



BLINA
MINERALS

ABN 25 086 471 007

ANNUAL REPORT

30 June 2018

BLINA MINERALS NL

AND CONTROLLED ENTITIES

ABN 25 086 471 007

ANNUAL REPORT 30 JUNE 2018

Corporate directory

Current Directors

Brett Fraser	Non-executive Chairman
David Porter	Non-executive Director
Jay Stephenson	Non-executive Director

Company Secretary

Nevenka Jackson

Registered Office

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SUBIACO WA 6008

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Facsimile: +61 8 9481 1947

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Share Registry

Security Transfer Registrars Pty Limited

Street: 770 Canning Highway
Applecross WA 6153

Postal: PO Box 535
Applecross WA 6953

Telephone: +61 8 9315 2333

Email: registrar@securitytransfer.com.au

Auditor

Nexia Perth Audit Services Pty Ltd
Level 3, 88 William Street
Perth WA 6000

Telephone: +61 8 9463 2463

Corporate Adviser

Wolfstar Group Pty Ltd
Barringtons House, 283 Rokeby Road
SUBIACO WA 6008

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Website: www.wolfstargroup.com.au

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Review of operations

In the first part of the year Blina was occupied exploring the **La Cobaltera Project in Chile**. Blina entered into a Heads of Agreement with La Cobaltera Pty Ltd on 30 October 2017 to purchase the Project. Extensive technical and legal due diligence was conducted by Blina over a period of four months until Blina decided not to proceed with the purchase on 28 February 2018.

La Cobaltera Pty Ltd holds Exploration Licences covering an area of about 29 square kilometres surrounding a historic mining area where high grade cobalt-bearing veins were mined in the 19th century up until the Second World War. From the technical due diligence conducted by Blina it was concluded that the reported historic production of 20,000 tonnes of cobalt produced in the period between 1844 and 1944 along the La Cobaltera trend was from cobalt-rich sections of deep copper mines or as a by-product of copper-rich ores from these mines which in places had been mined to depths of 600 metres. Blina also conducted exploration on the La Cobaltera exploration licences and while sampling showed high copper values in excess of 10%, the observed veins were thin and of limited strike length. In an area of excellent out crop it was concluded that the scope for finding a colourful outcropping secondary copper deposit of commercial tonnage and grade was limited. A further conclusion was that exploring for deep deposits would be expensive with a high risk of successfully discovering a repetition of the known deposits.

For these reasons and the fact that Blina could not secure the historic areas where there were known out cropping cobalt-rich veins it was decided not to proceed with the Project.

Blina also hold gold leases at **Diakouli** in Burkina Faso and at **Dingo** in Western Australia.

The **Diakouli Project** is located in north eastern Burkina Faso near the frontier with Niger, some 350km southeast of the capital city of Ouagadougou. The licences are subject to renewal as two new Exploration Licences named Diakouli East and Diakouli West. The licences which cover an area of 144.5 square kilometres over largely soil covered mafic intrusive, mafic volcanic rocks and sedimentary rocks of the Birimian greenstones are awaiting final approval by the Mines Department and this combined with terrorist activity delayed programmes planned by Blina. Past exploration by Blina has revealed anomalous gold-in-soil anomalies of up to 1,174 ppb in a structurally complex area not dissimilar to the Natougou gold deposit with reserves of several million ounce of gold, which lies 20km south. The Diakouli Project is a joint venture with Mr B Traore under which the Company may earn an 80% interest by spending US\$500,000 over 4 years.

Work on **Dingo** in Western Australia was limited. The Dingo gold project is located approximately 160km north-northeast of Kalgoorlie and gold mineralisation is associated with the McAuliffe Well Syenite, defined to an area of 400 x 300 metres and to a depth of 8 metres. Mineralisation is hosted in ferruginous cemented rock and saprolite overlying the syenite. Structurally Dingo lies within the western flank of the Kilkenny Tectonic Zone which has provided a conduit for mineralising gold fluids in the region.

Blina has continued reconnaissance work to identifying mineral projects and in the last quarter of the year was conducting due diligence over a copper project in Africa with a view to entering into an agreement to explore the area.

During the year Blina Minerals completed the rehabilitation of its former mining sites, camp, treatment plant area and the tailings disposal dam at **Ellendale** in the Kimberley region of Western Australia. While not productive in generating new wealth for shareholders it was a necessary social responsibility to return the site to its original condition prior to the mining activity by Blina. The mining activity from 2010 resulted in old ore stockpiles as well as a tailings facility covering an area of 8.5ha with dimensions of 450 x 170m and height between 6 and 12m. The treatment infrastructure consisted of plant, buildings and fuel tanks which were all removed from site.

The rehabilitation commenced in March 2014 with the removal of the camp and plant which was sold for residual value and scrap. Low grade ore stock piles were buried and the tailings dump contoured on the sides at a low gradient of 1:20 to enhance embankment stability and to prevent erosion. The reshaped rehabilitated areas were sown with grasses and native flora before the wet season at the end of 2014.

Since early 2015, the replanted areas have been subjected to a monitoring programme over three wet seasons which has confirmed a complete regeneration of the vegetation. A final completion report was submitted to the Department of Environmental Protection which was subsequently approved by the Department and the environmental bonds of \$211,042 released to Blina.

Blina directors and management are proud to have fulfilled the Company's obligations in the restitution of the old mine site to its original condition.

Directors' report

Your directors present their report on the consolidated entity, consisting of Blina Minerals NL (**Blina** or **the Company**) and its controlled entities (collectively **the Group**), for the financial year ended 30 June 2018.

1. Directors

The names of Directors in office at any time during or since the end of the year are:

- Mr Brett Fraser *Non-executive Chairman (Appointed 26 September 2008)*
 - Mr David Porter *Non-executive Director (Appointed 18 February 2014)*
 - Mr Jay Stephenson *Non-executive Director (Appointed 25 October 2016)*
- (the Board)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. For additional information of Directors, including details of the qualifications of Directors, please refer to paragraph 5 "Information relating to the directors" of this Directors Report.

2. Company secretary

The following person held the position of Company Secretary at the end of the financial year:

- Ms Nevenka Jackson ▶ Ms Jackson is a Chartered Accountant (CA) and a graduate of the Australian Institute of Company Directors with extensive experience in the resources industry

3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2018.

4. Operating and financial review

4.1. Nature of operations principal activities

The principal activity of the Group during the course of the financial year has been the evaluation of advanced cobalt, lithium and zinc projects across a broad range of geographies. All projects are subjected to a rigorous technical, commercial and legal due diligence.

4.2. Operations review

Refer to the Review of operations on page 1.

4.3. Financial review

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the year of \$986,208 (2017: \$290,205 loss).

The net assets of the Group have increased by \$789,122 from 30 June 2017 to \$1,350,695 at 30 June 2018.

As at 30 June 2018, the Group's cash and cash equivalents increased from 30 June 2017 by \$851,383 to \$1,385,645 and had working capital of \$1,339,659 (2017: \$395,700 working capital), as disclosed in note 14c of the Issued capital note.

Based on a cash flow forecast, the Group will require further funding to meet its forecast administration and exploration costs for a period of 15 months from the date of this report. Should the Group be unable to raise sufficient funds, the planned exploration program may have to be amended and administration costs reduced. The Board is confident in securing sufficient additional funding to fund the planned exploration program and other operating expenditure.

The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows and confidence in raising additional funds. In the event that the Group is not successful in raising funds from the issue of new equity, there exists material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

4.4. Significant changes in the state of affairs

There were no significant changes to the state of affairs of the Group.

4.5. Events subsequent to reporting date

There are no significant after balance date events that are not covered in this Directors' Report section 4.2 Operations review above or within the financial statements at Note 21 Events Subsequent To Reporting Date on page 36.

Directors' report**4.6. Future developments, prospects and business strategies**

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

4.7. Environmental regulations

The Group's operations are subject to environmental regulations in the jurisdictions it operates in, namely Australia and Burkina Faso.

The Group is committed to achieving a high standard of environmental performance. The Board is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations.

