SUPERIOR LAKE RESOURCES

ABN 64 139 522 553

(Formerly known as Ishine International Resources Limited)

Annual Report

for the financial year ended 31 December 2017

Corporate Information

ABN **64 139 522 553**

Directors
Mr Grant Davey (Executive Director)
Mr Peter Williams (Non-Executive Director)
Mr Yunde Li (Non-Executive Director)
Mr Keong Chan (Non-Executive Director)

Company Secretary
Mr Keong Chan

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Securities Exchange Listing
Superior Lake Resources Limited (SUP) shares are listed on the Australian Securities Exchange.

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REVIEW OF OPERATIONS

Pick Lake Project

The Pick Lake deposit was discovered by Corporation Falconbridge Copper ("Falconbridge") in 1983 with a single diamond drill hole from surface. This single drill hole was targeted to follow up on the down dip extension of a surface base metal occurrence at the Anderson showing.

The Anderson showing, claim staked by Falconbridge in August 1979, was the surface mineralisation that had initially encouraged Falconbridge to explore in the district. Following two summer seasons of geological mapping, sampling and geophysical surveys, a 5 hole drill program discovered the Winston Lake deposit in 1983. The discovery of 2 deposits based on an integrated exploration program was rightly considered to be highly successful.

The discovery of these two VMS deposits in the early 1980s, were the first in the district since the discovery of the Geco deposit (58.4 Mt @ 3.45% Zn, 1.86% Cu, 0.15% Pb, 50 g/t Ag) by Noranda in 1954, located 110km east of Pick Lake near Manitouwadge.

In the last 20 years, predominantly low zinc prices and the global financial crisis has hindered the exploration for zinc-rich VMS systems in this district, with exploration focussed on gold potential around the nearby Hemlo gold deposit near Marathon (see figure 1).

Figure 1. Location of Pick Lake Zinc Project in northwest Ontario

Location and Infrastructure

Pick Lake is located approximately 200km east of the city of Thunder Bay. The city has a long history of supporting mining operations in the district with a skilled workforce of mining professionals. Thunder Bay acts as a regional centre for exploration companies operating in northern Ontario. A number of large mining companies operate out of Thunder Bay with active exploration programs looking for predominantly gold and diamonds.

Pick Lake is accessible from Thunder Bay via Provincial Highway 17 and then via an all weather unsealed road. A powerline connected to the Ontario Provincial power grid runs to site. A rail siding is located at the nearby town of Schreiber. The railway line follows the northern shore of Lake Superior and forms part of the main Trans-Canada railway. Rail and Port facilities at Thunder Bay enable shipments to global customers; Thunder Bay is considered an ocean-going Port as it connects directly to the Atlantic Ocean via the Great Lakes and St Lawrence Seaway.

The Pick Lake Deposit was previously mined by Inmet and high grade zinc ore from this deposit was scheduled to fully replace the nearby Winston Lake deposit as remnant lower grade zinc ore was mined from Winston Lake. Winston Lake was mined out in 1998 and prior to that date had produced 3.5mt of Zn at 15% from 1990 to 1997.

Inmet developed westward to the Pick Lake deposit from the Winston Lake deposit via an underground drive at the 615 level (615m below surface) and developed a number of drives into Pick Lake ore. Two 3m diameter ventilation shafts were installed above Pick Lake and the ensuing mining operations from both Pick Lake and Winston Lake supplied ore to the Winston Lake process plant. Records show that at least C$30M of development capital was expended in 1997 and 1998 to develop the Pick Lake deposit (see figue 2). Mining operations ceased at Pick Lake on 4 December 1998.

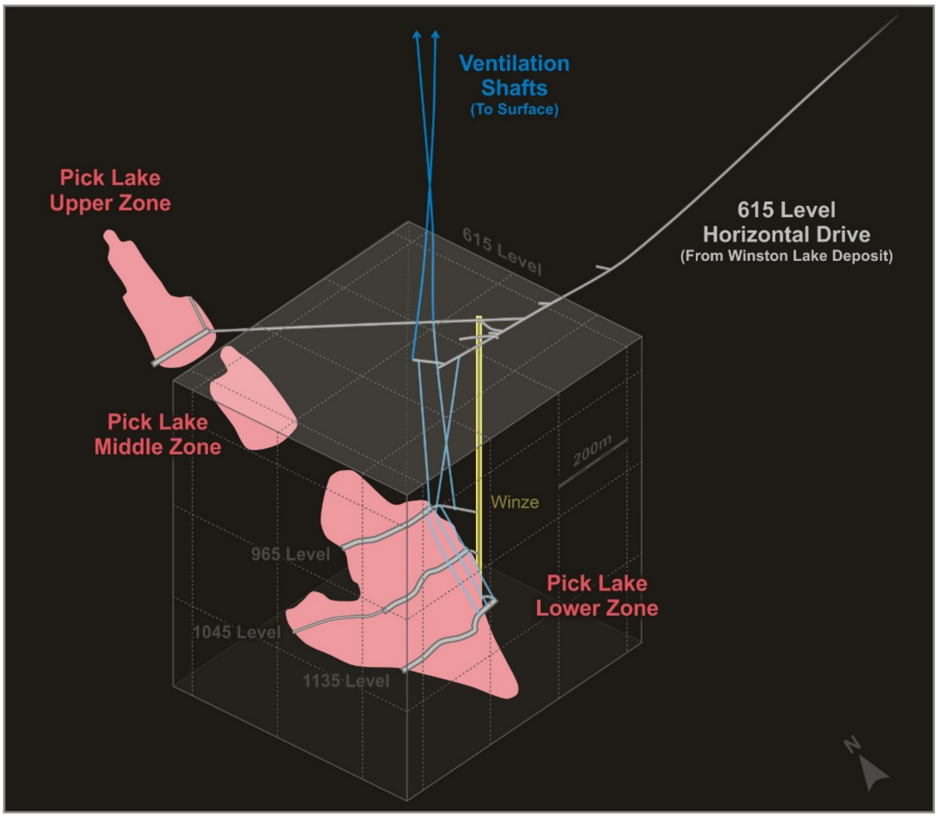

Figure 2. Pick Lake deposit showing outline of deposit in pink (as defined in 1998) and main development drives and ventilation shafts.

Tenure

The Pick Lake Project comprises 297 claim units (each claim unit is 400mx400m or 16Ha in area) totalling 47.5km^2. The claims are made up of a number of claims acquired in August 2016 and claims recently staked and registered in October 2017(see figure 3).

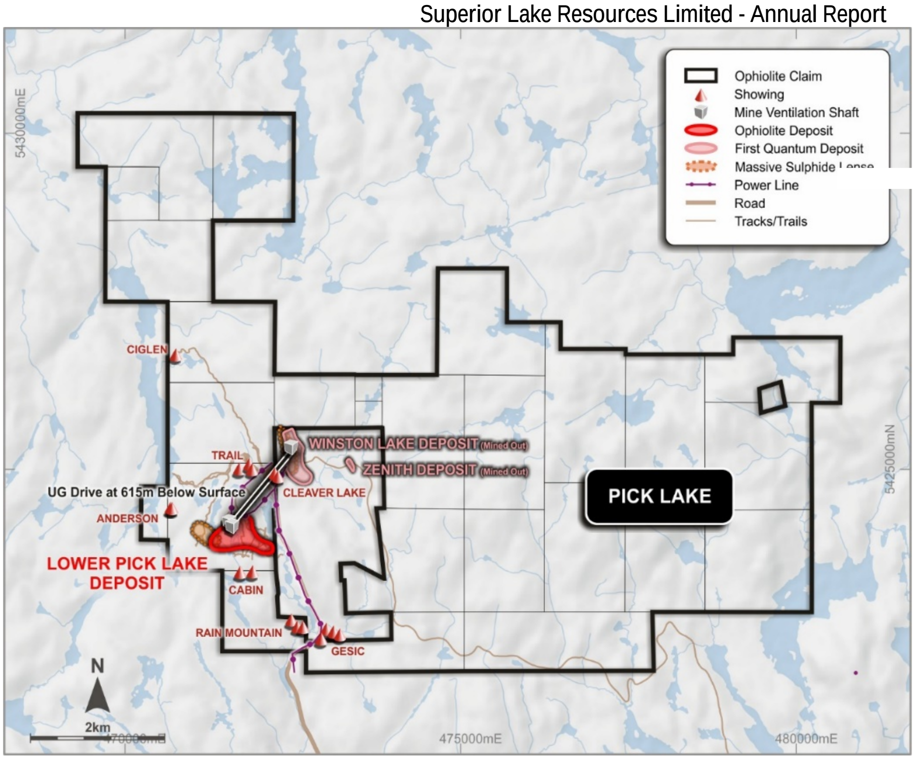

Figure 3. Pick Lake Project area showing surface prospects and infrastructure

Following a review of the potential within the Pick Lake Project Area, it was decided to acquire additional areas within the district between Pick Lake and Manitouwadge, prospective for zinc rich VMS mineralisation. This resulted in the Joe Creek, Ellis Lake and Victoria Lake Project areas being acquired (see Figure 4). The total of all claim areas is >17,000Ha.

These areas were identified from a return to first principles targeting of features in the regional aeromagnetic data that displayed evidence of a sequence of volcanic rocks with associated major structures. Refinement of targets identified historic first pass exploration by a number of previous exploration companies in these project areas with anomalous zinc assays that were not followed up. Ishine intend to re-evaluate the potential on these recently acquired project areas.

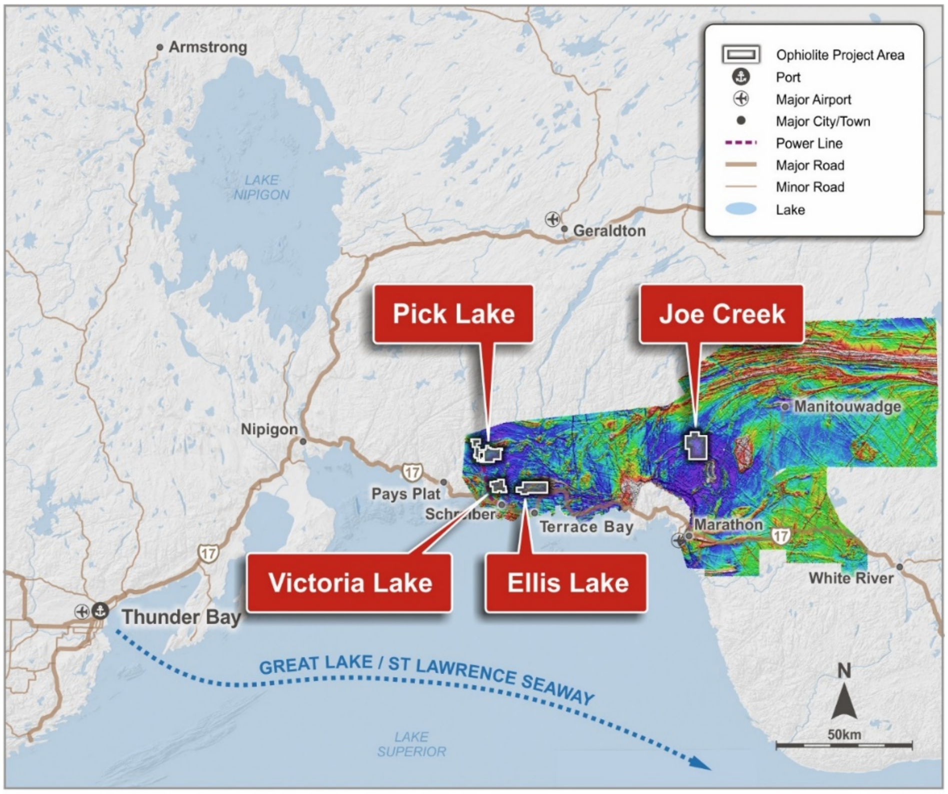

Figure 4. Joe Creek, Ellis Lake and Victoria Lake Project Area Locations

Geology, Mineralisation, Resources and Potential

The Pick Lake deposit occurs at the extreme western edge of the Winston-Big Duck Lake sequence of volcanic rocks, approximately 35 metres above a granitic contact. Aeromagnetics within the Project area depicts a distinctive V shaped sequence of magnetic and non-magnetic units converging to a northern "V" apex and appears remarkably similar to the aeromagnetic character of the older Archean Warriedar Fold Belt in Western Australia which hosts the Golden Grove VMS deposits.

The Pick Lake deposit occurs as a large sheet like zone of massive sulphides within a series of bedded pyroclastic rocks. An internal estimate of 1.46Mt @ 15.06% Zn, 0.84% Cu, 36.8g/t Ag and 0.49g/t Au was calculated by Inmet geologists using in-house geostatistical and modelling software. A number of assumptions on expected dilution were also included in the estimate to account for mining narrow ore widths and inclusion of variable hanging wall gangue rock based on the degree of hanging wall alteration. Detailed information on this historic resource is currently being compiled from public records. Hydrothermal alteration exists in both footwall and hangingwall rocks resulting in varying assemblages of quartz, cordierite, biotite, anthophyllite, garnet, chlorite and sericite with minor disseminated sulphides. The hydrothermal alteration zone appears to be spatially related to the Winston Lake deposit; recent structural mapping provides evidence that Pick Lake and Winston Lake are hosted within the same stratigraphic horizon.

The Anderson showing, located near the southeast shore of Winston Lake, appears to be the surface expression of the Pick Lake deposit. This is a rusty pyritic weakly altered series of bimodal volcanics. Massive sulphides of the Pick Lake deposit occur from approximately 300m to 1200m vertically and over a strike length averaging 250 metres. The lower portion of the deposit appears to increase in strike length to approximately 500 metres. The deposit strikes at 20 degrees and dips to the east at 50 degrees. The thickness of the deposit is generally between 2 and 4m, however, locally it is up to 14 metres in width.
Sulphide mineralisation is generally very consistent, composed of a fine grained mixture of sphalerite (50-80%) and pyrrhotite (5-35%) with minor chalcopyrite (0-5%) and pyrite (0-3%). Commonly contained within the sulphides is up to 5% transparent rounded quartz inclusions up to 3mm in size as well as rare (1-3%) sub-rounded biotitic volcanic inclusions. The contacts to the deposit are typically knife sharp and commonly show the presence of minor amounts of silica.

