (before costs) was raised via the Rights Issue and the Placement and the issue of 466,559,488 fully paid ordinary shares at $0.005 each with a 1 for 1 free attaching listed option exercisable at $0.015 expiring on or before 21 July 2021.

During the reporting period the Company successfully completed the renewal process for licences at all of its project. The two Sligo licences were relinquished following review.

The Kildare project remains the principal focus for the Company's activities, where a further thirteen holes were drilled for a total of 3,210 metres. The results confirmed and extended zones of thick, high grade zinc-lead mineralisation at both the McGregor and Celtic Tiger prospects. Important geological features that are likely to have played a part in the ore-forming processes were also identified.

ZMI is currently reviewing the new information in conjunction with historical information in order to identify and rank a range of targets for the 2018 field season.

Auditor's independence declaration

The auditor's independence declaration is included on page 3 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors

Mr Patrick Corr
Non-Executive Chairman
2 March 2018
Perth, Western Australia

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Zinc of Ireland NL for the period ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 2nd day of March 2018

Bentleys
THINKING AHEAD

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Independent Auditor's Review Report

To the Members of Zinc of Ireland NL

We have reviewed the accompanying financial report of Zinc of Ireland NL ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the period.

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* and for such 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 a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Zinc of Ireland NL and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance for the period ended on that date; and

b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 2nd day of March 2018

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 *'Interim Financial Reporting'* and giving a true and fair view of the financial position and performance of the Group as at 31 December 2017 and its performance for the half-year ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors

Mr Patrick Corr
Non-Executive Chairman
2 March 2018
Perth, Western Australia

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2017

		Consolidated	
		Half-year ended	
	Note	31 Dec 2017 $	31 Dec 2016 $
Continuing operations			
Interest income	4	17,508	9,215
Total revenue and other income		**17,508**	**9,215**
Administration expenses		(233,970)	(213,469)
Compliance and regulatory expenses		(137,191)	(99,677)
Consultancy costs		(90,398)	(674,355)
Employee benefits expense		(98,420)	(104,475)
Exploration expenditure written off		-	(14,572)
Corporate restructure expenses	9	-	(2,351,600)
Loss before income tax		(542,471)	(3,448,933)
Income tax expense		-	-
Loss for the period		**(542,471)**	**(3,448,933)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Exchange differences on translating foreign operations		(770)	-
Other comprehensive income for the period, net of income tax		**(770)**	**-**
Total comprehensive loss for the period		**(543,241)**	**(3,448,933)**
Loss attributable to:			
Owners of Zinc of Ireland NL		**(543,241)**	**(3,448,933)**
Total comprehensive loss attributable to:			
Owners of Zinc of Ireland NL		**(543,241)**	**(3,448,933)**
Loss per share:			
Basic and diluted (cents per share)	8	(0.042)	(0.374)

Condensed notes to the condensed consolidated financial statements are included on pages 11 to 18.

Condensed consolidated statement of financial position as at 31 December 2017

		Consolidated	
	Note	31 Dec 2017 $	30 Jun 2017 $
Current assets			
Cash and cash equivalents		2,056,742	1,350,995
Trade and other receivables		167,067	42,398
Other financial assets		100,000	100,000
Total current assets		**2,323,809**	**1,493,393**
Non-current assets			
Exploration and evaluation expenditure	10	1,951,495	1,042,274
Trade and other receivables		25,568	125,568
Total non-current assets		**1,977,063**	**1,167,842**
Total assets		**4,300,872**	**2,661,235**
Current liabilities			
Trade and other payables		48,995	225,218
Borrowings		59,896	58,014
Total current liabilities		**108,891**	**283,232**
Total liabilities		**108,891**	**283,232**
Net assets		**4,191,981**	**2,378,003**
Equity			
Issued capital	5	8,298,802	5,857,838
Reserves	6	323,063	514,819
Foreign currency translation reserves		(560)	210
Accumulated losses		(4,429,324)	(3,994,864)
Total equity		**4,191,981**	**2,378,003**

Condensed notes to the consolidated financial statements are included on pages 11 to 18.