The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

5. Information relating to the directors

- | | |
|--|---|
| <p>Mr Brett Fraser</p> <p>Qualifications</p> <p>Experience</p> | <ul style="list-style-type: none"> ▶ Chairman (Non-Executive) ▶ FCPA, F.Fin, B.Bus. FGIA ▶ Mr Fraser is an experienced ASX company director, has worked in the finance and securities industry for over 30 years' and has started, owned and operated businesses across wine, health, finance, media and mining. Mr Fraser provides consultancy across sell side transactions, business acquisitions, business strategy and restructuring, initial public offers, capital raisings and corporate governance. <p>In addition, Mr Fraser is a Fellow of Certified Practicing Accountants; Fellow of the Financial Services Institute of Australasia; Grad Dip Finance, Securities Institute of Australia; Bachelor of Business (Accounting); International Marketing Institute - AGSM Sydney and Fellow of the Governance Institute of Australia.</p> |
| <p>Interest in Shares and Options</p> | <ul style="list-style-type: none"> ▶ 33,691,667 ordinary Shares in Blina Minerals NL. ▶ 110,000,000 Options in Blina Minerals NL. |
| <p>Directorships held in other listed entities</p> | <ul style="list-style-type: none"> ▶ Non-Executive Director of Aura Energy Limited since August 2005 and Sundance Resources Limited since April 2018. Mr Fraser is also a former director of Drake Resources Limited, Doray Minerals Limited and Gage Roads Limited. |
| <p>Mr David Porter</p> <p>Qualifications</p> <p>Experience</p> | <ul style="list-style-type: none"> ▶ Director (Executive) ▶ BSc (Hons), MSc, FAusIMM ▶ Mr Porter is a professional geologist and Fellow of the Australasian Institute of Mining and Metallurgy with over 40 years experiences in the mining industry, including most facets of exploration and mining. For the past 15 years he has focussed his activities in Africa and was the founding Chairman of Cam Iron SA and Congo Iron SA, both part of the Mbalam Iron Project of Sundance Resources Ltd. The project has a planned output of 35 million tonnes per annum of high-grade iron ore and is at development stage which involves capital expenditure of \$4.7 billion. He was also instrumental in the development of two coal projects in the Waterberg region of South Africa which are at development stage. Prior to Mr Porter's project generation activities in Africa he was managing director of three ASX-listed exploration companies, all of which developed gold and base metal projects. In Diversified Mineral Resources Limited he supervised the resource definition at the Agbaou gold deposit in Cote d'Ivoire into plus one million ounces of gold. Africwest Gold Limited acquired the nickel deposits at Kambalda and developed into a leading Australian nickel producer while Golden Rim Resources Limited is now developing gold resources in Burkina Faso. <p>Mr Porter was an executive director and exploration manager of Gasgoyne Gold Mines NL from 1989 until 1996, and managed the Yilgarn Star feasibility study in 1990/1991. Gasgoyne Gold Mines NL produced over 100,000 ounces of gold per year from the Yilgarn Star Mine until it was taken over in 1996 by Sons of Gwalia Ltd in a A\$180 million transaction. In the period from 1971 to 1989, Mr Porter worked for many international mining companies, with small ASX-listed companies and as an independent consultant on gold, base metal, iron ore and coal projects.</p> |

Directors' report

Interest in Shares and Options ▶ 282,781,250 ordinary Shares in Blina Minerals NL.
130,000,000 Options in Blina Minerals NL.

Directorships held in other listed entities ▶ Sundance Resources Ltd (Chairman, 12/2016 to present)

Mr Jay Stephenson

▶ Director (Non-Executive)

Qualifications

▶ MBA, FCPA, CMA, FCIS, MAICD

Experience

▶ Mr Stephenson has been involved in business development for over 25 years, including approximately 21 years as Director, Chief Executive Officer, and Company Secretary of various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, and business restructuring, as well as managing all areas of finance for companies.

Interest in Shares and Options ▶ 35,360,559 ordinary Shares in Blina Minerals NL.
20,000,000 Options in Blina Minerals NL.

Directorships held in other listed entities ▶ Mr Stephenson also holds or has held the following directorships over the past three years: Non-Executive Director of Doray Mining Limited since August 2009 and Nickelore Limited since July 2011. Chairman, Non-Executive Director of Auctus Alternative Investments Limited since February 2011. Non-Executive Director of Dragon Mountain Limited since October 2016. In the past three years, Mr Stephenson has been a Non-Executive Director of Veriluma Limited (Parmelia Resources Limited) - May 2014 to October 2016, Bubs Australia Limited (Hillcrest Litigation Services Limited) September 2015 to December 2016, and Condor Blanco Mines Limited (July 2016 to October 2016).

6. Meetings of directors and committees

During the financial year seven meeting of Directors (including committees of Directors) were held. Attendances by each Director during the year are stated in the following table.

	DIRECTORS' MEETINGS		AUDIT COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE		
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	
Brett Fraser	7	7	<i>At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.</i>								
David Porter	7	7									
Jay Stephenson	7	7									

7. Indemnifying officers or auditor

7.1. Indemnification

The Company indemnifies each of its Directors, officers and company secretary to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a director or officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Company must also use its best endeavours to insure a Director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

Directors' report

7.2. Insurance premiums

During the year the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

8. Options

8.1. Unissued shares under option

At the date of this report, the unissued ordinary shares of Blina Minerals NL under option (listed and unlisted) are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
25 November 2015	31 October 2020	\$0.0017	120,000,000
7 June 2017	31 October 2020	\$0.0017	175,000,000
7 June 2017	31 October 2020	\$0.0017	60,000,000
30 November 2017	31 October 2020	\$0.0017	200,000,000
5 January 2018	31 October 2020	\$0.0017	50,000,000
31 January 2018	31 October 2020	\$0.0017	290,000,000
12 February 2018	31 October 2020	\$0.0017	9,995,500
			<u>904,995,500</u>

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

8.2. Shares issued on exercise of options

No ordinary shares were issued by the Company as a result of the exercise of options during or since the end of the financial year.

9. Non-audit services

During the year, Nexia Perth Audit Services Pty Ltd (Nexia Perth), the Company's auditor, did not perform any services other than their statutory audits. Details of remuneration paid to the auditor can be found within the financial statements at Note 5 Auditor's Remuneration on page 27.

In the event that non-audit services are provided by Nexia Perth, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

10. Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

11. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2018 has been received and can be found on page 11 of the annual report.

Directors' report

12. Remuneration report (audited)

12.1. Principles of compensation

Remuneration is referred to as compensation throughout this report.

Key Management Personnel (**KMP**) have authority and responsibility for planning, directing and controlling the activities of the Group. KMP comprise the directors of the Company.

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparative companies both locally and internationally and the objectives of the Group's compensation strategy.

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds.

Shares and options may only be issued to directors subject to approval by shareholders in a general meeting.

The Board has no established retirement or redundancy schemes.

a. Fixed Remuneration

Fixed compensation consists of base compensation as well as employer contributions to superannuation funds. Compensation levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, external consultants provide analysis and advice to ensure the directors' and senior executives' compensation is competitive in the market place. During the period no such consultant was used and no senior executive's other than directors were employed.

b. Performance Based Remuneration – Short-term and long-term incentive structure

Given the current size, nature and opportunities of the Group, the Board has given more significance to service criteria instead of market related criteria in setting the Group's incentive schemes. Accordingly, at this stage the Board does not consider the Group's earnings or earnings-related measures to be an appropriate key performance indicator (KPI). In considering the relationship between the Group's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed as well as measures such as successful completion of exploration activities (for example, completion of exploration programs within budgeted timeframes and costs), development activities (for example, completion of scoping and/or feasibility studies), corporate activities (for example, recruitment of key personnel/contractors) and business development activities (for example, project acquisitions and capital raisings).

⦿ Short-term incentives

No short-term incentives in the form of cash bonuses were granted during the year.

⦿ Long-term incentives

The Board has a policy of granting incentive options to executives with exercise prices above market share price. As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Group increases sufficiently to warrant exercising the incentive options granted.

The directors of the Company are not eligible to participate in the "Blina Minerals NL Employee Incentive Option Plan" adopted by the Board and approved by shareholders on 16 March 2011.

c. Service Contracts

Compensation and other terms of employment for the directors, KMP and the company secretary are formalised in contracts of employment.

d. Non-executive Directors

Total compensation for all non-executive directors are set based on advice from external advisors with reference to fees paid to other non-executive directors of comparable companies. Non-executive directors' fees are presently limited to an aggregate of \$250,000 per annum.

Non-executive directors do not receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to non-executive directors.

Fees for the Non-executive directors for the financial year were \$165,120 (2017: \$89,766) and cover main Board activities only. Non-executive directors may receive additional remuneration for other services provided to the Group.

Directors' report
e. Engagement of Remuneration Consultants

During the financial year, the Company did not engage any remuneration consultants.

f. Relationship between Remuneration of Key Management Personnel and Shareholder Wealth

During the Group's exploration and development phases of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly, the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature during the current and previous financial years.

The Board did not determine the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and previous financial years. However, where the Directors of the Company receive incentive options, such options generally would only be of value if the Company's share price increased sufficiently to warrant exercising the incentive options.

g. Relationship between Remuneration of Key Management Personnel and Earnings

As discussed above, the Group is currently undertaking exploration activities and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from its projects. Accordingly, the Board does not consider earnings during the current and previous financial years when determining the nature and amount of remuneration of KMP.

12.2. Remuneration details for the year ended 30 June 2018

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses.

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the KMP of the Group:

2018										
Group Key Management Person	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Brett Fraser ⁽¹⁾	60,000	-	-	-	5,700	-	-	121,976		187,676
David Porter ⁽²⁾	60,000	-	-	11,250	-	-	-	121,975		193,225
Jay Stephenson ⁽⁴⁾	36,000	-	-	-	3,420	-	-	27,106		66,526
	156,000	-	-	11,250	9,120	-	-	271,057		447,427

2017										
Group Key Management Person	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Brett Fraser ⁽¹⁾⁽³⁾	48,333	-	-	20,000	4,592	-	-	-		72,925
David Porter ⁽²⁾	95,000	-	-	-	-	-	-	-		95,000
Jay Stephenson ⁽⁴⁾	22,991	-	-	-	2,184	-	-	-		25,175
Justin Virgin ⁽⁵⁾	10,654	-	-	-	1,012	-	-	-		11,666
	176,978	-	-	20,000	7,788	-	-	-		204,766

⁽¹⁾ Wolfstar Group Pty Ltd, a company 50% controlled by Mr Fraser, provides financial services and Company Secretarial services to Blina Minerals NL. These services are provided indirectly by Mr Fraser and have therefore not been included in remuneration. Please refer to Note 19 Related Party Transactions on page 36 for further details.