Based on diamond drilling results, as well as very limited underground exposures, the Pick Lake deposit, appears to have been metamorphosed to amphibolite facies with temperatures high enough to recrystallise sulphides in-situ. Drill hole WL-67 intersected a very anomalous thickness of 13.4 metres of massive sulphides in the central lower portion of the deposit. This hole showed coarse grained, volcanic inclusion-rich, sulphides more typical of the Winston Lake deposit. This intersection also showed very little of the clear rounded quartz inclusions which are so common elsewhere throughout the deposit. It is believed that this represents an area where primary exhalative or replacement sulphides were formed. Tectonic bedding-parallel flattening, so prevalent throughout the stratigraphy, may have forced the sulphides out from this original location along a stratigraphic horizon to form the sheet-like zone. This physical squeezing would result in the homogeneous mix of sulphides, as well as the rounding of inclusions that is so commonly seen.

Winston Lake Project

The Winston Lake Project is located within the northern Wawa terrane in the Archean Superior Province. It is hosted in the Winston Lake Greenstone Belt, between the Shebandowan Greenstone Belt located to the west and the Manitouwadge Greenstone Belt to the east (see Figure 5). All three belts encompass notable base metal past producers:

- Winston Lake Mine, past production of 3.3 MT at 14.1% Zn and 1.0% Cu
- Pick Lake Mine, past production of 173,000t at 10%Zn and 0.7%Cu
- Geco Mine, past production of 58 MT at 3.5% Zn and 1.9% Cu

Figure 5: Winston Lake Project location plan

Historical Operations

Previous owners of the Winston Lake Project, Minnova Inc. commenced mining of Winston Lake in 1988 and mined approximately 3.3 million tonnes grading 14% zinc, 1% copper, 1.0g/t gold and 30g/t silver over an 11-year period.

During this period separate zinc and copper concentrates were produced that were shipped to various smelters both locally and internationally. Approximately 900Mlbs of zinc, 53Mlbs of copper and over 1 million ounces of gold were produced with reported recoveries of 95% (zinc) and 78% (copper).

1993 saw the commencement of a 2,200m drift to mine the nearby Pick Lake deposit through the mine workings at Winston Lake. The upper Pick Lake deposit was the focus of the mining activity, with the lower Pick Lake deposit virtually untouched when the mine closed in 1998 due to low zinc prices.

Geology, Mineralisation, Resources and Potential

The Winston Lake deposit lies at the top of the Winston Lake sequence within cherty exhalite and altered felsic-to-intermediate laminated ash tuff. In places, gabbro forms the hanging wall for the deposit. The footwall consists of altered mafic flow rocks and felsic-to-intermediate volcaniclastic rocks which are underlain by altered quartz and feldspar porphyritic rhyolite and feldspar pyritic basalt with intercalated sulphide-rich, bedded, tuffaceous rocks which, in turn, are underlain by the "Main" quartz fledspar porphyry which is intruded by gabbro and pyroxenite.

Hydrothermal alteration, confined to the Winston Lake sequence, and later metamorphism of altered rock have resulted in spectacular assemblages of cordierite, anthophyllite, biotite, garnet, sillimanite, staurolite, muscovite and quartz coincident with an increase in iron, magnesium, and potassium and a decrease in sodium and calcium. Zinc content is directly proportional to the intensity of alteration. High copper values occur at the flanks and top of the alteration "pipe" with the core of the pipe containing relatively depleted copper values.

The most common forms of ore are finely banded sphalerite and pyrrhotite and massive-to-coarsely banded sphalerite and pyrrhotite with minor pyrite and chalcopyrite and up to 45% of sub-angular mafic and felsic fragments averaging 3cm in diameter.

The north-striking and 50 degrees eastwardly dipping deposit has a strike length of 750m and width of 350m. It has an average true thickness of 6m and is open to depth.

Exploration Program for Pick Lake and Winston Lake Projects

Superior has acquired the historic data provided by the vendors. Following compilation and review of this data, Superior will commence a program to fully test the areas peripheral to the main Winston mining area with the view to extending the resource along the plunge directions (see Figure 6).

A second program of exploration focused on ‘brownfield’ type targeting will focus on VMS style mineralisation within the Wawa sub-Province is focussed on locating VMS horizons with the Archean package of volcanic rocks (see Figure 7).

The geochemistry and stratigraphy observed over the extent of the project area within the Wawa sub-Province is consistent with a rifted arc to back-arc setting. The known VMS deposits are tightly constrained with early rifting and the felsic rocks hosting the deposits have been age dated at 2,720Ma (2,720 million years ago).

A number of geophysical techniques will be used that have the ability to directly detect massive sulphides within this ‘marker horizon’ due to the physical property contrast between host rock and ore. Also, the use of soil sampling with multi-element assaying has the potential to locate a distal geochemical signature of VMS style mineralisation beyond historic identification of zones of sodic-depletion.

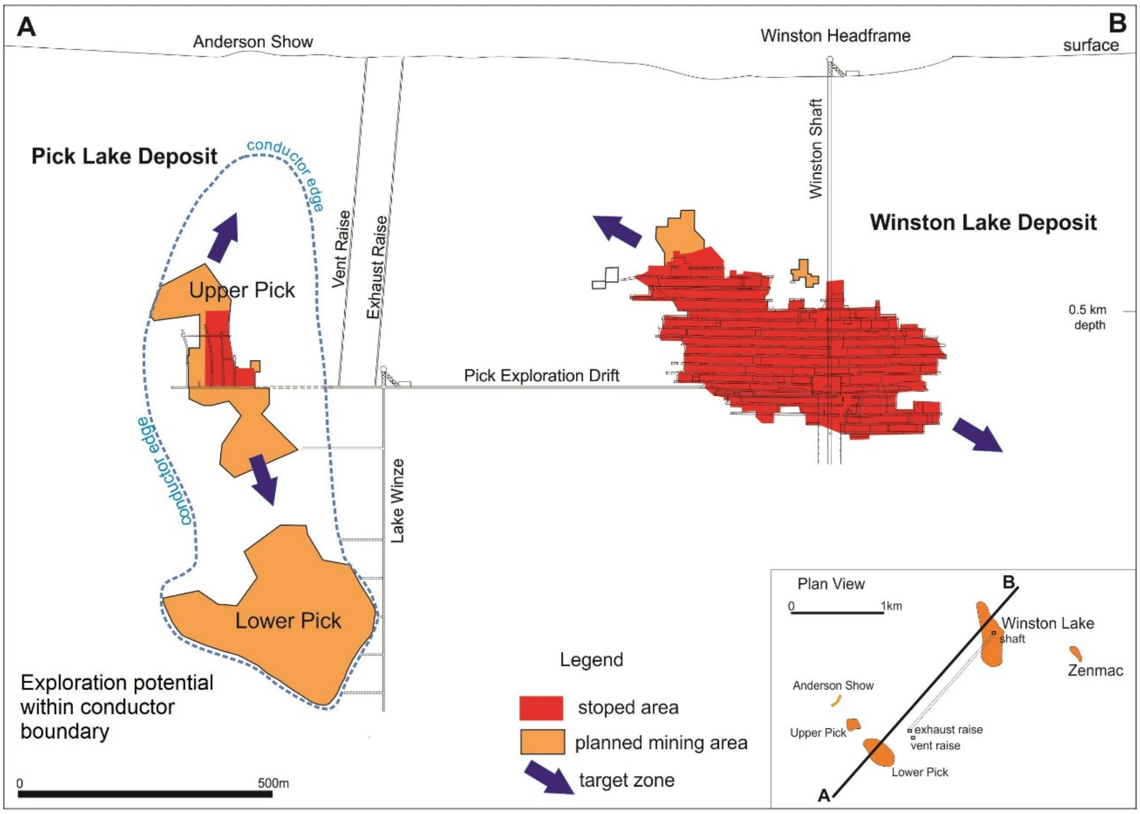

Figure 6: Pick Lake Project – Exploration Potential (composite longitudinal section showing Pick Lake and Winston Lake projected onto a single plane)

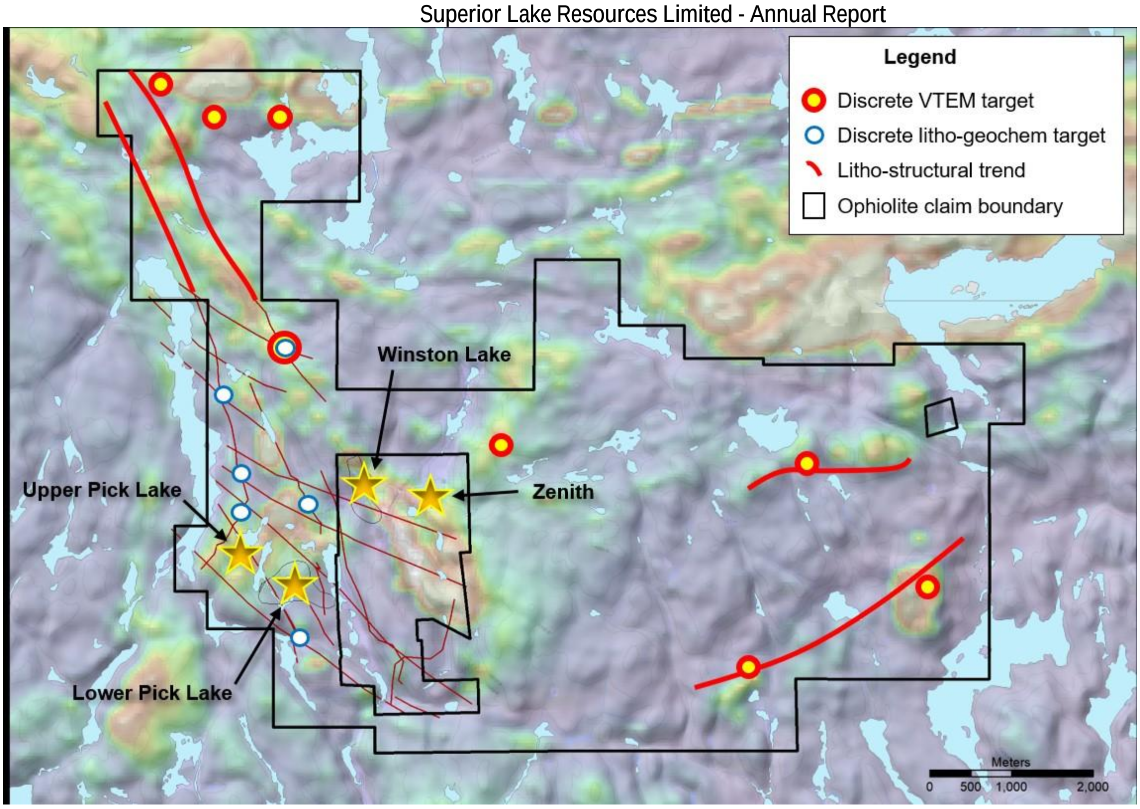

Figure 7: Pick Lake / Winston Lake Project – Drill targets

Leonora Project E39/1582(100% SUP)

The Leonora project area is located in the Eastern Goldfields Province of the Archaean-aged Yilgarn Craton of Western Australia. Rocks of this area are the most ancient on earth and commonly form the core of the world's major continents.

Large nickel laterite deposits on Mining leases M39/878, 879 are situated to the west of project about 6Km away (Figure 8). Based on regional and local geological analysis, and reviews from historical and Superior's previous exploration undertaken including data from surface geochemical sampling and shallow drilling programs, this project is prospective for Nickel, Cobalt and Gold.

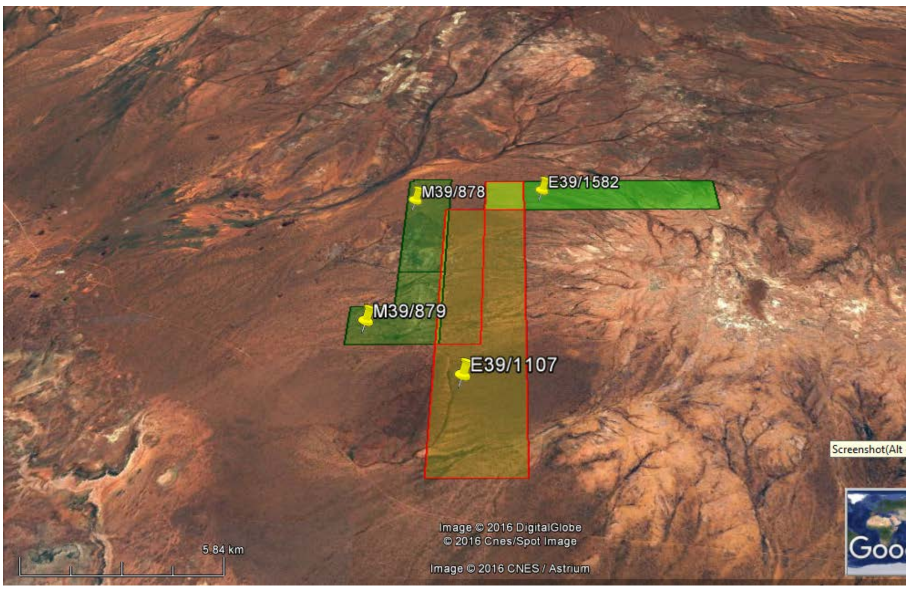

Figure 8 - Project Location On Google Map

Tenement and Access

Tenement E39/1582 is located 80 km SW of Laverton, and approximately 55km east southeast of the town Leonora in the Wes Australian Mount Margaret Mineral Field. It is accessible by way of the Leonora to Laverton sealed main road, 40km east of the Leonora and thence 25km south via Minara road that runs approximately 3km to the north of the project. The Glenorn to Yundamindera road and numbers other unsealed truck allow easy access to the tenements. Geology. Please refer to Figure 9.

