

Koppar Resources Europe Pty Ltd

ACN 619 314 055

Financial Report

For the period 24 May 2017 (date of incorporation) to 28 February 2018

Koppar Resources Europe Pty Ltd
Directors' Report
For the period 24 May 2017 to 28 February 2018

The directors present their report, together with the financial statements, consisting of Koppar Resources Europe Pty Ltd (referred to hereafter as the 'company') for the period 24 May 2017 to 28 February 2018.

Directors

The following persons were directors of Koppar Resources Europe Pty Ltd during the period 24 May 2017 to 28 February 2018 and up to the date of this report, unless otherwise stated:

Rebecca Morgan – Director (appointed 24 May 2017)

Francis Wedin – Director (appointed 24 May 2017)

Principal activities

The principal activities of the company during the period was mineral exploration.

Review of operations

The loss for the company after providing for income tax was \$2,574.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial period.

Matters subsequent to the end of the financial period

On 26 February 2018, the company entered into a binding Heads of Agreement with Koppar Resources Limited for Koppar Resources Limited to acquire 100% of the shares in the company.

No other matter or circumstance has arisen since 28 February 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

On 26 February 2018, the company entered into a binding Heads of Agreement with Koppar Resources Limited for Koppar Resources Limited to acquire 100% of the shares in the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There are no unissued ordinary shares of Koppar Resources Europe Pty Ltd under option at the date of this report.

Shares issued on the exercise of options

There are no ordinary shares of Koppar Resources Europe Pty Ltd issued on the exercise of options during the period ended 28 February 2018 and up to the date of this report.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Indemnity and insurance of officers

The company has not indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

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.

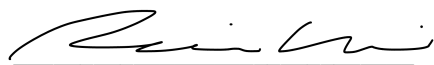
Koppar Resources Europe Pty Ltd
Directors' report
For the period 24 May 2017 to 28 February 2018

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Francis Wedin
Director

19 March 2018
Perth, Western Australia

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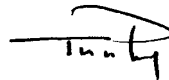
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Koppar Resources Europe Pty Ltd for the financial period 24 May 2017 to 28 February 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 19 March 2018

Koppar Resources Europe Pty Ltd
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For the period 24 May 2017 to 28 February 2018

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General information

The financial statements cover Koppar Resources Europe Pty Ltd as a single entity. The financial statements are presented in Australian dollars, which is Koppar Resources Europe Pty Ltd's functional and presentation currency.

Koppar Resources Europe Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

102 Park Street
Subiaco WA 6008

Principal place of business

102 Park Street
Subiaco WA 6008

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 19 March 2018. The directors have the power to amend and reissue the financial statements.

Koppar Resources Europe Pty Ltd
Statement of profit or loss and other comprehensive income
For the period 24 May 2017 to 28 February 2018

	Note	2018 \$
Expenses		
Administration and corporate expenses		(2,574)
Loss before income tax expense		<u>(2,574)</u>
Income tax expense		<u>-</u>
Loss after income tax expense for the period		(2,574)
Total comprehensive loss for the period		<u><u>(2,574)</u></u>

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

Koppar Resources Europe Pty Ltd
Statement of financial position
As at 28 February 2018

	Note	2018 \$
Assets		
Current assets		
Cash and cash equivalents		100
Total current assets		100
Non-current assets		
Exploration and evaluation expenditure	3	17,550
Total non-current assets		17,550
Total assets		17,650
Liabilities		
Current liabilities		
Trade and other payables	4	20,124
Total current liabilities		20,124
Total liabilities		20,124
Net liabilities		(2,474)
Equity		
Issued capital	5	100
Accumulated losses		(2,574)
Total equity		(2,474)

The above statement of financial position should be read in conjunction with the accompanying notes

Koppar Resources Europe Pty Ltd
Statement of changes in equity
For the period 24 May 2017 to 28 February 2018