Directors' report

12. Remuneration report (audited)

- ⁽²⁾ Mr Porter received consultancy fees of \$11,250 and director fees of \$60,000 for the 2018 financial year (2017: \$95,000) of which \$5,000 has been accrued as at 30 June 2018 (2017: \$5,000). Mr Porter has no consultancy fees that remain unpaid as at 30 June 2018 (2017: \$28,973).
- ⁽³⁾ Mr Fraser rendered executive services during the 2017 financial year to the value of \$20,000. This amount was accrued as at 30 June 2017. No such services were rendered in respect to the 2018 financial year.
- ⁽⁴⁾ Mr Stephenson was appointed as a non-executive director on 25 October 2016.
- ⁽⁵⁾ Mr Virgin resigned as a director on 25 October 2016.

12.3. Service agreements

Mr Porter was employed under a deed of employment as an executive director, effective 18 February 2014 until 20 February 2017. Mr Porter was not entitled to fees in this capacity. Instead, the Company continued to pay exploration consultancy fees to Metallica Investments Pty Ltd, a company controlled by Mr Porter, pursuant to a consultancy agreement dated 15 August 2012.

Under the consultancy agreement, effective 20 August 2012, Mr Porter was to provide consultancy services to the Company. In consideration for the services provided by the consultant, the Company paid the consultant a fee of \$10,000 per month.

On 20 February 2017 the deed was superseded by Board resolution whereby Mr Porter will receive gross fees of \$5,000 per month.

12.4. Share-based compensation

a. Key Management Personnel Options

Options have been previously granted to KMP to provide a market-linked incentive package in their capacity as KMP and for future performance by them in their roles. The KMP options vested immediately after the issue date.

The value of options granted as remuneration is determined in accordance with applicable valuation models and accounting standards.

The dollar value of the percentage vested during the period has been reflected in the Directors' and executive officers' remuneration tables.

All options were issued by Blina Minerals NL and entitle the holder to one ordinary share in Blina Minerals NL for each option exercised.

b. Securities Received that are not performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

c. Options and Rights Granted as Remuneration

200,000,000 options were granted as remuneration during 2018 (2017: Nil).

12.5. Key management personnel equity holdings

a. Fully paid ordinary shares of Blina Minerals NL held by each Key Management Personnel

2018	Balance at start of year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year	Balance at end of year
Group Key Management Person	No.	No.	No.	No. ⁽¹⁾	No.
Brett Fraser	33,691,667	-	-	-	33,691,667
David Porter	282,781,250	-	-	-	282,781,250
Jay Stephenson	35,360,599	-	-	-	35,360,599
	351,833,516	-	-	-	351,833,516

⁽¹⁾ Other changes during the year relate to shares purchased, sold on market, or off-market transfers to unrelated third parties.

BLINA MINERALS NL

AND CONTROLLED ENTITIES

ABN 25 086 471 007

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Directors' report

12. Remuneration report (audited)

2017	Balance at start of year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year ⁽²⁾	Balance at end of year
Group Key Management Person	No.	No.	No.	No.	No.
Brett Fraser	33,691,667	-	-	-	33,691,667
David Porter	282,781,250	-	-	-	282,781,250
Jay Stephenson	-	-	-	35,360,599	35,360,599
Justin Virgin	88,505,669	-	-	(88,505,669)	-
	404,978,586	-	-	(53,145,070)	351,833,516

⁽²⁾ Other changes during the year represent the number of shares held by Mr Stephenson at the date of his appointment as a non-executive director on 25 October 2016, and the number of shares held by Mr Virgin at the date of his resignation as a director on 25 October 2016. Mr Stephenson shares were originally reported as 31,691,666; however subsequent to the completion of the report it was determined a further 3,668,933 shares were held by entities related to Mr Stephenson.

b. Options in Blina Minerals NL held by each Key Management Personnel

2018	Balance at start of year	Granted as Remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested and Exercisable	Not Vested
Group Key Management Person	No.	No.	No.	No. ⁽¹⁾	No.	No.	No.
Brett Fraser	20,000,000	100,000,000	-	(10,000,000)	110,000,000	110,000,000	-
David Porter	40,000,000	100,000,000	-	(10,000,000)	130,000,000	130,000,000	-
Jay Stephenson	20,000,000	-	-	-	20,000,000	20,000,000	-
	80,000,000	200,000,000	-	(20,000,000)	260,000,000	260,000,000	-

⁽¹⁾ Messrs Fraser and Porter were allotted 100,000,000 options in accordance with the 2017 AGM. Of these options, 20,000,000 (10,000,000 each) were assigned to Mr Stephenson which he allocated to a third-party.

2017	Balance at start of year	Granted as Remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested and Exercisable	Not Vested
Group Key Management Person	No.	No.	No.	No.	No.	No.	No.
Brett Fraser ⁽¹⁾	20,000,000	-	-	-	20,000,000	20,000,000	-
David Porter	40,000,000	-	-	-	40,000,000	40,000,000	-
Jay Stephenson ⁽²⁾	-	-	-	20,000,000	20,000,000	20,000,000	-
Justin Virgin ⁽²⁾	40,000,000	-	-	(40,000,000)	-	-	-
	100,000,000	-	-	(20,000,000)	80,000,000	80,000,000	-

⁽¹⁾ Mr Frasers options were originally reported as 40,000,000; however subsequent to the completion of the report it was determined 20,000,000 options were held by entities not related to Mr Fraser.

⁽²⁾ Other changes during the year represent the number of options held by Mr Stephenson at the date of his appointment as a non-executive director on 25 October 2016, and the number of held by Mr Virgin at the date of his resignation as a director on 25 October 2016.

12.6. Other equity-related KMP transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights and shareholdings.

12.7. Loans to key management personnel

There are no loans made to directors of Blina Minerals NL as at 30 June 2018 (2017: nil).

Directors' report

12. Remuneration report (audited)

12.8. Other transactions with key management personnel and or their related parties

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer Note 19 Related party transactions on page 36.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).



BRETT FRASER

Chairman

Dated this Friday, 28 September 2018



Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Blina Minerals NL

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2018 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani

Director

Perth
28 September 2018

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Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2018

	Note	2018 \$	2017 \$
Operating activities			
Other income	3	-	175,000
		-	175,000
Compliance and regulatory costs		(180,306)	(134,705)
Employee benefits		(165,120)	(114,856)
Exploration and evaluation	4a	(293,548)	(48,387)
Funds garnished by Congolese Government	8	-	(30,773)
Project development		(50,383)	(123,918)
Rehabilitation (expense) / over-provision	13b	74,300	54,714
Legal and consulting fees		(68,246)	(38,410)
Share-based payments	17	(271,057)	-
Other expenses		(37,128)	(34,192)
Profit / (loss) from operating activities		(991,488)	(295,527)
Financial income	4b	7,365	5,606
Finance expense	4b	(2,085)	(284)
Net financing income/(expense)		5,280	5,322
Profit / (loss) before tax		(986,208)	(290,205)
Income tax	6a	-	-
Profit / (loss) from continuing operations		(986,208)	(290,205)
Other comprehensive income, net of income tax			
Ⓞ Items that may be reclassified subsequently to profit or loss:			
Foreign currency movement		782	(1,020)
Other comprehensive income for the year, net of tax		782	(1,020)
Total comprehensive income attributable to members of the parent entity		(985,426)	(291,225)
Profit/(loss) for the period attributable to:			
Ⓞ Non-controlling interest		-	(3,094)
Ⓞ Owners of the parent		(986,208)	(287,111)
Total comprehensive income attributable to:			
Ⓞ Non-controlling interest		-	(3,094)
Ⓞ Owners of the parent		(985,426)	(288,131)
Earnings per share:			
Basic and diluted (cents per share)	7c	¢ (0.028)	¢ (0.011)

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

BLINA MINERALS NL

AND CONTROLLED ENTITIES

ABN 25 086 471 007

ANNUAL REPORT 30 JUNE 2018

Consolidated statement of financial position

as at 30 June 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	8	1,385,645	534,262
Trade and other receivables	9	7,743	6,617
Prepayments	10	11,036	10,831
Total current assets		1,404,424	551,710
Non-current assets			
Trade and other receivables	9	-	211,042
Total non-current assets		-	211,042
Total assets		1,404,424	762,752
Current liabilities			
Trade and other payables	11	53,729	108,195
Short-term provisions	13	-	28,000
Borrowings	12	-	8,984
Total current liabilities		53,729	145,179
Non-current liabilities			
Long-term provisions	13	-	56,000
Total non-current liabilities		-	56,000
Total liabilities		53,729	201,179
Net assets		1,350,695	561,573
Equity			
Issued capital	14	35,645,918	34,142,427
Reserves	15	418,873	147,034
Accumulated losses		(34,711,642)	(33,725,434)
Non-controlling interest		(2,454)	(2,454)
Total equity		1,350,695	561,573