A five-year extension of terms for E39/1582 was lodged previously but the extension was rejected by WA authority in the last quarter of 2017. The Company is considering strategic options for this tenement.

The project in located on the western side of the Murrin-Margaret Sector of the Eastern Goldfields Province within the Laverton 1:250 000 map sheet.

The Archaean rocks of the Yilgarn Craton are broadly subdivided into granites and greenstones. The granites form large, coalescing, ovoid-shaped regions up to several hundreds of kilometers in length and width, generally separated by narrow elongated 'greenstone belts' composed of ancient volcanic rocks and sediments that have subsequently been deformed and metamorphosed by complex tectonic and mineralizing events. Such processes are believed to have been responsible for the formation of major gold, nickel and base metal deposits in a wide variety of rock-types. Greenstone successions of the Province are divided into elongate terranes based on the regional NNW-trending faults. The Greenstone terranes do not include widespread intrusive granites, and may be further divided into fault bounded domains. The faults and intrusions contribute to a pronounced regional structural trend. These boundary faults are poorly exposed but can be traced as lineaments or breaks, defined by large scale truncations of stratigraphy. The best known terrane is the Kalgoorlie Terrane.

E39/1582 lies on the eastern flank of a relatively open north-northeast plunging anticline that is composed of conformable mafic and ultramafic bodies. It is relatively low-lying with a gentle northeast south-west striking undulation.

The local geology of the project area comprises a basaltic package that has been intruded by differentiated mafic sill, comprising gabbro and dolerite, and felsic porphyry stocks and dykes. The host basaltic package may be pillowed and includes inter-bedded metasediment layers of dark "cherty" shale and slate. All rocks have been extensively weathered and lateritised thence the central and western sectors of the E39/1582 are almost completely covered by ferruginous colluvial sediments.

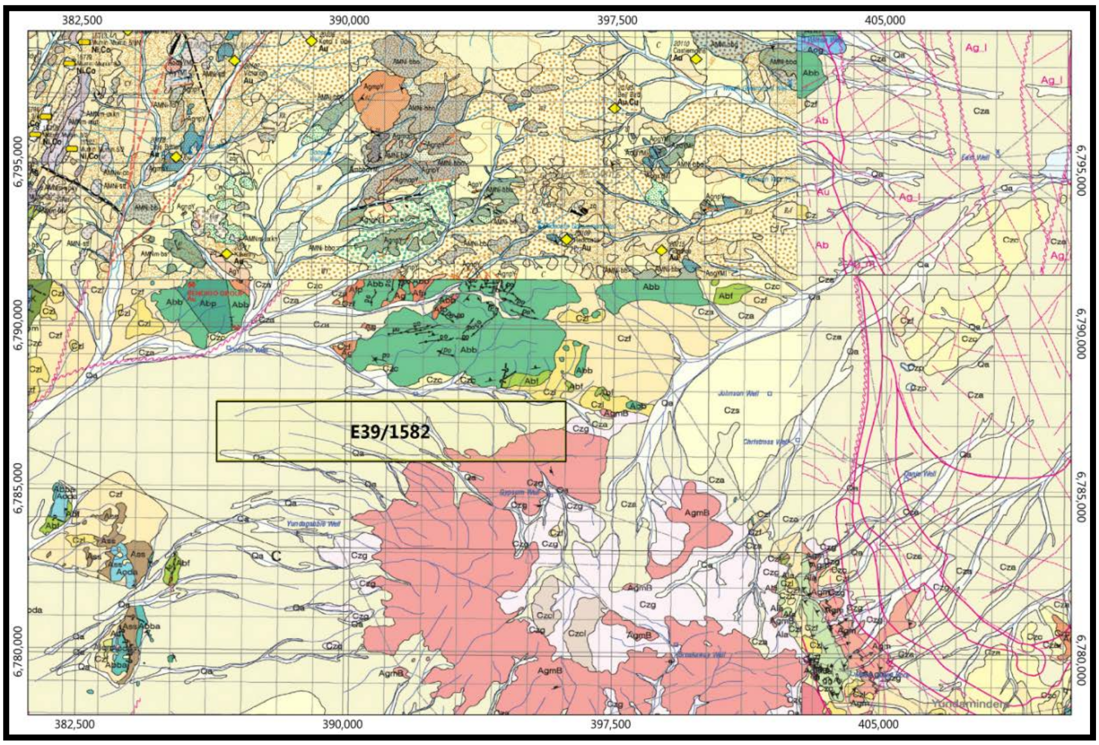

Figure 9 - GSWA 1:100k Geology Map

Mineralisation

The Leonora-Laverton region is second only to Kalgoorlie-Kambalda in Western Australia for its number and size of economic gold and nickel deposits. Known gold resources (including historic production), total around 35 million ounces within nine deposits containing greater than 1 million ounces of gold including two deposits in excess of 5 million ounces. Gold mineralisation is associated with pyritic, chloritic and quartz veined tonalite and basalt. Although no significant (> 100,000 oz) gold mineralisation is known in the area, the occurrence of felsic porphyry dykes close to the margin of Granodiorite and the extensive network of linked trust faults within area are attractive targets that potentially could host gold deposit.

Adjacent to the very west of the project, GME Resources reported in 2007 significant defined lateritic nickel – cobalt resources within tenement E39/1107 (Figure 1). Indicated and inferred resources for the GME managed Mt Kikenny project area as stated by Sullivan (2006) are:

Indicated 13.73MT at 1.29% Ni, 0.10% Co
Inferred 1.38MT at 1.14% Ni, 0.07% Co

With widely distributed Archaean-aged mafic and ultramafic rock suits across the tenement area, combined with significant mineralisation zones to the west of the project. It warrants further exploration for Nickel, Cobalt and Gold mineralization.

Mt Morley Project E30/477 (100% SUP)

Tenement and Geology

The Mt Morley Project has 1 tenement E30/477 (Figure 10) covering an area of 50Km2, located about 45Km west-northwest of Menzies and 130Km by road north of Kalgoolie in Western Australia. The EL covers small portions of the Mt Ida greenstone belt comprising mainly tholeiitic mafic rocks and minor intercalated ultramafic rocks and larger areas of granitoid rocks. The EL is situated on large scale Mt Ida Fault.

Outside EL30/477, the Mt Ida district hosts a number of small, generally high grade gold mines mostly hosted by the mafic rock component of the greenstone belt and minor sulphide and laterite hosted nickel minimisation associated with the ultramafic component of the greenstone belt.

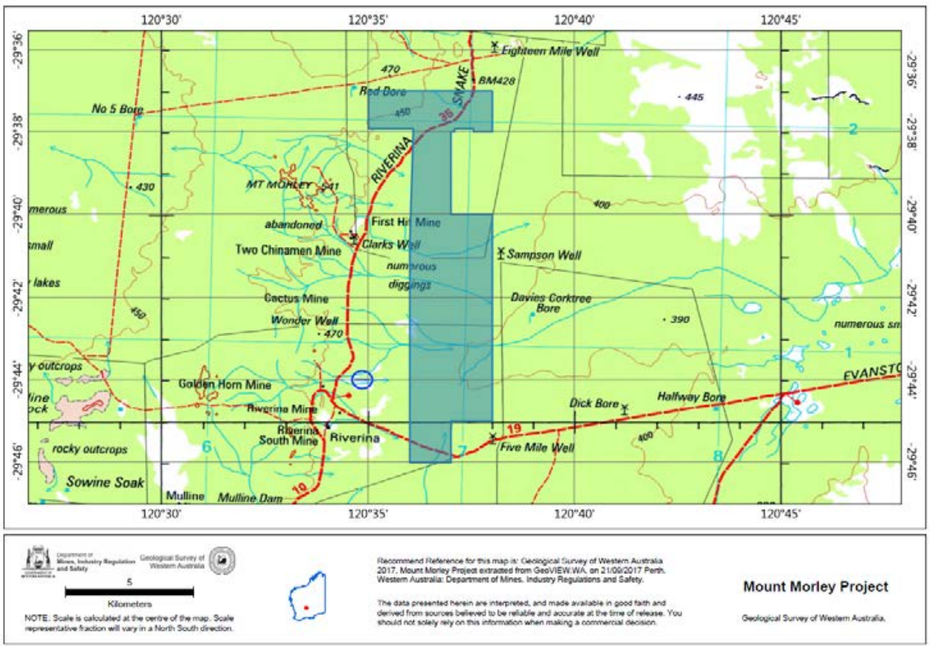

Figure 10 - E30/477 Location & Topography

Geophysics

During March 2014 UTS Geophysics Pty Ltd carried out a helicopter-borne geophysical survey over the Area1, 2, 3 and Martins Zone situated near Menzies in Western Australia. Principal geophysical sensors included a versatile time domain electromagnetic system, and a caesium magnetometer. Ancillary equipment included a GPS navigation system and a radar altimeter. A total of 135 line-kilometres of geophysical data were acquired during the survey.

Based on the geophysical resorts obtained in this survey, a number of TEM anomalous zones were identified across the previous EL. The conductive zones in the survey area are originated N-S to NW-SE. Most of the conductors were interpreted as association with magnetic anomalies. According to detailed resistivity depth imaging, the top of the EM response sources varies in depth from about 30-80 deep. (Refer Figure 11)

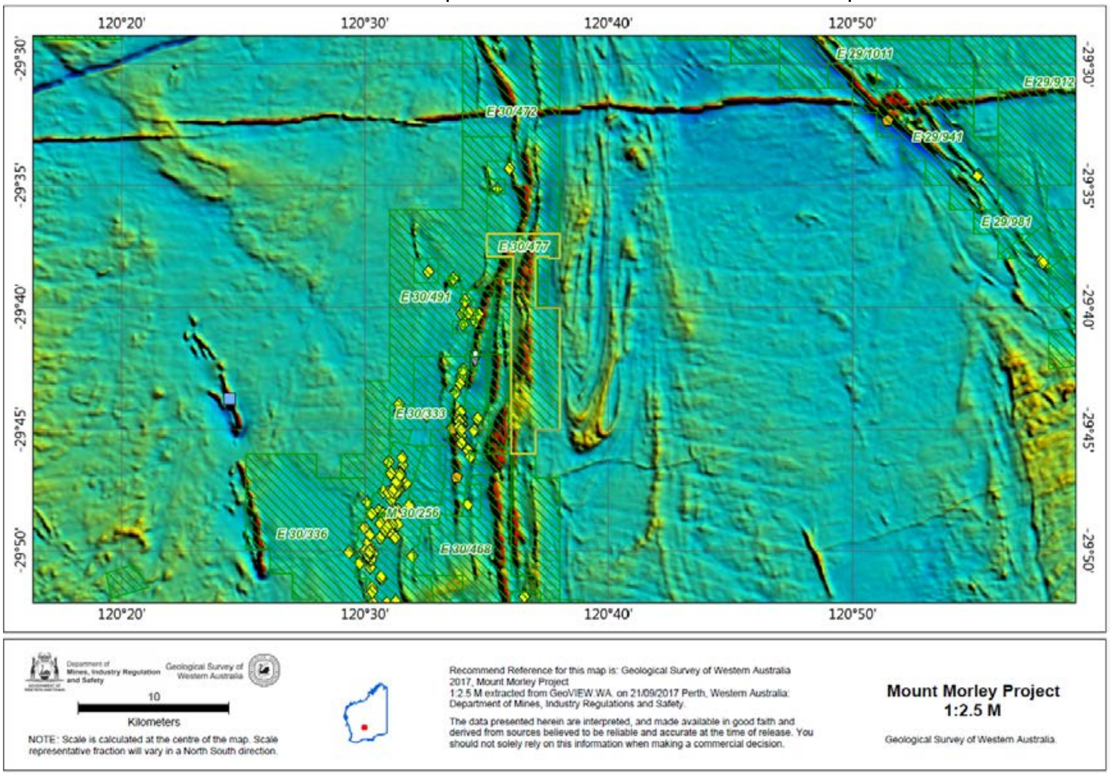

Figure 11 - E30/477 Location and Regional Geology/Geophysics

Corporate

In December 2017, the Company entered into an option agreement to acquire Superior Mining Pty Ltd, which had a 70% initial indirect interest in the past producing Pick Lake Zinc Project located in Ontario, Canda. The acquisition was completed in February 2018. The consideration for the acquisition was the issue of 263,636,364 shares at an issue price of $0.11 per share.

The Board continues to review potential new project acquisition opportunities to enhance shareholder value.