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 24 May 2017 (date of incorporation)	-	-	-
Loss after income tax expense for the period	-	(2,574)	(2,574)
Total comprehensive loss for the period	-	(2,574)	(2,574)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity	100	-	100
Balance at 28 February 2018	100	(2,574)	(2,474)

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

Koppar Resources Europe Pty Ltd
Statement of cash flows
For the period 24 May 2017 to 28 February 2018

	Note	2018 \$
Cash flows from operating activities		
Payments to suppliers and employees		-
Net cash used in operating activities		-
Cash flows from investing activities		
Payments for investing activities		-
Net cash used in investing activities		-
Cash flows from financing activities		
Proceeds from issue of shares		100
Net cash from financing activities		100
Net increase in cash and cash equivalents		100
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period		100

The above statement of cash flows should be read in conjunction with the accompanying notes

Koppar Resources Europe Pty Ltd
Notes to the financial statements
For the period 24 May 2017 to 28 February 2018

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New, revised or amending Accounting Standards and Interpretations adopted

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.

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

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Koppar Resources Europe Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Koppar Resources Europe Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Koppar Resources Europe Pty Ltd
Notes to the financial statements
For the period 24 May 2017 to 28 February 2018

Note 1. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Exploration and Evaluation Expenditure

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the company's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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.

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Issued capital

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.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Comparative Figures

No comparative figures are available as this is the first financial statements since incorporation.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 28 February 2018. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Koppar Resources Europe Pty Ltd
Notes to the financial statements
For the period 24 May 2017 to 28 February 2018

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions in these financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed below.

Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

2018
\$

Note 3. Exploration and Evaluation Expenditure

Exploration and evaluation expenditure capitalised	17,550
At beginning of period	-
Exploration expenditure incurred	17,550
Impairment	-
At end of period	17,550

Note 4. Trade and other payables

Trade creditors	18,124
Accrued expenses	2,000
	20,124

Note 5. Issued capital

	2018 Shares	2018 \$
Ordinary shares - fully paid	100	100

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Opening Balance - (Incorporation)	24 May 2017	-	-	-
Company incorporation share issued	24 May 2017	100	\$1.00	100
Closing Balance – 28 February 2018		100		100

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Koppar Resources Europe Pty Ltd
Notes to the financial statements
For the period 24 May 2017 to 28 February 2018

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 6. Contingent assets

The company has no contingent assets as at 28 February 2018.

Note 7. Contingent liabilities

The company has no contingent liabilities as at 28 February 2018.

Note 8. Commitments

The company has no capital or other expenditure commitments as at 28 February 2018.

Note 9. Events subsequent to reporting date

On 26 February 2018, the company entered into a binding Heads of Agreement with Koppar Resources Limited for Koppar Resources Limited to acquire 100% of the shares in the company.

No other matter or circumstance has arisen since 28 February 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

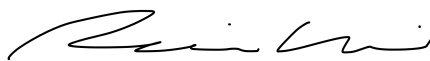
Koppar Resources Europe Pty Ltd
Directors' Declaration
For the period 24 May 2017 to 28 February 2018

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in Note 1, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Koppar Resources Europe Pty Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards to the extent described in Note 1, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 28 February 2018 and of its performance for the period 24 May 2017 to 28 February 2018;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Francis Wedin
Director

19 March 2018
Perth, Western Australia

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
KOPPAR RESOURCES EUROPE PTY LTD**

Opinion

We have audited the financial report of Koppar Resources Europe Pty Ltd (the Company), which comprises the statement of financial position as at 28 February 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the financial period 24 May 2017 to 28 February 2018, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the 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 28 February 2018 and of its financial performance for the financial period 24 May 2017 to 28 February 2018; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Basis of Accounting

We draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the financial period 24 May 2017 to 28 February 2018, but does not include the financial report and the 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 and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 have no realistic alternative but to do so.

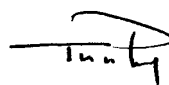
Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 19 March 2018