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

Consolidated statement of changes in equity

for the year ended 30 June 2018

	Note	Issued Capital \$	Accumulated Losses \$	Foreign Exchange Translation Reserve \$	Options Reserve \$	Non- controlling Interest \$	Total \$
Balance at 1 July 2016		33,854,887	(33,438,741)	4,434	102,078	640	523,298
Loss for the year		-	(287,111)	-	-	(3,094)	(290,205)
Other comprehensive income for the year		-	-	(1,020)	-	-	(1,020)
Total comprehensive income for the year		-	(287,111)	(1,020)	-	(3,094)	(291,225)
<i>Transaction with owners, directly in equity</i>							
Shares issued during the year	14a	350,000	-	-	-	-	350,000
Transaction costs	14a	(62,460)	-	-	-	-	(62,460)
Options issued during the year		-	418	-	(418)	-	-
Options expired during the year	14b	-	-	-	41,960	-	41,960
Balance at 30 June 2017		34,142,427	(33,725,434)	3,414	143,620	(2,454)	561,573
Balance at 1 July 2017		34,142,427	(33,725,434)	3,414	143,620	(2,454)	561,573
Loss for the year		-	(986,208)	-	-	-	(986,208)
Other comprehensive income for the year		-	-	782	-	-	782
Total comprehensive income for the year		-	(986,208)	782	-	-	(985,426)
<i>Transaction with owners, directly in equity</i>							
Shares issued during the year	14a	1,568,991	-	-	-	-	1,568,991
Transaction costs	14a	(65,500)	-	-	-	-	(65,500)
Options issued during the year	14b	-	-	-	271,057	-	271,057
Balance at 30 June 2018		35,645,918	(34,711,642)	4,196	414,677	(2,454)	1,350,695

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

BLINA MINERALS NL

AND CONTROLLED ENTITIES

ABN 25 086 471 007

ANNUAL REPORT 30 JUNE 2018

Consolidated statement of cash flows

for the year ended 30 June 2018

Note	2018 \$	2017 \$
Cash flows from operating activities		
Receipts from customers	-	175,000
Payments for care, maintenance, and rehabilitation	(9,700)	-
Payments for exploration expenditure	(155,846)	(18,132)
Funds garnished by Congolese Government	-	(30,773)
Payments to suppliers and employees	(504,854)	(463,698)
Cash flows used in operations	(670,400)	(337,603)
Interest received	7,365	5,606
Interest and borrowing costs	(897)	(284)
Net cash used in operating activities	(663,932)	(332,281)
Cash flows from investing activities		
Release of environmental bonds held over rehabilitation properties	211,042	36,000
Net cash from investing activities	211,042	36,000
Cash flows from financing activities		
Proceeds from issue of shares	1,368,991	350,000
Capital raising costs	(65,500)	(20,500)
Net cash provided by financing activities	1,303,491	329,500
Net increase/(decrease) in cash held	850,601	33,219
Cash and cash equivalents at the beginning of the year	534,262	502,063
Change in foreign currency held	782	(1,020)
Cash and cash equivalents at the end of the year	1,385,645	534,262

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

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 1 Statement of significant accounting policies

These are the consolidated financial statements and notes of Blina Minerals NL (**Blina** or **the Company**) and controlled entities (collectively **the Group**). Blina is a company limited by shares, domiciled and incorporated in Australia.

The separate financial statements of Blina, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001* (Cth).

The financial statements were authorised for issue on 28 September 2018 by the directors of the Company.

a. Basis of preparation

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

i. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

ii. Going concern

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

The Group incurred a loss for the year of \$986,208 (2017: \$290,205 loss) and a net cash in-flow of \$850,601 (2017: \$33,219 in-flow). As at 30 June 2018, the Group had working capital of \$1,339,659 (2017: \$395,700 working capital) as disclosed in note 14c of the Issued capital note on page 32.

Based on a cash flow forecast, the Group will require further funding to meet its forecast administration and exploration costs for a period of 15 months from the date of this report. Should the Group be unable to raise sufficient funds, the planned exploration program may have to be amended and administration costs reduced. The Board is confident in securing sufficient additional funding to fund the planned exploration program and other administration expenditure.

The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows and confidence in raising additional funds. In the event that the Group is not successful in raising funds from the issue of new equity, there exists material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

iii. Historical cost

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

iv. Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1n.

v. Comparative figures

Where required by AASBs comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 1 Statement of significant accounting policies

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

b. Principles of consolidation

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

i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- ⊖ the fair value of the consideration transferred; plus
- ⊖ the recognised amount of any non-controlling interests in the acquiree; plus
- ⊖ if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

less

- ⊖ the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained in Note 16 Controlled Entities on page 33 of the financial statements.

iii. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

iv. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

c. Foreign currency transactions and balances**i. Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency (Blina Minerals Burkina SARL: Central African Franc; Blina Iron SA: United States Dollars).

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 1 Statement of significant accounting policies

ii. Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

iii. Group companies and foreign operations

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

d. Taxation

i. Income tax

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

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

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

Current and deferred income tax expense (income) is charged or credited directly in equity when the tax relates to items recognised directly in equity.

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

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 1 Statement of significant accounting policies

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Where the Group receives the Australian Government's Research and Development Tax Incentive, the Group accounts for the refundable tax offset under AASB 120. Funds are received as a rebate through the parent company's income tax return and disclosed as such in Note 6 Income Tax, on page 28.

ii. Value-added taxes

Value-added tax (**VAT**) is the generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (Goods and Services Tax or **GST**); Congo (VAT); and in Burkina Faso (VAT).

Revenues, expenses, and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the relevant country's taxation authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VATs.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office (or jurisdictional equivalent) is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the VAT component of investing and financing activities, which are disclosed as operating cash flows.

e. Fair Value**i. Fair Value of Assets and Liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

ii. Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 1 Statement of significant accounting policies

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

iii. Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

f. Exploration and development expenditure

i. Recognition and measurement

Exploration and evaluation costs, including the costs of acquiring licenses, are expensed as exploration and evaluation expenditure as incurred.

g. Plant and equipment

i. Recognition and measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 1h Impairment of non-financial assets).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

The Group currently holds no property, plant, or equipment, however should the Company retained assets of this type, the carrying amount of such assets shall be reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 1 Statement of significant accounting policies

ii. Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

iii. Depreciation

With the exception of exploration and evaluation assets, depreciation is charged to the income statement on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The Group currently holds no property, plant, or equipment. As such depreciation rates will be set as the need required and reviewed annually for appropriateness.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" in the statement of profit or loss and other comprehensive income.

h. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting policy 1d) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of profit or loss and other comprehensive income, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the statement of profit or loss and other comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. 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 the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

i. Financial instruments

i. Initial recognition and measurement

A financial instrument is recognised if the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified on the contract expire or are discharged or cancelled.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 1 Statement of significant accounting policies

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

ii. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

iii. Classification and Subsequent Measurement

(1) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of nine months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(2) Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(3) Trade and other receivables

Receivables are usually settled within 60 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Collectability of trade and other receivables are reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts (see also 1i.vii).

(4) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30-day terms.

(5) Share capital

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

iv. Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

v. 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.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 1 Statement of significant accounting policies

vi. Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

vii. Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in the statement of profit or loss and other comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the statement of profit or loss and other comprehensive income.

viii. Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. 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.

ix. Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

j. Employee benefits

i. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 1 Statement of significant accounting policies

For the year ending 30 June 2018, no amount for short term benefits has been recognised in the financial statements as the Group has no employees.

ii. Other long-term benefits

The Group's obligation in respect of long-term employee benefits other than definite benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Company's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

For the period ending 30 June 2018, no amount for long term benefits has been recognised in the financial statements as the Group has no employees.

iii. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

iv. Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

v. Equity-settled compensation

The Group operates an employee share option plan. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

k. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

i. Site restoration and rehabilitation

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration and rehabilitation in respect of disturbed land is recognised when the land is disturbed.

The provision is the best estimate of the present value of the expenditure required to settle the restoration and rehabilitation obligation at the reporting date, based on current legal requirements and technology. Future restoration and rehabilitation costs are reviewed annually and any changes are reflected in the present value of the restoration and rehabilitation provision at the end of the reporting period.

The amount of the provision for future restoration and rehabilitation costs is capitalised and depreciated in accordance with the policy set out in accounting policy 1g Plant and equipment. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

l. Revenue and other income

Interest revenue is recognised in accordance with note 1i.ix Finance income and expenses.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 1 Statement of significant accounting policies

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of value added taxes (note 1d.ii Value-added taxes).

m. Earnings per share**i. Basic earnings per share**

Basic earnings (or loss) per share is determined by dividing the profit or loss attributable to equity holders of the parent company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings (or loss) per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted as Share-based payments.

The Group does not report diluted earnings per share on annual losses generated by the Group.

n. Critical Accounting Estimates and Judgments

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Key Estimate — Site restoration and rehabilitation provision

The Group assesses its site restoration and rehabilitation provision at each balance date in accordance with accounting policy 1k.i. Significant judgement is required in determining the provision for site restoration and rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate and restore the mine sites and related assets. Factors that will affect this liability include future development, changes in technology, price increases and changes in interest rates. When these factors change or become known in the future, such differences will impact the site restoration and rehabilitation provision and asset in the period in which they change or become known.

ii. Key Judgments – Share-based Payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 17 Share-based payments.

o. New, revised or amending Accounting Standards and Interpretations

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Group does not plan to adopt these standards early.

The following AASBs are most relevant to the Group:

i. AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019).

AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice.

The Directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 1 Statement of significant accounting policies

ii. AASB 9 *Financial Instruments*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income (OCI).

For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' (ECL) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures.

The Group's financial instruments consist of cash, other debtors and payable. This standard is not expected to have a material impact on the Group financial report.

iii. AASB 15 *Revenue from Contracts with Customers*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. 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 those goods or services.