Tenement Information as at 31 December 2017

State	Tenement Number	Locality	Status	Target Minerals
Ontario, Canada	4287909	Pick Lake	Granted	Zn
Ontario, Canada	4287910	Pick Lake	Granted	Zn
Ontario, Canada	4287911	Pick Lake	Granted	Zn
Ontario, Canada	4274196	Pick Lake	Granted	Zn
Ontario, Canada	4274197	Pick Lake	Granted	Zn
Ontario, Canada	4244161	Pick Lake	Granted	Zn
Ontario, Canada	4244162	Pick Lake	Granted	Zn
Ontario, Canada	4244163	Pick Lake	Granted	Zn
Ontario, Canada	4244751	Pick Lake	Granted	Zn
Ontario, Canada	4274195	Pick Lake	Granted	Zn
Ontario, Canada	3001231	Pick Lake	Granted	Zn
State	Tenement Number	Locality	Status	Target Minerals
Ontario, Canada	4284603	Pick Lake	Granted	Zn
Ontario, Canada	4287912	Pick Lake	Granted	Zn
Ontario, Canada	4287913	Pick Lake	Granted	Zn

Ontario, Canada	4287914	Pick Lake	Granted	Zn
Ontario, Canada	4287915	Pick Lake	Granted	Zn
Ontario, Canada	4287916	Pick Lake	Granted	Zn
Ontario, Canada	4287917	Pick Lake	Granted	Zn
Ontario, Canada	4287918	Pick Lake	Granted	Zn
Ontario, Canada	4287919	Pick Lake	Granted	Zn
Ontario, Canada	4287920	Pick Lake	Granted	Zn
Ontario, Canada	4287921	Pick Lake	Granted	Zn
Ontario, Canada	4287922	Pick Lake	Granted	Zn
Ontario, Canada	4287923	Pick Lake	Granted	Zn
Ontario, Canada	4287924	Pick Lake	Granted	Zn
Ontario, Canada	4287925	Pick Lake	Granted	Zn
Ontario, Canada	4284634	Joe Creek	Granted	Zn
Ontario, Canada	4284639	Joe Creek	Granted	Zn
Ontario, Canada	4284644	Joe Creek	Granted	Zn
Ontario, Canada	4284628	Joe Creek	Granted	Zn
Ontario, Canada	4284629	Joe Creek	Granted	Zn
Ontario, Canada	4284630	Joe Creek	Granted	Zn
Ontario, Canada	4284631	Joe Creek	Granted	Zn
Ontario, Canada	4284632	Joe Creek	Granted	Zn
Ontario, Canada	4284633	Joe Creek	Granted	Zn
Ontario, Canada	4284635	Joe Creek	Granted	Zn
Ontario, Canada	4284636	Joe Creek	Granted	Zn
Ontario, Canada	4284637	Joe Creek	Granted	Zn
Ontario, Canada	4284638	Joe Creek	Granted	Zn
Ontario, Canada	4284640	Joe Creek	Granted	Zn
Ontario, Canada	4284641	Joe Creek	Granted	Zn
Ontario, Canada	4284642	Joe Creek	Granted	Zn
Ontario, Canada	4284643	Joe Creek	Granted	Zn
Ontario, Canada	4284648	Joe Creek	Granted	Zn
Ontario, Canada	4284680	Joe Creek	Granted	Zn
Ontario, Canada	4284684	Joe Creek	Granted	Zn
Ontario, Canada	4284601	Victoria Lake	Granted	Zn
Ontario, Canada	4284606	Victoria Lake	Granted	Zn
Ontario, Canada	4284602	Victoria Lake	Granted	Zn
Ontario, Canada	4284604	Victoria Lake	Granted	Zn
Ontario, Canada	4284605	Victoria Lake	Granted	Zn
Ontario, Canada	4284607	Victoria Lake	Granted	Zn
State	Tenement Number	Locality	Status	Target Minerals
Ontario, Canada	4284608	Victoria Lake	Granted	Zn
Ontario, Canada	4284609	Victoria Lake	Granted	Zn
Ontario, Canada	4284610	Victoria Lake	Granted	Zn

Ontario, Canada	4284617	Ellis Lake	Granted	Zn
Ontario, Canada	4284645	Victoria Lake	Granted	Zn
Ontario, Canada	4284646	Victoria Lake	Granted	Zn
Ontario, Canada	4284647	Victoria Lake	Granted	Zn
Ontario, Canada	4284649	Victoria Lake	Granted	Zn
Ontario, Canada	4284650	Victoria Lake	Granted	Zn
Ontario, Canada	4284679	Victoria Lake	Granted	Zn
Ontario, Canada	4284681	Victoria Lake	Granted	Zn
Ontario, Canada	4284682	Victoria Lake	Granted	Zn
Ontario, Canada	4284683	Victoria Lake	Granted	Zn
Ontario, Canada	4284611	Ellis Lake	Granted	Zn
Ontario, Canada	4284612	Ellis Lake	Granted	Zn
Ontario, Canada	4284613	Ellis Lake	Granted	Zn
Ontario, Canada	4284614	Ellis Lake	Granted	Zn
Ontario, Canada	4284615	Ellis Lake	Granted	Zn
Ontario, Canada	4284616	Ellis Lake	Granted	Zn
Ontario, Canada	4284618	Ellis Lake	Granted	Zn
Ontario, Canada	4284619	Ellis Lake	Granted	Zn
Ontario, Canada	4284620	Ellis Lake	Granted	Zn
Ontario, Canada	4284621	Ellis Lake	Granted	Zn
Ontario, Canada	4284622	Ellis Lake	Granted	Zn
Ontario, Canada	4284623	Ellis Lake	Granted	Zn
Ontario, Canada	4284624	Ellis Lake	Granted	Zn
Ontario, Canada	4284625	Ellis Lake	Granted	Zn
Ontario, Canada	4284626	Ellis Lake	Granted	Zn
Ontario, Canada	4284627	Ellis Lake	Granted	Zn
WA	E39/1582	Leanora	Pending Approval	Ni, Co, Au
WA	E33/477	Mt Morley	Granted	Au
Summary	84 Tenements	Ontario (Canada) and WA		Zn, Au, Co, Ni

Directors' Report

The directors of Superior Lake Resources Limited ("the Company", formerly Ishine International Resources Limited) submit herewith the annual report of the Company for the financial year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the Directors' report is as follows:

INFORMATION ABOUT THE DIRECTORS AND SENIOR MANAGEMENT

The names and particulars of the directors of the Company during or since the end of the financial year are:

Name	Particulars
Mr Grant Davey Executive Director (Appointed 27 February 2018)	Mr Davey is a mining engineer with over 18 years of deep level mining experience. He has been involved in producing as well as the development of mining projects throughout Africa & Australia. He is a major shareholder of the Honeymoon Uranium project in South Australia and director of Australian listed companies Cradle Resources Limited (ASX: CXX) and Boss Resources Limited (ASX: BOE).
Mr Chuanshui (Frank) Yin Non-executive Director (Appointed 15 November 2016, former CEO, resigned 27 February 2018)	Mr Yin has nearly 20 years of operational and management experience, starting his career in a large juice enterprise in the People's Republic of China in 1994. He has had mining and mineral processing training in business administration at Tsinghua University and Toronto University. He has been active in developing Sino-Australian business ventures in mining and has facilitated a number of negotiations between Chinese and Australian parties in mining development investments and off-take agreements. He has developed a good network of business relationships all around the world. Mr Yin holds a Master's degree in Economics and Law from Zhongnan University. He is currently completing a doctorate degree in Finance. He has significant diverse experience in business marketing and finance research. Mr Yin has not held any directorships of other listed companies in the last 3 years.
Mr Keong Chan Non-executive Director & Company Secretary (Appointed 15 November 2016)	Mr Chan holds a Bachelor of Commerce from the University of Western Australia and a Master of International Customs Law and Administration from the University of Canberra. Mr Chan has provided advice to a number of companies on corporate matters in relation to capital raisings, IPOs, back door listings, mergers and acquisitions, takeovers/divestments and has sat on or acted as an advisor to a number of ASX listed boards. Mr Chan is chairman of Aumake International Limited (appointed 10 June 2016) and Riva Resources Limited (appointed 1 December 2015).
Mr Peter Williams Non-executive Director (Appointed 27 February 2018)	Mr Williams was formerly Chief Geophysicist and Manager of Geoscience Technology for WMC Resources. He was one of the founding members of Independence Group Limited and developed high powered 3 component 3D TEM applications that lead to the discovery of over 75,000t of nickel at the Victor Long Nickel Mine in Kambalda. Mr Williams also has extensive experience in West Africa where he was the vendor of Gryphon Minerals' Banfora Gold Project (now Teranga Gold Corporation), was involved in the project generation of Papillion's Mali projects and was a founding director of Ampella Mining Ltd. Mr Williams is currently a non-executive director of Boss Resources Ltd (ASX: BOE).

Name	Particulars
Mr Yunde Li Executive Chairman (Appointed 18 September 2009)	Mr Li has been a Director, General Manager and a principal shareholder of Ishine Mining Company Co. Ltd (IMGC) since 2001. He is an economist and has over 20 years' experience in mining and mineral processing with extensive training in business administration at Beijing University and Tsinghua University. From 1966 to 2001 he was General Manager of Yishui Xinxing Mining. He has been involved as an investor, promoter and/or director in resource companies such as, Yishui Xingxing Mining Pty Ltd, Shandong Ishine Mining Co, Yishui Heshen Mineral Process Pty Ltd. Mr Li has not held any directorships of other listed companies in the last 3 years.

Directors' shareholdings

The following table sets out each director's relevant interest in shares of the Company as at the date of this report. There were no options on issue to directors during the period up to the date of this report.

	Shares	
	Held directly	*Held indirectly*
Mr Yunde Li (i)	10,000,000	63,151,291
Mr Chuanshui (Yin) (ii)	1,020,000	3,170,000
Mr Keong Chan	-	-
Mr Grant Davey (iii)	-	60,702,694
Mr Peter Williams (iv)	-	-

(i) The 63,151,291 shares are held in the name of Shandong Ishine Mining Industry Co Ltd (a company in which the Director is a shareholder).
(ii) Resigned 27 February 2018. The 3,170,000 shares are held in the name of Ausrich Resources Pty Ltd (Mr Yin is director of Ausrich Resources Pty Ltd).
(iii) Appointed 27 February 2018
(iv) Appointed 27 February 2018

Company Secretary

Name	Particulars
Mr Keong Chan (Appointed 15 November 2016)	Mr Chan holds a Bachelor of Commerce from the University of Western Australia and a Master of International Customs Law and Administration from the University of Canberra. Mr Chan has provided advice to a number of companies on corporate matters in relation to capital raisings, IPOs, back door listings, mergers and acquisitions, takeovers/divestments and has sat on or acted as an advisor to a number of ASX listed boards.

PRINCIPAL ACTIVITIES

The principal continuing activity of the Company during the financial year was the exploration of mineral prospects.

REVIEW OF OPERATIONS

A review of the Company operations for the financial year is set out in the Review of Operations of this report.

CHANGES IN THE STATE OF AFFAIRS

Apart from noted elsewhere in this report, no significant changes in the state of affairs of the Company occurred during the financial year.

SUBSEQUENT EVENTS

In February 2018, the Company completed the acquisition of 100% of the issued capital of Superior Mining Pty Ltd (Superior). Superior is the legal & beneficial owner of 70% of the issued capital of Ophiolite Holdings Pty Ltd (Ophiolite), which is a proprietary exploration company and is the legal and beneficial owner of the zinc and copper prospective "Pick Lake Project", located in Ontario, Canada. The company raised capital of $2.5 million for the acquisition by way of the placement of 227,272,727 fully paid ordinary shares in the capital of the Company at an issue price of $0.011 per share.

In the same month, Ophiolite entered into an option agreement under which First Quantum Minerals Ltd (a company incorporated in Canada) granted Ophiolite an exclusive 12 month option to acquire the zinc & copper prospective "Winston Lake Project" which lies adjacent to the Pick Lake Project. Accordingly, on completion of this acquisition, the Company will hold a 70% indirect interest in the Winston Lake Project (via its 70% interest in Ophiolite).

On 27 February 2018, Mr Grant Davey was appointed as the company's managing director and Mr Peter Williams was appointed as a non-executive director, while Mr Chuanshui Yin resigned from his role as a non-executive director in the company.

No other matters or circumstance has arisen since 31 December 2017, which has significantly affected, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

ENVIRONMENTAL REGULATIONS

The Company is subject to significant environmental regulation in respect to its exploration activities. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The company has considered relevant impacts and ensured the company is compliant with environmental reporting requirements described in ASIC Regulatory Guide 68 New Financial Reporting and procedural requirements. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

SHARES UNDER OPTION

On 23 February 2018, 20 million unquoted incentive options were issued to the company's director Mr Peter Williams as part of his remuneration package, exercisable at $0.03 on or before 23 February 2022.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year the Company paid a premium in respect of a contract insuring the directors of the Company, the company secretary and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The premium for director and officer's liability is $8,880 (December 2016: $11,100), limit of indemnity is $5,000,000 (December 2016: $5,000,000).

The Company has entered into a Deed of Indemnity, Insurance and Access with each Director. In summary the Deed provides for:

- Access to corporate records for each Director for a period after ceasing to hold office in the Company,
- The provision of Directors and Officers Liability Insurance, and
- Indemnity for legal costs incurred by Directors in carrying out the business affairs of the Company.

Except for the above the Company has not otherwise, during or since the financial year, except to the amount permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings held during the financial year ended 31 December 2017 and the number of meetings attended by each director (while they were a director). During the financial year the following board meeting was held:

	Board of Directors	
Directors	No of eligible meetings to attend	Number attended
Mr Yunde Li	0	0
Mr Chuanshui (Frank) Yin (i)	0	0
Mr Keong Chan	0	0

There were 2 Circular Resolutions during the year.

(i) Appointed 15 November 2016; Resigned 27 February 2018

NON-AUDIT SERVICES

No non-audit services have been provided during the year. For details of amounts paid or payable to the auditor for audit services provided during the period are outlined in note 22 to the financial statements.

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.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included on page 15 of the financial report.