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2017

Consolidated	**Issued capital $**	**Reserves $**	**FCTR $**	**Accumulated losses $**	**Total $**
Balance at 1 July 2016	**55,000**	**-**	**-**	**(85,415)**	**(30,415)**
Loss for the period	-	-	-	(3,448,933)	(3,448,933)
Other comprehensive income, net of income tax	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**(3,448,933)**	**(3,448,933)**
Issue of ordinary shares (*refer to note 5*)	4,005,010	-	-	-	4,005,010
Share issue costs	(352,511)	-	-	-	(352,511)
Deemed consideration of acquisition *(refer to note 5 and 9)*	2,152,089	-	-	-	2,152,089
Share based payments	-	394,046	-	-	394,046
Balance at 31 December 2016	**5,859,588**	**394,046**	**-**	**(3,534,348)**	**2,719,286**
Balance at 1 July 2017	**5,857,838**	**514,819**	**210**	**(3,994,864)**	**2,378,003**
Loss for the period	-	-	-	(542,471)	(542,471)
Other comprehensive income, net of income tax	-	-	(770)	-	(770)
Total comprehensive loss for the period	**-**	**-**	**(770)**	**(542,471)**	**(543,241)**
Issue of ordinary shares (*refer to note 5*)	2,372,797	-	-	-	2,372,797
Share issue costs	(91,833)	-	-	-	(91,833)
Share based payments	-	76,255	-	-	76,255
Transfer to issued capital *(refer to note 5)*	160,000	(160,000)	-	-	-
Options cancelled *(refer to note 7)*	-	(106,654)	-	106,654	-
Performance rights cancelled *(refer to note 6)*	-	(1,357)	-	1,357	-
Balance at 31 December 2017	**8,298,802**	**323,063**	**(560)**	**(4,429,324)**	**4,191,981**

Condensed notes to the consolidated financial statements are included on pages 11 to 18.

Condensed consolidated statement of cash flows for the half-year ended 31 December 2017

	Note	Consolidated Half-year ended 31 Dec 2017 $	31 Dec 2016 $
Cash flows from operating activities			
Payments to suppliers and employees		(576,090)	(681,542)
Interest received		17,508	9,215
Net cash (used in) operating activities		(558,582)	(672,327)
Cash flows from investing activities			
Payments for exploration and evaluation		(951,634)	(541,493)
Cash acquired on acquisition	9	-	72,303
Net cash (used in) investing activities		(951,634)	(469,190)
Cash flows from financing activities			
Proceeds from equity instruments of the Company	5	2,307,846	3,699,978
Payment for share issue costs		(91,883)	(274,488)
Net cash provided by financing activities		2,215,963	3,425,490
Net increase in cash and cash equivalents		**705,747**	**2,283,973**
Cash and cash equivalents at the beginning of the period		1,350,995	-
Cash and cash equivalents at the end of the period		**2,056,742**	**2,283,973**

Condensed Notes to the consolidated financial statements are included on pages 11 to 18.

Condensed notes to the consolidated financial statements for the half-year ended 31 December 2017

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with annual financial statements of the Company for the year ended 30 June 2017 together with any public announcements made during the following half year.

The half-year financial report was authorised for issue by the directors on 2 March 2018.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Going concern

The consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year half year ended 31 December 2017, the Group incurred a loss after tax of $542,471 (2016: $3,448,933), and net cash outflows from operating and investing activities of $1,510,216 (2016: $1,141,517) and had a net working capital surplus as at 31 December 2017 of $2,214,918 (30 June 2017: $1,110,161). As disclosed in Note 11, the Group has $368,268 in exploration commitments due within the next 12 months.

The Directors have prepared a cash flow forecast which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Reverse acquisition

Zinc of Ireland NL completed the acquisition of Zinc Mines of Ireland Limited on 22 July 2016. From a legal and taxation perspective, Zinc of Ireland NL is considered the acquiring entity. However, the acquisition has the features of a reverse acquisition as described in the Australian Accounting Standard AASB 3 '*Business Combinations'* notwithstanding Zinc of Ireland NL being the legal parent of the Group. The transaction has been accounted for as a reverse acquisition from a consolidated perspective, where Zinc Mines of Ireland Limited is the accounting acquirer and Zinc of Ireland NL is the legal acquirer.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the financial year ended 30 June 2017, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Amendments to Accounting Standards and new Interpretations that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

The adoption of the new and revised Standards and interpretations have not had a material impact on this half-year financial report.

Principles of consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the half-year then ended. Where controlled entities have entered (left) the Group, their operating results have been included (excluded) from the date control was obtained (ceased).

Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Consolidated Entity's last annual financial statements for the year ended 30 June 2017.

2. Segment information

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

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

3. Dividends

No dividends were paid or declared for the half-year ended 31 December 2017 and the directors have not recommended the payment of a dividend.