The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The Group does not have any material revenue contracts at this stage. Hence this standard is not expected to have a significant impact on the Group's financial report until such time as the Group earns revenue.

iv. Other standards not yet applicable

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

Note 2 Company details

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

Street:	283 Rokeby Road Subiaco WA 6008	Telephone:	+61 8 9426 0688
Postal:	PO Box 52 West Perth WA 6872	Facsimile:	+61 8 6141 3599
		Website:	www.blinaminerals.com.au
		E-mail:	info@blinaminerals.com.au

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Notes to the consolidated financial statements

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Note 3 Revenue and other income

Other Income

Legal Settlement

Note	2018 \$	2017 \$
3a	-	175,000
	-	175,000

- a. During the 2017 financial year the Company settled the legal proceedings with Andes Resources Limited (**Andes**) on a confidential basis and without admission as to liability. The Company accepted and received \$175,000 from Andes in full and final settlement of Andes' claim and the Company's counter-claim. In exchange, the Company (1) withdrew entirely from the Andes Project; (2) returned or destroyed all data it had in its possession regarding the Andes Project; and (3) agreed that it or its related parties will not apply for any mining tenements within an agreed radius of the Andes Project until after 19 October 2018.

Note 4 Profit / (loss) before income tax

The following significant revenue and expense items are relevant in explaining the financial performance:

a. Exploration and evaluation costs:

- Exploration and evaluation expenditure
- Tenement acquisition option fee

Total exploration and rehabilitation costs

b. Net financing income:

Financial income

- Interest revenue

Total financial income

Financial expense

- Interest expense
- Net foreign currency exchange loss

Total financial expense

Net financing income

	2018 \$	2017 \$
	93,548	48,387
	200,000	-
	293,548	48,387
	7,365	5,606
	7,365	5,606
	897	284
	1,188	-
	2,085	284
	5,280	5,322

Note 5 Auditor's remuneration

Remuneration of the Auditor of the Group for:

- Auditing or reviewing the financial reports

	2018 \$	2017 \$
	23,861	21,100
	23,861	21,100

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 6 Income tax**a. Income tax expense / (benefit)**

Current tax	-	-
Deferred tax	-	-
Tax rebate for Research and Development	-	-
	-	-

Deferred income tax expense included in income tax expense comprises:

- Increase / (decrease) in deferred tax assets
- (Increase) / decrease in deferred tax liabilities

b. Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable / (benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax on operating loss at 27.5% (2017: 27.5%)	(271,207)	(79,806)
Add / (Less)		
Tax effect of:		
○ Foreign exploration assets	38,844	7,806
○ Exempt foreign entity	2,687	(959)
○ Non-deductible expenses	153,151	54,189
○ Effect of unrecognised temporary difference	(29,595)	(11,689)
○ Non-assessable revenue	-	(48,125)
○ Deferred tax asset not brought to account	106,120	78,584
Income tax expense / (benefit) attributable to operating loss	-	-

The applicable weighted average effective tax rates attributable to operating profit are as follows

	%	%
Balance of franking account at year end	nil	nil

c. Deferred tax assets

Tax losses	-	72,507
	-	72,507
Set-off deferred tax liabilities	-	(72,507)
Net deferred tax assets	-	-
Less deferred tax assets not recognised	-	-
Net tax assets	-	-

Note

2018

2017

\$

\$

6c

6d

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Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 6 Income tax (cont.)

Note	2018	2017
	\$	\$
d. Deferred tax liabilities		
Provisions	-	72,130
Prepayments	-	377
	-	72,507
Set-off deferred tax assets	6c	(72,507)
Net deferred tax liabilities	-	-
e. Tax losses		
Unused tax losses for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:		
○ Deductible temporary differences	20,658	106,750
○ Revenue losses	2,246,561	2,039,962
○ Capital losses	332,029	332,029
	2,599,248	2,478,741

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2018 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Company continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

Note 7 Earnings per share (EPS)

Note	2018	2017
	\$	\$
a. Reconciliation of earnings to net profit or loss		
Profit/(loss)	(986,208)	(290,205)
(Profit) / loss attributable to non-controlling equity interest	-	3,094
Profit / (loss) used in the calculation of basic and dilutive EPS	(986,208)	(287,111)
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	2018	2017
	No.	No.
	3,461,769,445	2,565,946,365
Weighted average number of dilutive options outstanding	7d	N/A
	N/A	N/A
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS		
	3,461,769,445	2,565,946,365
c. Earnings per share	2018	2017
	¢	¢
Basic and diluted earnings per share (cents per share)	(0.028)	(0.011)

- The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the period (out of the money).

In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the end of the 2018 financial year, the Group has 904,995,500 (2017: 650,666,667) unissued shares under options out of the money and which are anti-dilutive.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 8 Cash and cash equivalents

	2018 \$	2017 \$
Cash at bank	185,645	565,035
Cash on short-term deposit	1,200,000	-
Less: Funds garnished by Congolese Government due to the dissolution of the Banque Internationale pour l'Afrique au Congo	-	(30,773)
	1,385,645	534,262
a. Reconciliation of cash flow from operations to profit / (loss) after income tax		
Loss after income tax	(986,208)	(290,205)
Non-cash flows in loss from ordinary activities:		
Share-based payments	271,057	-
Receipt of environmental bonds held over rehabilitation properties	-	(36,000)
Tenement acquisition option fee	200,000	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	(1,127)	42,378
(Increase)/decrease in other assets	(205)	3,799
Increase/(decrease) in trade and other payables	(63,449)	7,286
Increase/(decrease) in provisions	(84,000)	(59,539)
Cash flow from operations	(663,932)	(332,281)

b. Credit standby facilities

The Group has no credit standby facilities.

c. Non-cash investing and financing activities

On 30 November 2017 the Company issued 100,000,000 Shares (valued at \$200,000) as consideration for the grant of the option to acquire 100% of the issued capital of La Cobaltera. The shares were issued on 13 December 2017.

d. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 24 Financial risk management on page 40.

Note 9 Trade and other receivables

	Note	2018 \$	2017 \$
a. Current			
Value-added tax receivable	9c	7,743	6,617
		7,743	6,617
b. Non-current			
Environmental bonds refundable		-	211,042
		-	211,042

c. Value-added tax (VAT) is a generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (GST) and in Burkina Faso and the Democratic Republic of Congo (VAT).

d. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 24 Financial risk management on page 40.

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Note 10 Other assets

	2018	2017
	\$	\$
Current		
Prepayments	11,036	10,831
	11,036	10,831

Note 11 Trade and other payables

	Note	2018	2017
		\$	\$
Current			
Unsecured			
Trade payables	11a	13,037	63,674
Other creditors and accruals		40,692	44,521
		53,729	108,195

- Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.
- The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 24 Financial risk management on page 40.

Note 12 Borrowings

	Note	2018	2017
		\$	\$
Current			
Short-term borrowings	12a	-	8,984

- Short-term borrowings comprise premium funding for insurance policies, repayable within 12 months.

Note 13 Provisions

	Note	2018	2017
		\$	\$
a. Disclosed as:			
• Current		-	28,000
• Non-current		-	56,000
Carrying amount at the end of year	13b	-	84,000

- Movements in carrying amounts

	Site Restoration	Total
	\$	\$
Balance at the beginning of year	84,000	84,000
Rehabilitation expenditure applied	(9,700)	(9,700)
Change in estimates of rehabilitation costs	(74,300)	(74,300)
Carrying amount at the end of year	-	-

- Site restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of disturbed land is recognised when the land is disturbed. The basis of accounting is set out in note 1k.i of the significant accounting policies.

- Change in accounting estimates

Refer to note 1n.i Key Estimate — Site restoration and rehabilitation provision on page 25.

Notes to the consolidated financial statements

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Note	14	Issued capital	Note	2018	2017	2018	2017
				No.	No.	\$	\$
		Fully paid ordinary shares	14a	4,313,882,570	2,893,891,570	35,645,918	34,142,427
a.		Ordinary shares					
		At the beginning of the year		2,893,891,570	2,543,891,570	34,142,427	33,854,887
		Shares issued during the year:					
		○ 7 June 2017		-	350,000,000	-	350,000
		○ 8 November 2017	14b	3,333,333	-	5,666	-
		○ 17 November 2017	14b	28,333,333	-	48,167	-
		○ 13 December 2017	17b.i(1)	100,000,000	-	200,000	-
		○ 2 January 2018	14b	38,333,334	-	65,167	-
		○ 5 January 2018		100,000,000	-	100,000	-
		○ 31 January 2018		580,000,000	-	580,000	-
		○ 12 February 2018		19,991,000	-	19,991	-
		○ 2 March 2018		550,000,000	-	550,000	-
		Transaction costs relating to issues		-	-	(65,500)	(62,460)
		At reporting date		4,313,882,570	2,893,891,570	35,645,918	34,142,427

b. Options

For information relating to the Blina Minerals NL share-based payment plan, including details of options issued and/or lapsed during the financial year, and the options outstanding at balance date, refer to Note 17 Share-based Payments on page 34. The total number of options on issue are as follows:

	Note	2018	2017
		No.	No.
Unlisted options		904,995,500	650,666,667
At the beginning of the period		650,666,667	415,666,667
○ 17 June 2017 Placement Options		-	175,000,000
○ 17 June 2017 Advisor Options		-	60,000,000
○ 8 & 17 November 2017 Exercise of Options	14a	(31,666,666)	-
○ 30 November 2017 Issue through share-based payment	17b.i(2)	200,000,000	-
○ 23 December 2017 Expiry of options		(225,666,667)	-
○ 2 January 2018 Exercise of Options	14a	(38,333,334)	-
○ 5 January 2018 Placement Options		50,000,000	-
○ 31 January 2018 Placement Options		290,000,000	-
○ 12 February 2018 Placement Options		9,995,500	-
At reporting date		904,995,500	650,666,667

c. Capital Management

The Directors' objectives when managing capital are to ensure that the Group can maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the availability of liquid funds in order to meet its short-term commitments. It does this by ensuring that its current ratio (current assets divided by current liabilities) remains in excess of 1:1.