REMUNERATION REPORT (audited)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Superior Lake Resources' directors and senior management for the financial year ended 31 December 2017. The prescribed details for each person covered by this report are detailed below under the following headings:

- director and key management personnel details
- remuneration policy
- remuneration of directors and key management personnel
- key terms of employment contracts

Director and key management personnel details

The following persons acted as directors during or since the end of the financial year:

Mr Yunde Li	Non-Executive Director (Appointed 18 September 2009)
Mr Chuanshui (Frank) Yin	Non-executive Director (Appointed 15 November 2016; Resigned 27 February 2018)
Mr Keong Chan	Non-executive Director (Appointed 15 November 2016)
Mr Grant Davey	Executive Director (Appointed 27 February 2018)
Mr Peter Williams	Non-executive Director (Appointed 27 February 2018)

The term "key management personnel" is used in this remuneration report to refer to the following persons. Except as noted the named persons held their current positions for the whole of the period and since the end of the financial year:

Mr Yunde Li	Non-Executive Director (Appointed 18 September 2009)
Mr Keong Chan	Non-Executive Director/Company Secretary (Appointed 15 November 2016)

Remuneration and nomination procedures

The Board considers that the Company is not of a size to justify the formation of a remuneration or nomination Committee. The Board is able to address these aspects of the Company's activities and will adhere to the appropriate ethical standards and with the relevant remuneration and nomination procedures.

The Board will review the remuneration policies and packages of all Directors and senior executive officers on a periodical basis. However, there was no meeting held in relation to review of remuneration policies and packages during the year. The Board will also periodically review the composition of the Board and make necessary changes to ensure that it comprises persons who have the skill and experience appropriate for the business activities and operations undertaken by the Company.

If a vacancy occurs or if it is considered that the Board would benefit from the services and skills of an additional Director, the Board will select and appoint the most suitable candidate. Any such appointee would be required under the Constitution to retire at the next annual general meeting and is eligible for re-election by the shareholders at that meeting.

Remuneration policy

Remuneration levels for executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and individual's experience and qualifications. The Company's Constitution provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration has been set at an amount not to exceed $450,000 per annum.

Fees for non-executive directors are not linked to the performance of the Company.

The executive directors and full time executives receive a superannuation guarantee contribution required by the government, which is currently 9.5% and do not receive any other retirement benefits.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

Relationship structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-executive director remuneration

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually.

Each of the non-executive Directors receives a fixed fee for their services as Directors. There is no direct link between remuneration paid to any of the

Directors and corporate performance such as bonus payments for achievement of certain key performance indicators. There are no retirement benefits for non-executive Directors.

Executive remuneration

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. The remuneration of executive Directors and other executives is fixed by the Board and may be paid by way of cash settled salary or the issue of equity.

Remuneration consists of cash settled remuneration and share based payments.

Cash settled remuneration

The level of cash settled remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Cash settled remuneration is reviewed periodically by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration sector and external advice. However, there was no meeting held this year in relation to remuneration review.

The cash component is a base salary or monthly consulting fee.

Share based payments

Share based payments are made so as to provide a remuneration which is both appropriate to the position and is competitive in the market. Share based payments are not based any performance conditions.

Remuneration of directors and key management personnel

The directors and the Company executives received the following amounts as compensation for their services as directors and executives of the Company during the financial year ended 31 December 2017:

Financial year ended 31 December 2017

	Short-term employee benefits		Post- employment benefits			
Name	Cash salary and fees	Other services	Superannuation	Share-based payment shares	Total	% consisting of options
	$	$	$	$	$	$
Directors						
Mr Yunde Li (i)	36,000	-	-	-	36,000	-
Mr Chuanshui Yin (ii)	36,000	-	-	-	36,000	-
Mr Keong Chan (iii)	36,000	48,000	-	-	84,000	
TOTAL	108,000	48,000	-	-	156,000	

(i) These payments were made to Ausrich Resources Pty Ltd, a company in which Mr Li is a director

(ii) Resigned 27 February 2018.

(iii) $48,000 of the total fees pertain to Mr Chan’s services as company secretary.

Financial year ended 31 December 2016

Name	Short-term employee benefits		Post- employment benefits			
	Cash salary and fees	Other services	Superannuation	Share-based payment shares	Total	% consisting of options
	$	$	$	$	$	$
Directors						
Mr Yunde Li	5,000	70,000	-	-	75,000	-
Mr Chuanshui Yin (i)	5,000	30,000	-	-	35,000	-
Mr Keong Chan (ii)	8,000	10,500			18,500	
Mr Naiming Li (iii)	25,000	-	-	-	25,000	-
Mr Mark Muzzin (iv)	25,000	-	-	-	25,000	-
Executives						
Mr Leonard Math (v)	16,500	19,250	-	-	35,750	-
TOTAL	84,500	129,750	-	-	214,250	

(i) Appointed as Non-executive Director on 15 November 2016.

(ii) Appointed as Non-executive Director and Company Secretary on 15 November 2016. These payments were made to Charterhouse Capital Pty Ltd, company of which Mr Chan is a director of $7,000 out of the $18,500 is prepaid fees for month of January 2017.

(iii) Resigned 15 November 2016. Mr Naiming Li is the director and beneficiary of Pacway Investments Pty Ltd which received director's fees of $25,000 plus GST in settlement of outstanding directors fees previously owed to him.

(iv) Resigned 15 November 2016. Mr Muzzin is a partner of the partnership M & C Muzzin which received director's fees of $25,000 plus GST in settlement of outstanding directors fees previously owed to him.

(v) These payments were made to Nexia Perth, company which Mr Math was an employee of. They included fees for tax, accounting and company secretarial services. Details are set out in Key Terms of Employment Contracts.

Key management personnel equity holdings

(i) Fully paid ordinary shares

	Balance at start of period	Granted as compensation	Balance at end of period
	No	No	No
31 December 2017 *Directors*			
Mr Yunde Li	10,000,000	-	10,000,000
Mr Chuanshui Yin (i)	1,020,000	-	1,020,000
Mr Keong Chan	-	-	-

(i) Resigned on 27 February 2018

	Balance at start of period	Granted as compensation	Balance at end of period
	No	No	No
31 December 2016			
Directors			
Mr Yunde Li	10,000,000	-	10,000,000
Mr Chuanshui Yin (ii)	1,020,000	-	1,020,000
Mr Naiming Li (iii)	-	-	-
Mr Mark Muzzin (iii)	-	-	-
	-	-	-
	-	-	-
Executives	-	-	-
Leonard Math (i)	100,000	-	100,000

(i) Shares were issued to GDA Corporate (which merged with Nexia Perth in October 2015) of which Mr Math was an employee.

(ii) 1,020,000 includes 900,000 shares which Mr Yin is entitled to as part of his share based payments. However, none of the 900,000 shares were issued as at balance date. (Refer Note 21 for more details).

(iii) Resigned on 15 November 2016.

Share-based payments approved to be issued as compensation in the current financial year

Mr Chuanshui (Frank) Yin is entitled to 900,000 shares in accordance with his CEO employment contract effective 1 December 2012, based on his completion of his third full year of service. However the 900,000 have not yet been granted as at the date of this report.

Performance of Superior Lake Resources Limited

The table below sets out summary information about the entity's earnings and movements in shareholder wealth for the 5 years to 31 December 2017. (The company was incorporated on 18 September 2009.)

	Year ended 31 December 2017	Year ended 31 December 2016	Year ended 31 December 2015	Year ended 31 December 2014	6 months ended 31 December 2013
	$	$	$	$	$
Revenue	30	129	12,188	85,855	5,508
Net loss before tax	(374,785)	(157,162)	(400,150)	(1,365,926)	(480,732)
Net loss after tax	(374,785)	(157,162)	(400,150)	(1,365,926)	(480,732)

	31 December 2017	31 December 2016	31 December 2015	31 December 2014	31 December 2013
	$	$	$	$	$
Share price at beginning of period/year	$0.045	$0.22	$0.22	$0.22	$0.22
Share price at end of period/year	$0.043	$0.045	$0.22	$0.22	$0.22
Dividends	-	-	-	-	-
Basic and diluted earnings per share (cents per share)	(0.18)	(0.17)	(0.44)	(1.50)	(0.53)

There is no link between company key management personnel remuneration and company performance.

End of remuneration report.

Signed in accordance with a resolution of the directors.

Mr Keong Chan
Director
29 March 2018

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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 audit of the financial statements of Superior Lake Resources Limited for the financial year 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS
Chartered Accountants

CHRIS NICOLOFF CA
Director

Dated at Perth this 29th day of March 2018

Financial Report

Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 31 DECEMBER 2017	Notes	Company	
		2017	2016
		$	$
Revenue	5	30	129
Other income	6(a)	-	74,623
Depreciation expense	12	(505)	(1,349)
Tenement and exploration expenses		(46,957)	(58,396)
Accounting and audit fees		(55,635)	(40,772)
Occupancy expenses		(18,888)	-
Administrative expenses		(100,710)	(43,309)
Employee benefit expenses and Consultancy Fees	6(c)	(120,500)	(45,635)
Other expenses	6(b)	(31,620)	(42,453)
LOSS BEFORE INCOME TAX		(374,785)	(157,162)
Income tax expense	8	-	-
LOSS FOR THE YEAR/PERIOD		(374,785)	(157,162)
LOSS FOR THE YEAR/PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF SUPERIOR LAKE RESOURCES LIMITED	15(c)	(374,785)	(157,162)
OTHER COMPREHENSIVE INCOME/(LOSS) NET OF TAX			
Items that may be reclassified to profit or loss			
Changes in fair value of financial assets	15(a)	(166,000)	240,700
Other Comprehensive (loss)/income for the year/period		(166,000)	240,700
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(540,785)	83,538
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF SUPERIOR LAKE RESOURCES LIMITED		(540,785)	83,538
Basic and diluted loss per share (cents per share)	16	(0.18)	(0.17)

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

Financial Report (Cont'd)
Statement of Financial Position

AT 31 DECEMBER 2017

	Notes	Company 31-Dec 2017 $	31-Dec 2016 $
CURRENT ASSETS			
Cash and cash equivalents	7	442,416	1,160,747
Trade and other receivables	9	12,052	49,232
TOTAL CURRENT ASSETS		454,468	1,209,979
NON-CURRENT ASSETS			
Other financial assets	10	166,000	332,000
Exploration & evaluation assets	11	939,091	-
Property, plant and equipment	12	1,049	1,554
TOTAL NON-CURRENT ASSETS		1,106,140	333,554
TOTAL ASSETS		1,560,608	1,543,533
CURRENT LIABILITIES			
Trade and other payables	13(b)	53,235	79,142
Unearned revenue	13(a)	4,961	4,961
Loan from major shareholder	21(c)	-	325,323
TOTAL CURRENT LIABILITIES		58,196	409,426
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		58,196	409,426
NET (LIABILITIES)/ASSETS		1,502,412	1,134,107
EQUITY			
Contributed equity	14	9,727,170	8,818,080
Share based payments reserve	15(a)	1,107,666	1,107,666
Investment revaluation reserve	15(a)	91,300	257,300
Accumulated losses	15(c)	(9,423,724)	(9,048,939)
TOTAL (DEFICIENCY)/EQUITY		1,502,412	1,134,107

The above statement of financial position is to be read in conjunction with the accompanying notes.

Financial Report (Cont'd)

Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2017	Contributed Equity $	Accumulated Losses $	Share Based Payments Reserve $	Investment Revaluation Reserve $	Total $
Opening Balance	8,818,080	(9,048,939)	1,107,666	257,300	1,134,107
Loss for the period	-	(374,785)	-	-	(357,685)
Changes in fair value of available for sale financial assets	-	-	-	(166,000)	(166,000)
Cumulative loss reclassified to profit or loss on impairment of available for sale assets	-	-	-	-	-
Total comprehensive (loss)/income for the year	-	(374,785)	-	(166,000)	(540,785)
Transactions with owners in their capacity as owners	-	-	-	-	
Issue of shares	909,090	-	-	-	909,090
Less: Share issue costs	-	-	-	-	-
Share based payments	-	-	-	-	-
AT 31 DECEMBER 2017	9,727,170	(9,423,724)	1,107,666	91,300	1,502,412

YEAR ENDED 31 DECEMBER 2016	Contributed Equity $	Accumulated Losses $	Share Based Payments Reserve $	Investment Revaluation Reserve $	Total $
Opening Balance	7,621,235	(8,891,777)	1,107,666	16,600	(146,276)
Profit for the period	-	(157,162)	-	-	(157,162)
Changes in fair value of available for sale financial assets	-	-	-	240,700	240,700
Cumulative loss reclassified to profit or loss on impairment of available for sale assets	-	-	-	-	-
Total comprehensive (loss)/income for the year	-	(157,162)	-	240,700	83,538
Transactions with owners in their capacity as owners					
Share based payments	-	-	-	-	-
Issue of shares	1,299,173	-	-	-	1,299,173
Less: Share issue costs	(102,328)	-	-	-	(102,328)
AT 31 DECEMBER 2016	8,818,080	(9,048,939)	1,107,666	257,300	1,134,107

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

Financial Report (Cont'd)

Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2017	Notes	Company	
		Year ended 31-Dec 2017 $	Year ended 31-Dec 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Operating activities		-	74,623
Payments to suppliers and employees (inclusive of GST)		(311,811)	(349,811)
Interest received		30	129
Payments for exploration activities (inclusive of GST)		(51,226)	(58,846)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	7	(363,007)	(333,905)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration: acquisition costs		(30,000)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(30,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	1,299,174
Capital raising costs		-	(102,328)
Loan from major shareholder		(325,324)	97,333
NET CASH INFLOW FROM FINANCING ACTIVITIES		(325,324)	1,294,179
NET DECREASE IN CASH AND CASH EQUIVALENTS		(718,331)	960,273
Cash and cash equivalents at the beginning of the year		1,160,747	200,474
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	442,416	1,160,747

The above statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. GENERAL INFORMATION

Superior Lake Resources Limited ('Superior') is incorporated and operates in Australia. Superior is a listed public company on the Australian Securities Exchange. The address of its registered office and principal place of business are disclosed on the inside cover of the financial report. This financial report for Superior is for the year ended 31 December 2017 and were authorised for issue in accordance with a resolution of the directors on 29 March 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Superior Lake Resources Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on an accrual basis and is based on historical cost modified by the revaluation of financial assets for which the fair value basis of accounting has been applied, and fair value basis of accounting of share based payments was applied at grant date. Accounting policies applies are consistent with those of the prior year.