4. Revenue and other income

	31 Dec 2017 $	31 Dec 2016 $
Revenue from continuing operations		
Interest income	**17,508**	**9,215**

5. Issued capital

	31 Dec 2017 $	30 Jun 2017 $
Fully paid ordinary shares	**8,298,802**	**5,857,838**

Fully paid ordinary shares	**31 Dec 2017** No.	**31 Dec 2017** $	**30 Jun 2017** No.	**30 Jun 2017** $
Balance at beginning of period	914,132,532	5,857,838	5,500,000	55,000
Issue of shares (i)	20,000,000	160,000		
Issue of shares (ii)	4,000,000	40,000		
Issue of shares (iii)	86,692,822	433,464		
Shortfall issue (iv)	226,018,022	1,130,090		
Share placement (v)	153,848,644	769,243		
Reverse Acquisition				
Elimination (vi)			(5,500,000)	-
Shares on issue (vii)			269,011,179	2,152,089
Share placement (viii)			62,500,000	500,000
Issue of Vendor shares (ix)			275,000,000	-
Issue of Advisor shares (x)			10,000,000	80,000
Share placement (xi)			108,375,000	867,000
Issue of shares (xii)			9,454,688	60,510
Share placement (xiii)			110,125,000	881,000
Share placement (xiv)			60,416,665	1,450,000
Issue of shares (xv)			9,250,000	166,500
Share issue costs		(91,833)	-	(354,261)
	1,404,692,020	**8,298,802**	**914,132,532**	**5,857,838**

(i) Issue of fully paid ordinary shares on 19 July 2017 in conversion of Class A Performance Rights.

(ii) Issue of fully paid ordinary shares on 19 July 2017 at a deemed issue price of $0.01 to a creditor of the Company for non-cash consideration for corporate advisory services.

(iii) Issue of fully paid ordinary shares at $0.005 on 14 August 2017 pursuant to a Prospectus lodged with ASX on 19 July 2017.

(iv) Issue of fully paid ordinary shares on 24 August 2017 at $0.005 pursuant to a shortfall under the Right Issue.

(v) Issue of fully paid ordinary shares on 24 August 2017 at $0.005 pursuant to a Placement.

(vi) Elimination of existing Zinc Mines of Ireland Limited shares.

(vii) Existing Zinc of Ireland NL shares on issue on acquisition valued at acquisition date and is the deemed consideration (refer to note 9).

(viii) Issue of fully paid ordinary shares on 21 July 2016 at $0.008 pursuant to a placement to sophisticated investors.

(ix) Issue of fully paid ordinary shares on 21 July 2016 for non-cash consideration for the acquisition of 100% of the issued capital of Zinc Mines of Ireland Limited.

(x) Issue of fully paid ordinary shares on 21 July 2016 to advisers (nominees of Zinc Mines of Ireland Limited) for non-cash consideration for corporate advisory services in relation to the placement of $500,000.

(xi) Issue of fully paid ordinary shares on 22 July 2016 at $0.008 pursuant to a placement to sophisticated investors.

(xii) Issue of fully paid ordinary shares on 22 July 2016 at a deemed issue price of $0.0064 in conversion of converting loans totaling $60,510 (including interest).

(xiii) Issue of fully paid ordinary shares on 7 September 2016 at $0.008 pursuant to a placement to sophisticated investors.

(xiv) Issue of fully paid ordinary shares on 7 September 2016 at $0.024 pursuant to a capital raising.

(xv) Issue of fully paid ordinary shares on 7 September 2016 in consideration of corporate services.

6. Reserves

	31 Dec 2017 $	30 Jun 2017 $
Balance at beginning of the period	514,819	-
Share based payment reserve (i)	(191,756)	514,819
Carrying value at end of the period	**323,063**	**514,819**

(i) This include the value of share-based payment of $76,255 as at 31 December 2017, the conversion of $160,000 class A performance rights into fully paid ordinary shares, the value of 330,833,333 listed options worth $106,654 expired on 21 July 2017 and the total value of performance rights of Benjamin Sharp worth $1,357 which were cancelled following his resignation on 31 July 2017.

7. Options

The following option arrangements were in existence at the reporting date:

Option series	Number	Grant date	Grant date fair value $	Exercise price $	Expiry date	Vesting date
ZMIO	330,833,333[i]	Various	-	0.020	21 Jul 2017	Vested
ZMIAA	129,800,000	Various	-	0.020	30 Apr 2020	Vested
ZMIAA	326,333,333	Various	-	0.040	21 Jul 2021	Vested
ZMIAA	7,000,000	25 Nov 2016	0.0072	0.060	30 Sept 2021	Vested

[i] 330,833,333 listed options were expired on 21 July 2017 worth $106,654.

7.1 Options issued during the half year

The following free attaching options were issued during the half-year ended 31 December 2017.