	2018	2017
Current ratio	26.14	3.80

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 14 Issued capital (cont.)

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

The Group is not subject to externally imposed capital requirements.

The working capital position of the Group at 30 June 2018 and 30 June 2017 were as follows:

	Note	2018 \$	2017 \$
Cash and cash equivalents	8	1,385,645	534,262
Trade and other receivables	9	7,743	6,617
Trade and other payables	11	(53,729)	(108,195)
Short-term provisions	13	-	(28,000)
Borrowings	12	-	(8,984)
Working capital position		1,339,659	395,700

Note 15 Reserves

	Note	2018 \$	2017 \$
Option reserve	15a	414,677	143,620
Foreign exchange reserve	15b	4,196	3,414
		418,873	147,034

a. **Option reserve**

The Share-based payments reserve is used to record the fair value of equity instruments issued to employees, including Key Management Personnel, as part of their remuneration and issued to external parties for the receipt of goods and services. For information relating to Blina Minerals NL options, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end refer to Note 17 Share-based Payments on page 34.

b. **Foreign Exchange Translation Reserve**

The foreign exchange reserve records exchange differences arising on translation of foreign controlled subsidiary.

Note 16 Controlled entities

Controlled Entities	Country of Incorporation	Class of Shares	Percentage Owned	
			2018	2017
Blina Minerals Burkina SARL	Burkina Faso	Ordinary	100%	100%
Blina Iron SA	Democratic Republic of Congo	Ordinary	90%	90%

a. Investments in subsidiaries are accounted for at cost.

b. Blina Minerals NL is the ultimate parent of the Group.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note	17	Share-based payments	Note	2018	2017
				\$	\$
		Share-settle option fee	17b.i(1)	200,000	-
		Share-based payment expense	17b.i(2)	271,057	-
		Share-based payment expense recognised in Equity in transaction costs	17b.i(3)	-	41,960
Total share-based payments				471,057	41,960

a. Share-based payment plans

The Plan was adopted in order to ensure that the Company has appropriate mechanisms to continue to attract and retain the services of employees of a high calibre. Directors and their associates are not eligible to participate in the Plan.

The key terms of the Plan are summarised below.

Eligibility and Grant of Incentive Options	<i>The Board may grant Incentive Options to any full or part time employee of the Company or an associated body corporate. Incentive Options may be granted by the Board at any time.</i>
Consideration	<i>Each Incentive Option issued under the Plan will be issued for nil cash consideration.</i>
Conversion	<i>Each Incentive Option is exercisable into one Share in the Company ranking equally in all respects with the existing issued Shares in the Company.</i>
Exercise Price and Expiry Date	<i>To be determined by the Board prior to the grant of the Incentive Options.</i>
Exercise Restrictions	<i>The Incentive Options may be subject to conditions on exercise as may be fixed by the Directors prior to grant.</i>
Share Restriction Period	<i>Shares issued on the Exercise of Incentive Options may be subject to a restriction that they may not be transferred or otherwise dealt with until a Restriction Period has expired, as specified in the Offer for the Incentive Options.</i>

b. Share-based payment arrangements in effect during the period

i. Share-based payments recognised in profit or loss

(1) Option fee

Approval was obtained on 30 November 2017 to issue 100,000,000 Shares as consideration for the grant of the option to acquire 100% of the issued capital of La Cobaltera. The shares were issued on 13 December 2017.

Number of Shares	Grant Date	Total Value at Grant Date
100,000,000	\$0.002	\$200,000

(2) Director incentive options

Approval was obtained on 30 November 2017 for the issue of 200,000,000 Options to Mr David Porter and Mr Brett Fraser (and/or their nominees) with terms summarised below and further detailed in Note 17e. The primary purpose of the grant of the Director Options is to provide a performance linked incentive component in the Directors' remuneration packages to assist the Company in attracting, retaining, motivating and rewarding their performance, and to align their interests with those of Shareholders.

Number under Option	Date of Expiry	Exercise Price	Vesting Terms
200,000,000	30 October 2020	\$0.0017	Immediately upon issue

(3) Prior period Lead Manager options

As part of the 7 June 2017 capital raise, 60,000,000 \$0.0017 options were issued to the Lead Manager. The options were valued at \$41,960 and expire on 31 October 2020.

c. Options granted to KMP are as follows

Grant Date	Number
30 November 2017	200,000,000

Notes to the condensed consolidated financial statements

for the year ended 30 June 2018

Note 17 Share-based payments (cont.)

d. Movement in share-based payment arrangements during the period

A summary of the movements of all company options issued as share-based payments is as follows:

	2018		2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	180,000,000	\$0.0017	120,000,000	\$0.0017
Granted	200,000,000	\$0.0017	60,000,000	\$0.0017
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	380,000,000	\$0.0017	180,000,000	\$0.0017
Exercisable at year-end	380,000,000	\$0.0017	180,000,000	\$0.0017
<i>Reconciliation to total Company options</i>				
Non share-based payment options outstanding at the beginning of the year	470,666,667		295,666,667	
Non share-based payment options exercised or expired	(295,666,667)		-	
Placement options issued to shareholders	349,995,500		175,000,000	
<i>Total Company options on issue</i>	<i>904,995,500</i>		<i>650,666,667</i>	

- i. No share-based payment options were exercised during the year.
- ii. The weighted average remaining contractual life of share-based payment options outstanding at year end was 3.65 years. The weighted average exercise price of outstanding shares at the end of the reporting period was \$0.0017 (2017: 0.0017).
- iii. The fair value of the options granted to directors and employees is deemed to represent the value of the employee services received over the vesting period.

e. Fair value of options granted during the period

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the period was \$0.0014 (30 June 2017: 0.0007). These values were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued this year:

Grant date:	30 November 2017
Grant date share price:	\$0.0020
Option exercise price:	\$0.0017
Number of options issued:	200,000,000
Remaining life (from grant date) (years):	2.90 years
Expected share price volatility:	107.39%
Risk-free interest rate:	1.87%
Value per option	\$0.0014

Historical volatility has been the basis for determining expected share price volatility as it is assumed at grant date that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 18 Key management personnel compensation

The names and positions of Key Management Personnel (KMP) are as follows:

- Mr Brett Fraser *Non-executive Chairman*
- Mr David Porter *Non-executive Director*
- Mr Jay Stephenson *Non-executive Director*

The totals of remuneration paid to KMP during the year are as follows:

	2018 \$	2017 \$
Short-term employee benefits	156,000	176,978
Other short-term benefits	11,250	20,000
Post-employment benefits	9,120	7,788
Share-based payments	271,057	-
Other long-term benefits	-	-
Termination benefits	-	-
Total	447,427	204,766

Refer to the Remuneration Report contained in the Director's Report on page 6 for details of the remuneration paid to each member of the Group's KMP for the year ended 30 June 2018.

Note 19 Related party transactions

a. Other related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

- **Wolfstar Corporate Management Pty Ltd**
Wolfstar Corporate Management Pty Ltd, a company 50% controlled by Mr Fraser, provides financial services to Blina Minerals NL.

b. KMP and related party balances

- i. Contained within other creditors and accruals are the following accruals for fees payable to KMP:

- Mr Brett Fraser
- Mr David Porter

- ii. Contained within trade and other payables are the follows balances payable to related parties

- Metallica Investments Pty Ltd

	2018 \$	2017 \$
	75,000	75,000
	-	20,000
	5,000	5,000
	-	28,973

Note 20 Contingent liabilities

There are no contingent liabilities as at 30 June 2018 (2017: Nil).

Note 21 Events subsequent to reporting date

As at the date of this report, there have been no material events subsequent to report date.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 22 Operating segments**a. Identification of reportable segments**

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of coal, copper, gold, manganese, or iron ore projects. Inter-segment transactions are priced at cost to the Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis and in determining the allocation of resources. Management has identified the operating segments based on the two principal locations based on geographical areas and therefore different regulatory environments – Australia and Africa.

Corporate expenses include administration and regulatory expenses arising from operating an ASX listed entity.

Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements. Financial assets including cash and cash equivalents, and investments in financial assets, are reported in the Treasury segment.

b. Basis of accounting for purposes of reporting by operating segments**i. Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

ii. Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

iii. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

iv. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

v. Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- ⦿ Impairment of assets and other non-recurring items of revenue or expense
- ⦿ Income tax expense
- ⦿ Current and deferred tax assets and liabilities
- ⦿ Other financial liabilities

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 22 Operating segments (cont.)

For the Year to 30 June 2018	Australian Exploration \$	African Exploration \$	Total \$
Segment revenue and other income	7,365	-	7,365
Segment Results	7,365	-	7,365
Amounts not included in segment results but reviewed by Board:			
▶ Business development	(50,383)	-	(50,383)
▶ Compliance and regulatory costs	(180,306)	-	(180,306)
▶ Rehabilitation (expense) / over-provision	74,300	-	74,300
▶ Director remuneration excluding consulting fees	(165,120)	-	(165,120)
▶ Exploration and rehabilitation (expenditure) / recovered	(284,160)	(9,388)	(293,548)
▶ Finance costs	(1,702)	(383)	(2,085)
▶ Legal and consulting fees	(68,246)	-	(68,246)
▶ Share-based payments	(271,057)	-	(271,057)
▶ Other expenses	(37,128)	-	(37,128)
▶ Income tax expense	-	-	-
Loss after Income Tax			(986,208)
As at 30 June 2018			
Segment Assets	1,388,967	7,714	1,396,681
Unallocated Assets:			
▶ Trade and other receivables			7,743
Total Assets			1,404,424
Segment Liabilities	53,308	421	53,729
Unallocated Liabilities:			
▶ Short-term borrowings			-
Total Liabilities			53,729

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Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 22 Operating segments (cont.)