Superior Lake Resources Limited is a company limited by shares incorporated in Australia whose are shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Company are described in the Directors' Report.

Compliance with IFRS

The financial statements of Superior Lake Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Going Concern

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company incurred a loss from continuing operations of $374,785 (2016: $157,162) during the year ended 31 December 2017, net cash outflows from operational and investment activities of $393,007 (2016: $333,905), and a net working capital surplus of $396,272 (2016: $800,553) at that date.

As disclosed in Note 25, on 23 February 2018 the Company has raised $2.5 million by way of a placement of 227,272,727 fully paid ordinary shares in the Company.

The directors have prepared a cash flow forecast, which indicates that the Company 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.

Critical accounting judgements and key sources of estimation uncertainty

In the application of Australian Accounting Standards management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to Note 3 for a discussion of critical judgements in applying the entity's accounting policies and key sources of estimation uncertainty.

Notes to the Financial Statements (Cont'd)

Application of New and Revised Accounting Standards

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company during the financial year.

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

Early adoption of new Accounting Standards not yet mandatory

The Company has early adopted AASB 9: Financial Instruments and prospectively applied all the measurement and recognition requirements of AASB 9: Financial Instruments (December 2014), including consequential amendments to other standards, on 1 January 2017. The adoption of AASB 9 results in no material changes to the Company's treatment of its financial instruments, as the Company's financial assets, comprising of investments in listed equity securities, have been designated as financial assets at fair value through other comprehensive income. This treatment is consistent in nature to the previous recognition and measurement requirements of AASB 139.

New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are set out below:

AASB 15 - Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018.

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108 : Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16 - Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117 : Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116 : Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Notes to the Financial Statements (Cont'd)

(a) Segment information

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 maker – the executive management team (being CEO) and Board of directors.

The Company aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Nature of the production processes,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment.

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.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset. Management fee for exploration tenements is recognised when the service is provided to the relevant joint venture.

(c) Income tax

The current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the end of the reporting period.

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is charged or credited in the profit or loss component of statement of comprehensive income 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 and unused tax losses or tax credits 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 tax 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 law.

(d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value less costs of disposal. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash- generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After

Notes to the Financial Statements (Cont'd)

such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(e) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

(f) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are initially recognised at fair value and subsequently carried at amortised cost less an allowance for any uncollectible amounts. Term deposits with more than 3 month maturity date have been classified as other receivables. An allowance for doubtful debts is recognised when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instruments. For Financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

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

Classification and Subsequent Measurement

Financial instruments are subsequently measure at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measure at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortization of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliability predicted, the contractual term) of the financial instrument to the net carry amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The Company does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial statements.

(i) Financial assets at fair value through profit and loss or through other comprehensive Income

Financial assets are classified at 'fair value through profit or loss' or Fair value through Other comprehensive Income' when they are either held for trading for purposes of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss if electing to choose 'fair value through profit or loss' or other comprehensive income if electing 'Fair Value through other comprehensive income'.

(ii) Financial Liabilities

The Company's financial liabilities include trade and other payables, loan and borrowings, provisions for cash bonus and other liabilities which include deferred cash consideration and deferred equity consideration for acquisition of subsidiaries & associates.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

Fair value

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

Derecognition

Financial assets are derecognised where the contractual rights to receipts of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset. Financial Liabilities are recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements (Cont'd)

(h) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the last trade price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

(i) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less, where applicable, any accumulated depreciation and impairment loss.

Plant and equipment

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	10 – 67%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(j) Exploration and evaluation expenditure

Exploration and evaluation assets arising out of acquisition of an area of interest are capitalised as part of the deferred exploration and evaluation asset. Subsequent to acquisition, exploration expenditure is expensed as incurred in accordance with the company's accounting policy. Development costs relating to specific properties are capitalised once management determines the property will be developed. A development decision is made based upon consideration of project economics, including future metal prices, reserves, resources and estimated operating and capital costs. The capitalised costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the capitalised costs for the relevant area of interest are reclassified to mine properties and 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. If a trigger event is determined to have occurred, the assets are assessed for impairment in accordance with the policy contained in Note 2 (d).

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

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year 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 measured at amortised cost using the effective interest method.

(l) Employee benefits

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

(m) Contributed equity

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

Notes to the Financial Statements (Cont'd)

(n) Earnings per share

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

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

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(o) Goods and services tax (GST)

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

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

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

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

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

(p) Share based payments

Equity-settled share-based payments are measured at fair value at the date of grant.

Option fair value is measured by use of the Black & Scholes option pricing model. At the end of each reporting period the company revises its estimate of expected life of the options issued. The number of equity instruments expected to vest has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest.

For cash-settled share based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(q) Provisions

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

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(r) Other income

Other income is recognised to the extent that it is probable that the economic benefits will flow to the Company and other income can be reliably measured. The Company's Other Income includes vehicle rental income and refunds from JV partners.

(s) Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements (Cont'd)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Key Judgement – Income Tax

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered probable that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

Key judgement – AFS impairment

The company made a significant judgment about the impairment of its available-for-sale financial asset. To determine if an available-for-sale financial asset is impaired, the Company evaluates the duration and extent to which the fair value of the asset is less than its cost, and the financial health of and short-term business outlook for the investee (including factors such as industry and sector performance, changes in technology and operational and financing cash flows). When the fair value of the Company's available-for-sale financial asset had fallen below cost, the Company determined that these declines in fair value were expected to be significant or prolonged and hence impairment needed to be recognised.

Notes to the Financial Statements (Cont'd)

4. SEGMENT INFORMATION

Description of segments

The Company operates in one segment, being mineral exploration. This is the basis on which internal reports are provided to the directors for assessing performance and determining the allocation of resources within the Company. All of the Company's mineral exploration activity is based in Australia.

	Company	
	31 December 2017 $	31 December 2016 $
5. REVENUE		
Interest Income	30	129
Exploration management services income	-	-
	30	129
6. OTHER INCOME AND EXPENSES		
(a) Other income:		
Refunds from Joint Venture Partners	-	74,623
	-	74,623
(b) Other expenses includes the following specific expenses:		
Due Diligence	-	(2,500)
Stock exchange and registry fees	(21,473)	(34,591)
Insurance expenses	(10,147)	(5,361)
Interest expenses	-	-
	(31,620)	(42,452)
(c) Employee expenses and consultancy fee	(120,500)	(43,635)
7. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	442,416	1,160,747
Reconciliation of loss for the year to net cash flows used in operating activities:		
Loss for the year	(374,785)	(157,162)
Non-cash expenses:		
Depreciation	505	1,349
Changes in assets and liabilities:		
(Increase)/Decrease in:		
Receivables	37,180	(13,897)
Increase/(Decrease) in:		
Payables	(25,907)	(164,195)
Net cash flows used in operating activities	(363,007)	(333,905)

Notes to the Financial Statements (Cont'd)

	Company	
	31 December 2017 $	31 December 2016 $

8. INCOME TAX

(a) Income tax expense/(benefit)

The income tax(benefit) for the year differs from the prima facie tax as follows:

Loss for year	(374,785)	(157,162)
Prima facie income tax (benefit) @ 27.5%	(103,066)	(44,791)
Non-deductible expenses	-	-
Current year deferred tax assets not brought to account	103,066	44,791
Total income tax expense	-	-

(b) Unrecognised deferred tax assets

Deferred tax assets not brought to account the benefits of which will only be realised if the conditions for deductibility set out in Note 2(c) occur:		
- Tax Losses	2,098,097	1,995,856
- Temporary differences	3,025	322,596
Net unrecognised deferred tax asset	2,101,122	2,318,452

9. TRADE AND OTHER RECEIVABLES

Deposits paid	-	-
Prepaid expenses	5,595	13,863
GST recoverable	6,457	35,369
	12,052	49,232

10. OTHER FINANCIAL ASSETS

Financial assets at fair value through other comprehensive income
Listed securities – Shares

Opening balance	332,000	91,300
Fair value movement	(166,000)	240,700
Impairment write-off	-	-
Closing Balance	166,000	332,000

Notes to the Financial Statements (Cont'd)

11. EXPLORATION & EVALUATION ASSETS

	Company 31-Dec-17 $	Company 31-Dec-16 $
Opening Balance	-	-
Acquisitions:		
- Pick Lake (i)	909,091	-
- Mt Morley	30,000	-
Closing Balance	939,091	-

(i)In December 2017, the Company entered in to an option agreement to acquire an initial interest of 70% in the Pick Lake Zinc Project in Ontario, Canada. The consideration for the option was the issue of 22,727,273 fully paid ordinary shares, valued at $0.04 being the prevailing share price at the date of issue.
The Company has completed the acquistion subsequent to year end (see Note 25).

12. PROPERTY, PLANT AND EQUIPMENT

	31-Dec-17	31-Dec-16
Plant and equipment – at cost	166,290	166,290
Accumulated depreciation	(165,241)	(164,736)
Total written down amount	1,049	1,554
Reconciliation		
Opening written down value	1,554	2,903
Depreciation charge for the period	(505)	(1,349)
Closing written down value	1,049	1,554

13. LIABILITIES

(a) Unearned revenue

	31-Dec-17	31-Dec-16
Unearned revenue: JV Partner advances	4,962	4,962

(b) Trade and Other payables

	31-Dec-17	31-Dec-16
Trade and other payables	42,235	71,142
Accruals	11,000	8,000
Total Trade and Other payables	53,235	79,142

Notes to the Financial Statements (Cont'd)

14. CONTRIBUTED EQUITY

(a) Share capital	31 December 2017 $	31 December 2016 $
231,685,243 (2016: 208,957,970) ordinary shares fully paid	9,727,170	8,818,080

(b) Movement in ordinary shares on issue

Date	Details	No. of shares	$
1 January 2017	Opening Balance	208,957,970	8,818,080
12 December 2017	Option fee shares issue	22,727,273	909,090
31 December 2017	Closing Balance	231,685,243	9,727,170

The 22,727,273 shares issued were in relation to the option agreement for acquisition of Superior Mining Pty Ltd (Pick Lake project). The consideration for the option to conduct due diligence on Superior Mining was the issue of these shares in the capital of the Company, valued at $0.04 per share as at the date of issue.

(c) Share Options

There were no share options issued during the financial year ended 31 December 2017. All of unissued shares or interests under option have expired as at 31 December 2017 (Note 21).

(d) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

15. RESERVES AND ACCUMULATED LOSSES

	31 December 2017 $	31 December 2016 $
(a) Reserves		
Share-based payments reserve		
Balance at the beginning of the year	1,107,666	1,107,666
Share based payment	-	-
Balance at the end of the year	1,107,666	1,107,666
Investment revaluation reserve		
Balance at the beginning of the year	257,300	16,600
Change in investment revaluation reserve	(166,000)	240,700
Balance at the end of the year	91,300	257,300

(b) Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued and shares granted to executives as share based payments.

Investment revaluation reserve

The investment revaluation reserve represents the cumulative gain and losses arising on the revaluation of available for sale financial assets that have been recognised in other comprehensive income.

Notes to the Financial Statements (Cont'd)

	Company	
	31 December 2017 $	31 December 2016 $
(c) Accumulated losses		
Balance at the beginning of the year	(9,048,939)	(8,891,777)
Net loss for the year	(374,785)	(157,162)
Balance at the end of the year	(9,423,724)	(9,048,939)

16. LOSS PER SHARE

(a) Reconciliation of earnings used in calculating loss per share

Loss attributable to the ordinary equity holders of the company used in calculating basic and diluted loss per share	(374,785)	(157,162)

	Number of shares 31 December 2017	Number of shares 31 December 2016
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	210,141,034	95,220,096
(c) Basic and Diluted loss per share – cents per share	(0.18)	(0.17)

(d) Information on the classification of options/ unissued shares
As the Company has made a loss for the year ended 31 December 2017, all options on issue and unissued shares to Mr Chuanshui Yin are considered antidilutive and have not been included in the calculation of diluted loss per share. These options and unissued shares could potentially dilute basic loss per share in the future.

17. DIVIDENDS

No dividends were paid during the financial year (31 December 2016: Nil). No recommendation for payment of dividends has been made. (2016: Nil)

Notes to the Financial Statements (Cont'd)

18. COMMITMENTS

(a) Exploration commitments

The Company has certain obligations to perform minimum exploration work and to spend minimum amounts on exploration tenements. The obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Company. Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or any new joint venture agreements. Expenditure may be increased when new tenements are granted of joint venture agreements amended.

The existing tenement commitments are as follows;

	Company	
	31 December 2017 $	31 December 2016 $
0 to 1 year	458,800	30,000
1 to 5 years	-	-
5+ years	-	-
	458,800	30,000

(b) Lease agreement

The Company has moved its offices to Suite 8, 1297 Hay Street, West Perth in December 2016. No new lease agreement has been entered into, the office rent is paid on a monthly basis.

19. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

The Company's principal financial instruments comprise available for sale financial assets, receivables, payables, cash and short-term deposits. The Company manages its exposure to key financial risk in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets while protecting future financial security.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The Company does not speculate in the trading of derivative instruments. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Notes to the Financial Statements (Cont'd)

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

(b) Categories of financial instruments

The Company holds the following financial instruments:

	Company	
	31 December 2017	31 December 2016
	$	$
Financial assets		
Cash and cash equivalents	442,416	1,160,747
Trade and other receivables	-	-
Financial asset available for sale	166,000	332,000
	608,416	1,492,747
Financial liabilities		
Trade and other payables	-	-
Loan from major shareholder	-	325,323
	-	325,323

(c) Interest rate risk management

The Company's exposure to risks of changes in market interest rates relates primarily to the Company's cash balances. The Company constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternatives financing positions and the mix of fixed and variable interest rates. As the Company has no interest bearing borrowing its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

(d) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide future returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Company's capital is performed by the Board. 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 following sensitivity analysis is based on the pricing risk exposure in existence at the balance sheet date.
If share price had moved, as illustrated in the table below, with all other variables held constant, fair value of financial assets of the Company would have been affected as follows:

Judgements of reasonably possible:		
Equity – higher / (lower)		
+10.0%	16,600	33,200
-10.0%	(16,600)	(33,200)

Notes to the Financial Statements (Cont'd)

(e) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and term deposits, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. At 31 December 2017, the Company has no significant exposure to liquidity risk as there is effectively no debt other than loan from major shareholder.