Option series	Number	Exercise price $	Expiry date	Purpose of Grant
ZMIOC	86,692,822	0.015	21 Jul 2021	Pursuant to a Prospectus lodged with ASX on 19 July 2017
ZMIOC	226,018,022	0.015	21 Jul 2021	Pursuant to a shortfall under the Right Issue
ZMIOC	153,848,644	0.015	21 Jul 2021	Pursuant to a Placement
ZMIOC	2	0.015	21 Jul 2021	Offered pursuant to a secondary trading prospectus lodged with ASX on 24 August 2017

8. Loss per share

	31 Dec 2017 cents per share	31 Dec 2016 cents per share
Basic and diluted loss per share (cents per share)	(0.042)	(0.374)

8.1 Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	31 Dec 2017 $	31 Dec 2016 $
Loss for the year attributable to owners of the Company	(542,471)	(3,448,933)

	31 Dec 2017 No.	31 Dec 2016 No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,278,258,229	922,381,982

9. Reverse Acquisition

Subsidiary acquired

On 22 July 2016, Zinc of Ireland NL (formerly Global Metals Exploration NL) completed the 100% acquisition of Zinc Mines of Ireland Limited ("Acquisition"), an Australian public company focused on the identification, acquisition, exploration and development of zinc projects in the Republic of Ireland. Zinc Mines of Ireland Limited currently holds 21 prospecting licences in 7 project areas for a total landholding of approximately 750km^2.

Acquisition consideration

As consideration for the issued capital of Zinc Mines of Ireland Limited, Zinc of Ireland NL issued 275,000,000 fully paid ordinary shares, 137,500,000 listed options exercisable at $0.02 expiring 21 July 2017 and 137,500,000 unlisted options exercisable at $0.04 expiring 21 July 2021 to the vendors of Zinc Mines of Ireland Limited. No cash was paid as part of the Acquisition.

Fair value of consideration transferred

Under the principles of AASB 3, the transaction between Zinc of Ireland NL and Zinc Mines of Ireland Limited is treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being Zinc Mines of Ireland Limited are measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Zinc of Ireland NL are measured at fair value on the date of acquisition.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Zinc Mines of Ireland Limited) in the form of equity instruments issued to the shareholders of the legal parent entity (Zinc of Ireland NL). The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the number of shares the legal subsidiary (Zinc Mines of Ireland Limited) would have issued to the legal parent entity (Zinc of Ireland NL) to obtain the same ownership interest in the combined entity.

9. Reverse Acquisition (cont'd)

Fair value of consideration transferred

	Fair value
	$
Non-cash (fully paid ordinary shares) (i)	**2,152,089**

(i) This represents value of Zinc of Ireland NL shares on issue on acquisition date with a fair value of $0.008 per share multiplied by shares on issue at acquisition date.

Assets acquired and liabilities of Zinc of Ireland NL assumed at the date of acquisition

	Zinc of Ireland NL $
Current assets	
Cash	72,303
Other current assets	17,411
Non-current assets	
Other non-current assets	25,568
Current liabilities	
Trade and other payables	(254,793)
Borrowings	(60,000)
Net assets/(liabilities)	**(199,511)**

The fair values of assets acquired and liabilities assumed approximate their carrying value.

Corporate restructure expense on acquisition

	$
Consideration transferred	2,152,089
Add: fair value of identifiable net liabilities assumed	199,511
Corporate restructure expense (i)	**2,351,600**

(i) This expense has been presented as a "Corporate restructure expense" on the face of the consolidated statement of profit or loss and comprehensive income.

10. Exploration and evaluation expenditure

	31 Dec 2017 $	30 Jun 2017 $
Balance at beginning of the period	1,042,274	29,241
Expenditure incurred during the period	909,221	1,030,465
Impairment of exploration and evaluation expenditure	-	(17,432)
	1,951,495	**1,042,274**

11. Commitments for expenditure

Exploration expenditure

	31 Dec 2017 $	30 Jun 2017 $
Not longer than one (1) year (i)	368,268	372,190
Two (2) to five (5) years (ii)	1,795,306	1,816,287
	2,163,574	**2,188,477**

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the consolidated statement of financial position may require review to determine the appropriateness of carrying value. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations. Where commitments are denominated in foreign currencies, the amounts have been converted to Australian dollars based on the exchange rates prevailing as at 31 December 2017.

12. Contingent liabilities and contingent assets

There has been no significant change in contingent liabilities and/or contingent assets since the last annual report. Please refer to the 30 June 2017 annual financial report.

13. Key management personnel

Remuneration policies of key management personnel are disclosed in the 2017 annual financial report. During the period under review, there were a number of changes to key management personnel.

On 31 July 2017, Mr Keith Bowker was appointed as Non-Executive Director and Mr Benjamin Sharp resigned as Technical Director of the Company.

Following Mr Benjamin Sharp resignation, 1,900,000 performance rights issued to Mr Benjamin Sharp were terminated.

Mr Keith Bowker is entitled to $500 monthly director fees. Mr Thomas Corr and and Mr Patrick Corr are entitled to $5,000 per month and $7,000 per month respectively for their service as Non-Executive Director. Mr Peter van der Borgh is entitled to $220,000 plus superannuation as part of his salary as Managing Director of the Company.

14. Subsequent events

There has not been any other matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.