For the Year to 30 June 2017	Australian Exploration \$	African Exploration \$	Total \$
Segment revenue and other income	180,606	-	180,606
Segment Results	180,606	-	180,606
Amounts not included in segment results but reviewed by Board:			
▶ Business development	(123,918)	-	(123,918)
▶ Compliance	(140,601)	5,896	(134,705)
▶ Director remuneration excluding consulting fees	(114,856)	-	(114,856)
▶ Exploration and rehabilitation (expenditure) / recovered	6,327		6,327
▶ Finance costs	(284)	-	(284)
▶ Funds garnished by Congolese Government	-	(30,773)	(30,773)
▶ Legal fee and consulting fees	(38,410)	-	(38,410)
▶ Other expenses	(29,527)	(4,665)	(34,192)
▶ Income tax expense	-	-	-
Loss after Income Tax			(290,205)
As at 30 June 2017			
Segment Assets	739,443	16,692	756,135
Unallocated Assets:			
▶ Trade and other receivables			6,617
Total Assets			762,752
Segment Liabilities	191,799	396	192,195
Unallocated Liabilities:			
▶ Short-term borrowings			8,984
Total Liabilities			201,179

Note 23 Commitments

	2018 \$	2017 \$
a. Exploration expenditure commitments:		
Exploration expenditure committed to:		
Exploration tenement minimum expenditure requirements	62,176	77,590
b. Payable:		
Current	15,544	15,518
Longer than 1 year but not longer than 5 years	46,632	62,072
Longer than 5 years	-	-
	62,176	77,590

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 24 Financial risk management

a. Financial Risk Management Policies

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks and accounts payable and receivable.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's Financial Assets and Liabilities is shown below:

	Floating Interest Rate \$	Fixed Interest Rate \$	Non- interest Bearing \$	2018 Total \$	Floating Interest Rate \$	Fixed Interest Rate \$	Non- interest Bearing \$	2017 Total \$
Financial Assets								
▶ Cash and cash equivalents	185,645	1,200,000	-	1,385,645	534,262	-	-	534,262
▶ Trade and other receivables	-	-	7,743	7,743	-	-	217,659	217,659
Total Financial Assets	185,645	1,200,000	7,743	1,393,388	534,262	-	217,659	751,921
Financial Liabilities								
Financial liabilities at amortised cost								
▶ Trade and other payables	-	-	53,729	53,729	-	-	108,195	108,195
▶ Borrowings	-	-	-	-	-	8,984	-	8,984
Total Financial Liabilities	-	-	53,729	53,729	-	8,984	108,195	117,179
Net Financial Assets	185,645	1,200,000	(45,986)	1,339,659	534,262	(8,984)	109,464	634,742

b. Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

i. Credit risk

Exposure to credit risk relating to financial assets arises largely from cash at bank.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

During the prior year, the Group's Congolese bank account funds of \$30,773 were amongst other depositors' funds garnished by Congolese Government due to the dissolution of the Banque Internationale pour l'Afrique au Congo. The Group is exploring legal action to recover these funds.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 24 Financial risk management (cont.)

Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, where ever possible.

Impairment losses

The Group has no material items past due and not impaired.

ii. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group’s activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

Typically, the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

Contractual Maturities

The following are the contractual maturities of financial liabilities of the Group:

	Within 1 Year		Greater Than 1 Year		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables	53,729	108,195	-	-	53,729	108,195
Borrowings	-	8,984	-	-	-	8,984
Total contractual outflows	53,729	117,179	-	-	53,729	117,179
Financial assets						
Cash and cash equivalents	1,385,645	534,262	-	-	1,385,645	534,262
Trade and other receivables	7,743	6,617	-	211,042	7,743	217,659
Total anticipated inflows	1,393,388	540,879	-	211,042	1,393,388	751,921
Net inflow on financial instruments	1,339,659	423,700	-	211,042	1,339,659	634,742

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 24 Financial risk management (cont.)

The Board meets on a regular basis and considers the Group's exposure currency and interest rate risk.

(1) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is not material to the Group as no debt arrangements have been entered into, and movement in interest rates on the Group's financial assets is not material.

(2) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in foreign currencies may impact on the Group's financial results. The Group's exposure to foreign exchange risk is minimal; however, the Board continues to review this exposure regularly.

(3) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

iv. Sensitivity Analyses

(1) Interest rates

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

A change of 100 basis points in the interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. The analysis is performed on the same basis for 2017.

	Profit \$	Equity \$
Year ended 30 June 2018		
±100 basis points change in interest rates	± 1,856	± 1,856
Year ended 30 June 2017		
±100 basis points change in interest rates	± 5,343	± 5,343

(2) Foreign exchange

The Group did not carry significant assets or liabilities in foreign currencies in the 2018 financial year (2017: nil), and therefore was not subject to material foreign exchange risk, and according not subject to material sensitivities.

v. Net Fair Values

(1) Fair value estimation

The fair values of financial assets and financial liabilities are presented in the table in note 24a and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

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Notes to the consolidated financial statements

for the year ended 30 June 2018

Note 25 Parent entity disclosures

a. Financial Position of Blina Minerals NL

Current assets

Cash and cash equivalents

Trade and other receivables

Prepayments

Total current assets

Non-current assets

Trade and other receivables

Financial assets

Total non-current assets

Total assets

Current liabilities

Trade and other payables

Short-term provisions

Borrowings

Total current liabilities

Non-current liabilities

Long-term provisions

Total non-current liabilities

Total liabilities

Net assets

Equity

Issued capital

Reserves

Accumulated losses

Total equity

b. Financial assets of Blina Minerals NL

Loans to subsidiaries

Shares in controlled entities at cost

Less: Provision for impairment

Net carrying value

c. Financial performance of Blina Minerals NL

Profit / (loss) for the year

Total comprehensive income

d. Guarantees entered into by Blina Minerals NL for the debts of its subsidiaries

There are no guarantees entered into by Blina Minerals NL for the debts of its subsidiaries as at 30 June 2018 (2017: none).

Note	2018 \$	2017 \$
	1,378,893	518,476
	7,498	6,385
	10,074	9,925
	1,396,465	534,786
	-	211,042
25b	-	-
	-	211,042
	1,396,465	745,828
	53,309	107,798
	-	28,000
	-	8,984
	53,309	144,782
	-	56,000
	-	56,000
	53,309	200,782
	1,343,156	545,046
	35,645,918	34,142,427
	414,677	143,620
	(34,717,439)	(33,741,001)
	1,343,156	545,046
	643,372	643,372
	26,495	26,495
	(669,867)	(669,867)
	-	-
	(976,438)	(286,223)
	(976,438)	(286,223)

Directors' declaration

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 12 to 43, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standards;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
 - (c) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company and Group.
2. the Chief Executive Officer (equivalent) and Chief Financial Officer (equivalent) have each declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001* (Cth);
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



BRETT FRASER

Chairman

Dated this Friday, 28 September 2018



Independent Audit Report to the Members of Blina Minerals NL

Report on the financial report

Opinion

We have audited the financial report of Blina Minerals NL ("the Company"), including its subsidiaries ("the Group") which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Material Uncertainty In Relation to Going Concern

Without modifying our opinion, we draw attention to Note 1 (a) (ii) to the Financial Report, which indicates that the Group will require further funding in the next twelve months from the date of this report to fund its planned exploration and administration expenditure. These conditions, along with other matters as set forth in Note 1 (a) (ii), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

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. Apart from the matter described in the "Material Uncertainty in Relation to Going Concern," we have determined that there are no other key audit matters to communicate in our report.

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Other information

The directors are responsible for the other information. The other information comprises the information in Blina Minerals NL annual report for the year ended 30 June 2018, but does not include the consolidated financial report and the auditor's report thereon.

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

In connection with our audit of the consolidated 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 the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

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

In preparing the consolidated financial report, the directors are responsible for assessing the Group'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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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 Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report. 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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Blina Minerals NL for the year ended 30 June 2018, complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani

Director

Perth

28 September 2018

Corporate governance statement

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (3rd Edition)' (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not following them.

The Company's Corporate Governance Plan has been posted on the Company's website at www.blinaminerals.com.au.