Maturities of financial liabilities

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

The tables below have been drawn up based on the undiscounted cash flows (including both interest and principal cash flows expected) using contractual maturities of financial assets and the earliest date on which the Company can be required to pay financial liabilities. Amounts for financial assets include interest earned on those assets except where it is anticipated the cash flow will occur in a different period.

	31 December 2017				31 December 2016			
	≤6 months $	6 – 12 months $	1-5 Years $	Total $	≤6 months $	6 – 12 months $	1-5 Years $	Total $
Financial liabilities								
Trade and other payables	42,235	-	-	42,235	7,142	-	-	7,142
Accruals	11,000	-	-	11,000	8,000	-	-	8,000
Loan from major shareholder	-	-	-	-	325,323	-	-	325,323
Total Financial Liabilities	53,235	-	-	53,235	340,465	-	-	340,465

(f) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's potential concentration of credit risk consists mainly of cash deposits with banks. The Company's short term cash surpluses are placed with banks that have investment grade ratings. The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the balance sheet date. The Company considers the credit standing of counterparties when making deposits to manage the credit risk.

Considering the nature of the business at present none of such liabilities are past due, the Company believes that the credit risk is not material to the Company's operations.

(g) Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values.

(i) The Company's available for sale financial asset (AFS) (carried at Fair value) are measured by "Level 1" fair value measurements – meaning that they are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

20. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of key management personnel

(i) Directors

The following persons were directors of Superior Lake Resources Limited during the financial year:

Mr Yunde Li	Executive Chairman (Appointed 18 September 2009)
Mr Chuanshui (Frank) Yin	Non-executive Director (Appointed 15 November 2016, resigned 27 February 2018)
Mr Keong Chan	Non-executive Director (Appointed 15 November 2016)

Notes to the Financial Statements (Cont'd)

(ii) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

Mr Keong Chan	Company Secretary (Appointed 15 November 2016)

(b) Key management personnel compensation

	Company	
	31 December 2017	31 December 2016
	$	$
Short-term benefits	156,000	214,250
Post-employment benefits	-	-
Share-based payments	-	-
	156,000	214,250

(c) Equity interests in related parties

Equity interests in associates

No equity interest in related parties in the current or prior financial period.

(d) Transactions with key management personnel

Key management personnel compensation

Details of key management personnel compensation are provided in the Remuneration Report of the Directors' Report.

Loans to key management personnel

There were no loans to key management personnel during the current or prior period.

21. RELATED PARTY TRANSACTIONS

(a) Key management personnel equity holdings

(i) Fully paid ordinary shares

	Balance at start of period	Granted as compensation	Balance at end of period
	No	No	No
31 December 2017 *Directors*			
Mr Yunde Li	10,000,000	-	10,000,000
Mr Chuanshui Yin (i)	1,020,000	-	1,020,000
Mr Keong Chan	-	-	-

(i) The 1,020,000 includes 900,000 shares which Chuanshui Yin is entitled to as part of his share based payments. However, none of the 900,000 shares were issued as at balance date. (Refer Note 21 for more details).

Notes to the Financial Statements (Cont'd)

	Balance at start of period	Granted as compensation	Balance at end of period
	No	No	No
31 December 2016			
Directors			
Mr Yunde Li	10,000,000	-	10,000,000
Mr Keong Chan	-	-	-
Mr Naiming (James) Li	-	-	-
Mr Mark Muzzin	-	-	-
Chuanshui Yin(ii)	1,020,000	-	1,020,000
Executives			
Leonard Math (i)	100,000	-	-

(i) Shares were issued to GDA Corporate (which merged with Nexia Perth in October 2015) of which Leonard Math is an employee. Leonard Math resigned in November 2016

(ii) The 1,020,000 includes 900,000 shares which Chuanshui Yin is entitled to as part of his share based payments. However, none of the 900,000 shares were issued as at balance date. (Refer Note 21 for more details).

(b) Transactions with other related parties

A total of $84,000 payments were made to Charterhouse Capital Pty Ltd, company of which Mr Chan is a director of for his provision of company secretarial and directorship fees.

The Company leased an office at 1297 Hay St, West Perth which belongs to Hylea Metals Ltd, a company which Keong Chan is a director of. No formal lease agreement was entered into between the parties. The Company also started engaging the services of Hylea Metals Ltd for accounting & administration services. Total expense incurred during the year totalled to $46,831.

Mr Chuanshui (Frank) Yin is a director of Ausrich Resources Pty Ltd. Ausrich Resources Pty Ltd received consulting fees of $36,000 (on behalf of Mr Yunde Li) and $36,000 (on behalf of Mr Yin) during the year ended 31 December 2017.

(c) Loan from major shareholder	31 December 2017	31 December 2016
Loan from major shareholder	-	325,323

The loan has been provided by the major shareholder, Add New Energy Investment Holdings Group Limited (formerly China Zhongsheng Resources Holdings Limited). The loan is unsecured, non-interest bearing and repayable on demand. On 10 February 2017, the Company repaid the loan in its entirety and no further recourse is available to Add New Energy Investment Holdings Group Limited which is a related entity to Mr Yunde Li.

Notes to the Financial Statements (Cont'd)

22. SHARE BASED PAYMENT PLANS

(a) 22,727,273 shares were issued as part of the option agreement for acquisition of Superior Mining Pty Ltd (Pick Lake project). The consideration for the option to conduct due diligence on Superior Mining was the non-refundable payment of $250,000, satisfied by the issue of these shares in the capital of the Company at $0.04 per share, being the prevailing share price on the date of issue.

(b) Recognised share-based payment expenses

The expense recognised for employee services received during the year ended 31 December 2016 is shown in the table below:

	31 December 2017 $	31 December 2016 $
Expense arising from equity-settled share based payment transactions for employees	-	-
	-	-

(c) Types of share-based payments

There were 900,000 shares to which the CEO Mr Chuanshui Yin was entitled in accordance with his employment contract effective 1 December 2012, based on his completion of his third full year of service as at the date of this report. The service criteria as below:

1) On full service of first year - 300,000 shares;
2) On full service of the second year - 300,000 shares;
3) On full service of the third year - 300,000 shares;

At balance date, none of the above approved shares were issued.

There are no options over unissued ordinary shares.

23. REMUNERATION OF AUDITORS	31 December 2017 $	31 December 2016 $
During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:		
Audit services		
Audit or review of financial reports		
- Bentleys Audit and Corporate (WA)	23,794	12,342
- PricewaterhouseCoopers	-	9,180
	23,794	21,522

24. CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities as at 31 December 2017 (2016: None).

Notes to the Financial Statements (Cont'd)

25. EVENTS OCCURING AFTER THE BALANCE SHEET DATE

In February 2018, the Company completed the acquisition of 100% of the issued capital of Superior Mining Pty Ltd (Superior). Superior is the legal & beneficial owner of 70% of the issued capital of Ophiolite Holdings Pty Ltd (Ophiolite), which is a proprietary exploration company and is the legal and beneficial owner of the zinc and copper prospective "Pick Lake Project", located in Ontario, Canada. The company raised capital of $2.5 million for the acquisition by way of the placement of 227,272,727 fully paid ordinary shares in the capital of the Company at an issue price of $0.011 per share.

In the same month, Ophiolite entered into an option agreement under which First Quantum Minerals Ltd (a company incorporated in Canada) granted Ophiolite an exclusive 12 month option to acquire the zinc & copper prospective "Winston Lake Project" which lies adjacent to the Pick Lake Project. Accordingly, on completion of this acquisition, the Company will hold a 70% indirect interest in the Winston Lake Project (via its 70% interest in Ophiolite).

On 27 February 2018, Mr Grant Davey was appointed as the company's managing director and Mr Peter Williams was appointed as a non-executive director, while Mr Chuanshui Yin resigned from his role as a non-executive director in the company.

No other matters or circumstance has arisen since 31 December 2017, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

Directors' Declaration

In the directors' opinion:

(a) the attached financial statements and notes set out on page 24 to 47 are in accordance with *Corporations Act 2001*, including:

- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional requirements, and
- (ii) giving a true and fair view of the entity's financial position as at 31 December 2017 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that Superior Lake Resources Limited will be able to pay its debts and when they become due and payable.

Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer equivalent required by s.295A of the *Corporations Act 2001.*

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

On behalf of the Directors

Mr Keong Chan
Director
29 March 2018

Independent Auditor's Report

To the Members of Superior Lake Resources Limited

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Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Superior Lake Resources Limited ("the Company") which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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:

a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the year then ended; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Financial Assets - $166,000 (refer to Note 10) The Company has an investment in a financial instrument that is classified as an available-for-sale investment in equity shares. This investment is measured at fair value with the corresponding fair value changes recognised in other comprehensive income. The Company's available for sale asset is measured by "Level 1" fair value measurements under *AASB 13 "Fair Value Measurement"* meaning they are derived from quoted prices in active markets for identical assets or liabilities.	Our procedures in relation to the valuation of Financial Assets included: - Evaluating management's use of Level 1 inputs by confirming the share price of the equity instruments to external sources; - Enquiring whether there have been any purchases or sale of shares during the year and confirming the number of shares held at the end of the financial year to external sources; - Performing mathematical accuracy checks on the valuation of the Financial Assets and the fair value gain recognized through Other Comprehensive Income; - Assessing whether there are any indicators that suggest the Financial Asset is impaired at and post 31 December 2017.
Exploration and Evaluation Expenditure – $939,091 (Refer to Note 11) Exploration and evaluation is a key audit matter due to: - The level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset; and	Our procedures included, amongst others: - Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the company holds an interest and the exploration programmes planned for those tenements. - We agreed to the terms within the acquisition agreements and on a sample basis corroborated rights to tenure to government registries; - We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest.

Key audit matter	How our audit addressed the key audit matter

- The assessment of impairment of exploration and evaluation expenditure being inherently difficult.	- We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:
	  - the licenses for the right to explore expiring in the near future or are not expected to be renewed;
	  - substantive expenditure for further exploration in the specific area is neither budgeted or planned
	  - decision or intent by the Company to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and
	  - data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.
	  - We assessed the appropriateness of the related disclosures in Note 11 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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 the directors either intend 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 responsibility is to express an opinion on the financial report based on our audit. 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2017. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Superior Lake Resources Limited, for the year ended 31 December 2017, complies with section 300A of the Corporations Act 2001.

Bentleys

BENTLEYS
Chartered Accountants

Chris Nicoloff

CHRIS NICOLOFF CA
Director

Dated at Perth this 29th day of March 2018

Corporate Governance Statement

The board of directors of Superior Lake Resources Limited (Superior or company) is responsible for the corporate governance of the company and is committed to applying the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles). The board guides and monitors the business and affairs of Superior on behalf of the shareholders by whom they are elected and to whom they are responsible.

In establishing this framework, the Board has considered and reports against the Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council (ASX Corporate Governance Principles).

This Corporate Governance Statement has been approved by the Superior's Board and summarises the corporate governance practices and procedures the Company on 27 March 2018.

The ASX Corporate Governance Principles are not prescriptive and if a company considers that a recommendation is inappropriate having regard to its particular circumstances, the company has the flexibility not to adopt it. Where Superior considered it was not appropriate to presently comply with a particular recommendation, the reasons are set out in the relevant section of this Corporate Governance Statement.

With the exception of the departures detailed in this Corporate Governance Statement, the corporate governance practices of the Company are compliant with the ASX Corporate Governance Principles (3rd Edition).

To ensure the board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the board.

Where the Company's corporate governance practices do not correlate with the practices recommended by the ASXCGC, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

1. Board of Directors of the Company

1.1. Role of the Board

The Board's role is to govern the Company rather than to manage it. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, it has developed and approved a Board Charter which details the Board's role, powers, duties and functions to guide the Directors and its senior executives in the performance of their roles.

Other than as reserved to the Board in the Charter, responsibility for the management of the Company's business activities is delegated to the Company's executive Directors (and other key executives (if any)) who are accountable to the Board. The Charter and the delegation of Board authority are reviewed regularly.

1.2. Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgement skills.

As at the date of this report, the Board is comprised of three (3) non-executive Directors.

The Company recognises the importance of non-executive Directors and the external perspective and advice that non-executive Directors can offer. The Board criteria adopted by the Company when assessing the independence of a director is in line with ASX Recommendations.

Name	Role	Non-executive	Independent	Date of Appointment
Mr Yunde Li	Non-Executive director	Yes	No	18 Sep 2009
Mr Keong Chan	Non-Executive director	Yes	Yes	15 Nov 2017
Mr Peter Williams	Non-Executive director	Yes	Yes	27 Feb 2018

All Directors bring to the Board the requisite skills which are complementary to those of the other Directors and enable them to adequately discharge their responsibilities and bring independent judgements to bear on their decisions.

The following measures are in place to ensure the decision making process of the Board is subject to independent judgements:-

- The role of the Chair and the CEO are not exercised by the same individual.
- A standard item on each Board meeting agenda requires Directors to focus on and declare any conflicts of interest in addition to those already declared;
- Directors are permitted to seek the advice of independent experts at the Company's expense, subject to the approval of the Chairman;
- All Directors must act all times in the interest of the Company; and
  Directors meet as required independently of executive management

Before appointing a new Director, the Company will undertake appropriate checks such as a character reference, police clearance certificate, bankruptcy check and any other check it deems appropriate. Where a Director is to be re-elected or a candidate is put up for election to shareholders, all material information will be provided to shareholders for consideration.

To ensure that Directors clearly understand the requirements of their role, formal letters of appointment are provided to them.

To ensure that Executive Directors clearly understand the requirements of the role, service contracts and formal job descriptions are provided to them.

1.3. Responsibilities of the Board and Company Secretary

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. On appointment to the Board, all new Directors are required to sign a formal letter of appointment setting out the key terms and conditions relevant to their position.

The principal functions and responsibilities of the Board together with full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available in the corporate governance section of the Company's website.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

1.4. Code of Conduct and Other Board Policies

1.4.1. Code of Conduct

The Board has adopted a Code of Conduct which details the Company's commitment to ethical and responsible decision marking and corporate practices.

The Code of Conduct sets out the Company's principles, practices and standards of personal and corporate behaviour. The Company expects everyone who works for or with the Company to adopt in their daily business activities. The code covers matters such as compliance with laws regulations, responsibility to shareholders and the community, confidentiality, privacy, conflicts of interest and the protection and proper use of the Company's assets.

1.4.2. Conflicts of Interest

Directors must:

(a) disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and

(b) if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the *Corporations Act 2001*, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.3. Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.4. Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.5. *Continuous Disclosure*

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company's Continuous Disclosure Policy reinforces the Company's commitment to continuous disclosure and outlines individual responsibilities, accountabilities and the processes to be followed for ensuring compliance.

A copy of the Continuous Disclosure Policy is available in the corporate governance section of the Company's website.

1.4.6. Education and Induction

It is the policy of the Company that all new Directors and senior executives undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors and senior executives include:

(a) details of the respective rights, duties, roles and responsibilities of a Director and senior executives of the Company;
(b) formal policies on director appointment as well as conduct and contribution expectations;
(c) formal policies on director interaction with each other, senior executives and other stakeholders;
(d) access to a copy of the Board Charter and all corporate governance documents;
(e) guidelines on how the Board processes function;
(f) details of past, recent and likely future developments relating to the Board;
(g) background information on and contact information for key people in the organisation;
(h) an analysis of the Company (including the Company's financial position, operations and risk management policies);
(i) a synopsis of the current strategic direction of the Company;
(j) a copy of the Constitution of the Company;
(k) meeting arrangements; and
(l) details on the culture and values of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. These are paid for by the Company where appropriate. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

1.4.7. Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.8. Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the *Corporations Act* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.9. Shareholder Communication

The Board recognizes that shareholders, as the ultimate owners of the Company, are entitled to receive timely and relevant, high quality information about their investment. Similarly, prospective new investors are entitled to be able to make informed investment decisions when considering the purchase of shares in the Company.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

(a) communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders, information posted on the Company's website or sent directly to shareholders and stakeholders via email alerts, and the general meetings of the Company;
(b) giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
(c) making it easy for shareholders to participate in general meetings of the Company; and
(d) requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

The Board is committed to monitoring ongoing developments that may enhance communications with shareholders, including technological developments, regulatory changes and the continuing development of "best practice" in the market, and to implementing changes to the Company's communication strategies whenever reasonable practicable to reflect any such development.

1.4.10. Trading in Company Shares

The Company's share trading policy applies to all Directors and employees of the Company and their associates (including spouses, children, family trusts and family companies), contractors, consultants, advisers and auditors of the Company.

This policy provides a brief summary of the law on insider trading and other relevant laws, sets out the restrictions on dealing in securities by people who work for, or are associated with the Company and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities.

The policy stipulates that the only appropriate time for a Director or employee to deal in the Company's securities is when they are not in possession of price sensitive information that is not generally available to the market. As a general rule, any Director, employee, or contractor is not permitted to deal in Company securities in the two (2) week period prior to and forty eight (48) hours after the:

a) date of the Company's Annual General Meeting;
b) release of the quarterly results announcement to the Australian Securities Exchange (ASX);
c) release of the half yearly results announcement to the ASX;
d) release of the preliminary final results announcement to the ASX; or
e) release of a disclosure document offering securities in the Company.

The Company may at its discretion vary this rule in relation to a particular period by general announcement to all employees either before or during the period. The Company may also impose any other restriction periods that the Board declares from time to time when it is considering matters which are subject to the exceptions to the continuous disclosure requirements set out in Listing Rule 3.1A.

Any dealing in Company securities by Directors is notified to the ASX within five business days of the dealing.

The Company does not condone short term or speculative trading in its securities by Directors or employees, nor does it permit Directors or employees to enter into any price protection arrangements with third parties to pledge such securities.

This policy is separate from and additional to the legal constraints imposed by common law, the Corporations Act, and the ASX Listing Rules.

A copy of the Company's Securities Trading Policy is available in the corporate governance section of the Company's website.

1.4.11. Performance Review/Evaluation

It is the policy of the Board to conduct an annual evaluation of its performance and that of its senior executives. The objective of this evaluation will be to provide best practice corporate governance to the Company.

During the year, performance evaluation of the Board was not undertaken.

The board recognises the importance of a formal performance evaluation but as because of the size and nature of the company, the board believes that a formal performance evaluation is not required at this point in time. As the company grows and develops it will continue to consider the efficiencies and merits of a formal performance evaluation of the board, its committees and individual directors.

1.4.12. Attestations by CEO and CFO

The Board receives regular reports on the Company's financial position and business operations from the Company's senior executives.

It is the Board's policy, that the CEO and the CFO (or their equivalents) make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing the Annual Report.

The Board also requires the CEO and CFO to attest to the implementation and compliance to the Company's internal control and risk management policies and to ensure that these policies are being managed effectively.

Other specific policies have been developed to support the Code. These policies include:

(a) Criminal Convictions;
(b) Indigenous Affairs;
(c) Environment; and
(d) Diversity.

1.4.13. *Diversity*

The Board has adopted a Diversity Policy to encourage employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

This Diversity Policy does not form part of an employee's contract of employment with the Company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, this Diversity Policy forms a direction of the Company with which an employee is expected to comply.

The Company's measureable objectives for achieving gender diversity are:

(a) recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
(b) identifying specific factors to take account of in recruitment and selection processes to encourage gender diversity;
(c) developing programs to develop a broader pool of skilled and experienced senior management and board candidates, including, workplace development programs, mentoring programs and targeted training and development; and
(d) developing a culture which takes account of domestic responsibilities of employees.

During the financial year, the Company currently had 3 employees, 2 of whom are female. Further, there are no females on the Company's Board. If and when an opportunity to recruit at Board or Company level arises, the Company will consider such recruitment in accordance with its measurable objectives.

2. Board Committees

2.1. Audit Committee

Due to the size and scale of its operations (the Board only consists of three (3) members) the Company does not have a separate audit committee. It is the Board's view that an Audit Committee would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and it cannot be justified based on a cost benefit analysis. As a consequence, the Company does not satisfy ASX Recommendation that requires the Committee to consist of non-executive directors, a majority of whom are independent. The Company will consider a separate committee as the need arises.

The functions and responsibilities of the Audit Committee undertaken by the Board are set out in the Audit Committee Charter and include:

(a) overseeing the Company's system of financial reporting and safeguarding its integrity;
(b) overseeing risk management and compliance systems and the internal control framework;
(c) monitoring the activities and effectiveness of the internal audit function and the activities and performance of the external auditor and coordinating both operations; and
(d) providing reports to the Board on all matters relevant to the Committees responsibilities

A copy of the Company's Audit Committee Charter is available on the Company's website in the corporate governance section.

2.1.1. Role

The Audit Committee/Board is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

2.1.2. Responsibilities

The Audit Committee/Board reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit Committee/Board each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit Committee/Board is also responsible for establishing policies on risk oversight and management.

2.1.3. Risk Management Policies

The Board recognizes that risk management and internal compliance and control are key elements of good corporate governance.

The Audit Committee/Board is responsible for reviewing, approving and monitoring the Company's risk management strategy, policy and key risk parameters. It is also responsible for ensuring that management has developed and implemented a sound system of risk management and internal control.

The Company's Risk Management Policy sets out the manner in which the Company identifies, assesses, monitors and manages business risk. All high level strategies and new initiative risks are reviewed annually by the Board at its annual strategy and planning meeting.

In relation to risk management, monitoring the status of each risk and any necessary action plans relating to their treatment takes place on a regular basis by controlled self-assessment as well as by management's regular review of risk action plans, with respect to the effectiveness and suitability of each risk action plan.

Any action or recommendations by senior management, arising out of these review processes are approved by the Board and implemented by management.

2.2. Remuneration Committee

2.2.1. Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies and practices which:

(a) enable the Company to attract, retain and reward talented Directors and employees; and
(b) reward Directors and employees fairly and responsibility.

As the whole Board only consists of three (3) members, the Company does not have a Remuneration Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. As a consequence the Company does not satisfy ASX Recommendation in that is does not consist of a majority of independent directors. The Company will consider a separate committee as the need arises.

2.2.2. Responsibilities

The responsibilities of the Remuneration Committee/Board include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the CEO, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive Directors and making recommendations on any proposed changes and undertaking reviews of the CEO performance, including, setting with the goals and reviewing progress in achieving those goals.

2.2.3. Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executives may be comprised of the following:

(a) fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;

(a) participation in any share/option scheme with thresholds approved by shareholders; and

(b) statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance.

The value of shares and options were they to be granted to senior executives would be calculated using the Black and Scholes or Binomial Option Pricing model.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

2.2.4. Non-executive Director Remuneration Policy

Non-executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of non-executive Directors. Non-executive Directors do not receive performance based bonuses, but are able to participate in equity schemes of the Company.

Non-executive Directors are entitled to but not necessarily paid statutory superannuation.

2.2.5. Current Director Remuneration

Full details regarding the remuneration of Directors, is included in the Directors' Report.

2.3. Nomination Committee

2.3.1. Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

As the whole Board only consists of three (3) members, the Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.3.2. Responsibilities

The responsibilities of a Nomination Committee would include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee would also oversee management succession plans including the CEO and his direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Currently the Board as a whole performs this role.

2.3.3. Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least two Directors with experience appropriate to the Company's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience.

2.4. Risk Committee

Due to the size and scale of the Company, during the year the Board has not established a sub-committee to undertake the responsibilities normally undertaken by a Risk Committee.

The Board is responsible for ensuring that risks, as well as opportunities are identified on a timely basis and receive an appropriate and measured response, recognising however that no cost effective internal control system will preclude all errors and irregularities.

The Company currently is not subject to any material exposure to environmental and social sustainability risks. The principal areas of risk for the Company are in:-

- occupational health and safety and work related safety risks; and

- financial risk in the areas of maintaining sufficient funding for the continuation of operations and risks related to fraud, misappropriation and errors.

The Board will review the effectiveness of implementation of the risk management system and internal control system at least annually. When reviewing risk management policies and internal control system the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

2.4.1 Internal Audit

The Company does not currently have an internal audit function. Once the Company is at a size and scale that warrants an internal auditor or nears production status, the Board will be responsible for the appointment and overseeing of the internal auditor.

Superior has adopted a policy requiring the chief executive officer and chief financial officer to state to the board in writing to the best of their knowledge the integrity of the financial statement is founded on a sound system of risk management and internal compliance and control which operates efficiently and effectively in all material respects.

ASX Additional Information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 29 March 2017.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Ordinary shares Number of holders
1	-	1,000	15
1,001	-	5,000	5
5,001	-	10,000	116
10,001	-	100,000	166
100,001		and over	198
			500

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

Rank	Holder Name	Designation	Number of Shares	% of Ordinary Shares
1	HEATH SONJA LOUISE N		127,377,513	17.63%
2	SHANDONG ISHINE MINING IN		63,151,291	8.74%
3	KITARA INV PL	KUMOVA FAM A/C	46,363,636	6.42%
4	CHEONG RUPERT NIGEL	CC INV A/C	32,372,117	4.48%
5	KITARA INV PL	KUMOVA FAM A/C	32,022,472	4.43%
6	KINGSLANE PL	CRANSTON SUPER PEN	32,022,472	4.43%
7	DAVEY G L B + CRANSTON E	SUPERIOR MINING A/	28,680,222	3.97%
8	DAVEY HLDGS AUS PL	BURNAFORD A/C	24,016,854	3.32%
9	A & J TANNOUS NOM PL	ASSAD TANNOUS A/C	19,126,315	2.65%
10	SILKTREE INV PL	PETER VASSILEFF SU	18,839,031	2.61%
11	POINTCIANA PL		17,929,398	2.48%
12	ILWELLA PL		11,818,182	1.64%
13	MALET CHARLES EDWARD	T&M A/C	11,546,426	1.60%
14	SLAM CONS PL		11,512,514	1.59%
15	SCHAMMER PL	SCHAMMER FAM A/C	11,348,878	1.57%
16	LC ALLIANCE PL		10,143,448	1.40%
17	YUNDE LI		10,000,000	1.38%
18	KINGSLANE PL	CRANSTON SUPER PEN	9,090,909	1.26%
19	TR NOM PL		9,090,909	1.26%
20	DAVEY MGNT AUS PL	DAVEY FAM S/F A/C	8,005,618	1.11%
		TOP 20 TOTAL	534,458,205	73.97%

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

ASX Additional Information

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Shares
HEATH SONJA LOUISE N	127,377,513
KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	78,386,108
SHANDONG ISHINE MINING IN	63,151,291
GRANT DAVEY (VARIOUS ENTITIES)	60,702,694
KINGSLANE PL CRANSTON SUPER PEN	41,113,381

(d) Tenement Schedule

As at the date of this report, there is no change to the tenement schedule listed on page 14 under Review of Operations.