Principles And Recommendations	Comply	Explanation
Principle 1: Lay solid foundations for management and oversight		
<p>Recommendation 1.1 A listed entity should have and disclose a charter which:</p> <p>(a) sets out the respective roles and responsibilities of the board, the chair and management; and</p> <p>(b) includes a description of those matters expressly reserved to the board and those delegated to management.</p>	Complying	<p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter is available on the Company's website.</p>
<p>Recommendation 1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	Complying	<p>(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.</p> <p>(b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director.</p>
<p>Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Complying	The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.
<p>Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Complying	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.
<p>Recommendation 1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.</p>	Complying	<p>(a) The Company has adopted a Diversity Policy.</p> <p>(i) The Diversity Policy provides a framework for the Company to achieve a list of 6 measurable objectives that encompass gender equality.</p> <p>(ii) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The company is responsible for implementing, monitoring and reporting on the measurable objectives.</p> <p>(b) The Diversity Policy is stated in Schedule 9 of the Corporate Governance Plan which is available on the company website.</p> <p>(c)</p> <p>(i) The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO, MD and senior executives. In addition, the Board will review progress against the objectives in its annual performance assessment.</p> <p>(ii) The Board will include in the annual report each year, the measurable objectives, progress against the objectives, and the proportion of male and female employees in the whole organisation, at senior management level and at Board Level.</p>

Principles And Recommendations	Comply	Explanation																																		
<p>Recommendation 1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complying	<p>(a) The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in the Performance Evaluation Policy document which is available on the Company's website.</p> <p>(b) The Company's Performance Evaluation Policy requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p>																																		
<p>Recommendation 1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complying	<p>(a) The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives.</p> <p>(b) The Company's Performance Evaluation Policy requires the Board to conduct annual performance of the senior executives. The Policy requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p>																																		
<p>Principle 2: Structure the board to add value</p>																																				
<p>Recommendation 2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	Complying	<p>(b) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Nomination Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee.</p> <p>The duties of the Nomination Committee are outlined in Schedule 5 of the Company's Corporate Governance Plan available online</p> <p>The Board devotes time at each board meeting to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p> <p>The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.</p>																																		
<p>Recommendation 2.2 A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Complying	<table border="1"> <thead> <tr> <th>Board Skills Matrix</th> <th>Number of Directors that Meet the Skill</th> </tr> </thead> <tbody> <tr> <td>Executive & Non- Executive experience</td> <td>3</td> </tr> <tr> <td>Industry experience & knowledge</td> <td>3</td> </tr> <tr> <td>Leadership</td> <td>3</td> </tr> <tr> <td>Corporate governance & risk management</td> <td>3</td> </tr> <tr> <td>Strategic thinking</td> <td>3</td> </tr> <tr> <td>Desired behavioural competencies</td> <td>3</td> </tr> <tr> <td>Geographic experience</td> <td>3</td> </tr> <tr> <td>Capital Markets experience</td> <td>3</td> </tr> <tr> <td colspan="2"><i>Subject matter expertise:</i></td> </tr> <tr> <td>- accounting</td> <td>2</td> </tr> <tr> <td>- capital management</td> <td>3</td> </tr> <tr> <td>- corporate financing</td> <td>3</td> </tr> <tr> <td>- industry taxation ¹</td> <td>0</td> </tr> <tr> <td>- risk management</td> <td>3</td> </tr> <tr> <td>- legal</td> <td>3</td> </tr> <tr> <td>- IT expertise ²</td> <td>0</td> </tr> </tbody> </table> <p>(1) Skill gap noticed however an external taxation firm is employed to maintain taxation requirements.</p> <p>(2) Skill gap noticed however an external IT firm is employed on an adhoc basis to maintain IT requirements.</p>	Board Skills Matrix	Number of Directors that Meet the Skill	Executive & Non- Executive experience	3	Industry experience & knowledge	3	Leadership	3	Corporate governance & risk management	3	Strategic thinking	3	Desired behavioural competencies	3	Geographic experience	3	Capital Markets experience	3	<i>Subject matter expertise:</i>		- accounting	2	- capital management	3	- corporate financing	3	- industry taxation ¹	0	- risk management	3	- legal	3	- IT expertise ²	0
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Principles And Recommendations	Comply	Explanation
<p>Recommendation 2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director</p>	Complying	<p>(a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no independent directors.</p> <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports and Company website.</p> <p>(c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Directors Report in the Annual Reports.</p>
<p>Recommendation 2.4 A majority of the board of a listed entity should be independent directors.</p>	Not complying	<p>The Board Charter requires that where practical the majority of the Board will be independent. Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no independent directors.</p> <p>Details of each Director's independence are provided in the Annual Reports and Company website.</p>
<p>Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	Not complying	<p>The Board Charter provides that where practical, the Chairman of the Board will be a non-executive director.</p> <p>Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no independent directors</p>
<p>Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	Complying	<p>The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.</p>
Principle 3: Act ethically and responsibly		
<p>Recommendation 3.1 A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	Complying	<p>(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct can be found on the Company's website.</p>
Principle 4: Safeguard integrity in financial reporting		
<p>Recommendation 4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Complying	<p>(b) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p>

Principles And Recommendations	Comply	Explanation
<p>Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Complying	The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
<p>Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Complying	The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.</p>	Complying	<p>(a) The Company's Continuous Disclosure Policy details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Company's Continuous Disclosure Policy is available on the Company website.</p>
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	Complying	<p>Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.</p> <p>Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company website.</p>
<p>Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Complying	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.
<p>Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Complying	<p>The Shareholder Communication Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.</p>
<p>Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Complying	<p>Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p>

Principles And Recommendations	Comply	Explanation
Principle 7: Recognise and manage risk		
<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	Complying	<p>(b) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meeting to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	Complying	<p>(a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Disclosure – Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls.</p> <p>(b) The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Complying	<p>(b) Schedule 3 of the Company's Corporate Plan provides for the internal audit function of the Company. The Board Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Complying	<p>Schedule 3 of the Company's Corporate Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.</p>

Principles And Recommendations	Comply	Explanation
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Complying (b)	<p>Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Remuneration Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>
<p>Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	Complying	<p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior directors.</p>
<p>Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Complying	<p>(a) Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity based plans.</p> <p>(b) A copy of the Company's Corporate Governance Plan is available on the Company's website.</p>

Additional information for listed public companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 Capital

a. Ordinary Share Capital

4,313,882,570 ordinary fully paid shares held by 3,347 shareholders.

b. Unlisted Options over Unissued Shares

The Company has an additional 904,995,500 options on issue in accordance with section 8.1 of the Directors' Report,

c. Voting Rights

The voting rights attached to each class of equity security are as follows:

- ⊙ **Ordinary shares:** Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- ⊙ **Unlisted Options:** Options do not entitle the holders to vote in respect of that option, nor participate in dividends, when declared, until such time as the options are exercised and subsequently registered as ordinary shares.

d. Substantial Shareholders as at 17 September 2018

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Metallica Investments Pty Ltd <Metallica Trust A/C>	282,781,250	6.56

e. Distribution of Shareholders as at 17 September 2018

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	691	249,201	0.01
1,001 – 5,000	865	2,026,384	0.05
5,001 – 10,000	199	1,437,293	0.03
10,001 – 100,000	386	16,252,503	0.38
100,001 – and over	1,206	4,293,917,189	99.53
	3,347	4,313,882,570	100.00

f. Unmarketable Parcels as at 17 September 2018

As at 17 September 2018 there were 2,426 fully paid ordinary shareholders holding less than a marketable parcel and 2,926 holding an uneconomical parcel.

g. On-Market Buy-Back

There is no current on-market buy-back.

h. Restricted Securities

The Company has no restricted securities on issue.

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AND CONTROLLED ENTITIES

ABN 25 086 471 007

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Additional information for listed public companies

i. 20 Largest Shareholders — Ordinary Shares as at 17 September 2018

Rank / Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. Metallica Investments Pty Ltd <Metallica Trust A/C>	282,781,250	6.56
2. Rylet Pty Ltd	135,950,000	3.15
3. Mrs Kristin Joanne Keen & Mr Ivan Keen	115,000,000	2.67
4. Mrs Yvonne Bruinsma & Mr Johannes Willem Bruinsma	106,000,000	2.46
5. Mr Jarrod Erbs	100,000,000	2.32
6. Mr Bin Liu	90,794,850	2.10
7. Mr Gary John Spelta & Mrs Narelle Spelta	71,003,050	1.65
8. Citicorp Nominees Pty Limited	67,117,056	1.56
9. Mr James Peter Allchurch <Manstein Holdings A/C>	66,158,907	1.53
10. Helmet Nominees Pty Ltd <Tim Weir Family Fund A/C>	63,300,000	1.47
11. Equitas Nominees Pty Limited <PB- 601031 A/C>	60,479,635	1.40
12. Mr Mark Andrew Linney <The M A Linney Family A/C>	60,000,000	1.39
13. Vivaldi Capital Sdn Bhd	50,000,000	1.16
14. Bond Street Custodians Limited <CNE3 - D67821 A/C>	50,000,000	1.16
15. Pethol (Vic) Pty Ltd <Macy No 5 Super Fund A/C>	50,000,000	1.16
16. Bellaire Capital Pty Ltd <Bellaire Capital Invest A/C>	45,300,334	1.05
17. Galufo Pty Limited	45,000,000	1.04
18. Mr Rodney Laurence Staggard & Ms Donna Lee Berry <DLB Superannuation Fund A/C>	43,500,000	1.01
19. Mr Kevin Daniel Leary & Mrs Helen Patricia Leary <Kevin & Helen Leary S/F A/C>	41,000,000	0.95
20. Mr Peter John Bragg	40,779,129	0.95
TOTAL	1,584,164,211	36.74

2 The name of the Company Secretary is Nevenka Jackson.

3 Principal registered office

As disclosed in Note 2 Company details on page 26 of this Annual Report.

4 Registers of Securities

As disclosed in the Corporate directory on page i of this Annual Report.

5 Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the Corporate directory on page i of this Annual Report.

Tenement report

As at 30 June 2018

In March 2017, Blina acquired the Dingo Gold Project (E31/1138), located approximately 160km north-north-east of Kalgoorlie, and to the east of Yerilla and west of Mt Remarkable in the Eastern Goldfields region of Western Australia.

A field trip was undertaken to the Dingo Gold Project in the June 2018 Quarter. The objective was to re-locate old RAB drill holes and resample the gold-bearing samples. Unfortunately, there remained no trace of the old drill holes.



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