CAPE LAMBERT RESOURCES LIMITED

ABN 71 095 047 920

AND ITS CONTROLLED ENTITIES

Annual Report
For the Year Ended
30 June 2018

CONTENTS

CORPORATE DIRECTORY

Directors
Mr Tony Sage - Executive Chairman
Mr Tim Turner - Non-Executive Director
Mr Stefan Müller - Non-Executive Director

Company Secretary
Ms Melissa Chapman

Stock Exchange Listing
Australian Securities Exchange
ASX code: CFE

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Marampa Project

The Marampa Iron Ore Project (**Marampa**) is a brownfields hematite iron ore project that remains at the development and permitting stage and is located 90 km northeast of Freetown in Sierra Leone, West Africa (**Figure 1**).

Marampa comprises one mining licence (ML05/2014) comprising 97.40km^2 and one granted exploration licence (EL46A/2011 – 145.86km^2). The licences are held by Marampa Iron Ore (SL) Limited, indirectly a wholly owned subsidiary of the Company. Marampa has access to a stockpiling and ship loading facility located at Pepel Port via a 73km railway operated by African Railway and Port Services (SL) Limited (ARPS).

Figure 1: Regional Map showing the Company's Assets in Sierra Leone

The Marampa Project currently remains under care and maintenance.

Kukuna Project

The Kukuna Project (**Kukuna**) is located 120 km northeast of Freetown in the northwest of Sierra Leone and comprises one exploration licence covering 68km^2 (refer **Figure 1**). The licence area is located approximately 70km due north of Marampa.

The Kukuna Project remains under care and maintenance.

Cote D'Ivoire Project

Metals Exploration Cote D'Ivoire SA is a wholly owned subsidiary of the Company and was granted three tenements in the highly prospective Birimian Gold Belt of Cote D'Ivoire. The tenements are named Boundiali North (EL285 – 400 km^2), Katiola (EL284 – 400 km^2) and Bouake (EL286 – 400 km^2) for a total land position of 1,200km^2 (**Licences**).

The Company announced in March 2016 that it had sold the Cote D'Ivoire Licences to a subsidiary of Newcrest Mining Limited (**Newcrest**) for a consideration of US$332,500 plus a 1% net smelter return royalty on gold produced from the Licences capped at US$1million (**Sale**). The Sale was pending the transfer of the Licences, which was completed in November 2017.

Kipushi and Kasombo Copper-Cobalt Projects (JV with Paragon Mining SARL)

The Kipushi Cobalt Copper Tailings Project consists of a tailings dam located on PE 12347 and the Kipushi Processing Plant located adjacent mining licence PE481 (**Kipushi Project**), and retains an interest in the Kasombo Copper-Cobalt Project through its 39.33% shareholding in FEL (**Kasombo Project**), refer Figure 2. Both projects are located approximately 25km from Lubumbashi, the second largest city in the Democratic Republic of Congo DRC. The Company has a 50/50 joint venture agreement with Paragon Mining SARL (Paragon) to develop the projects (refer to ASX announcement dated 3 May 2017 for details of the joint venture arrangement). The joint venture company is Soludo Lambert Mining SAS (Soludo Lambert).

On 13 July 2017, the Company announced that it had executed a binding term sheet with Fe Limited (**FEL**) whereby Cape Lambert would assign to FEL 100% of the rights and obligations to the Kasombo Copper-Cobalt Project (**Kasombo Transaction**) in the DRC. On 3 November 2017, the Kasombo Transaction was approved at a general meeting by the Company's shareholders and completed.

Figure 2: Location of DRC and Zambian Copper-Cobalt Projects

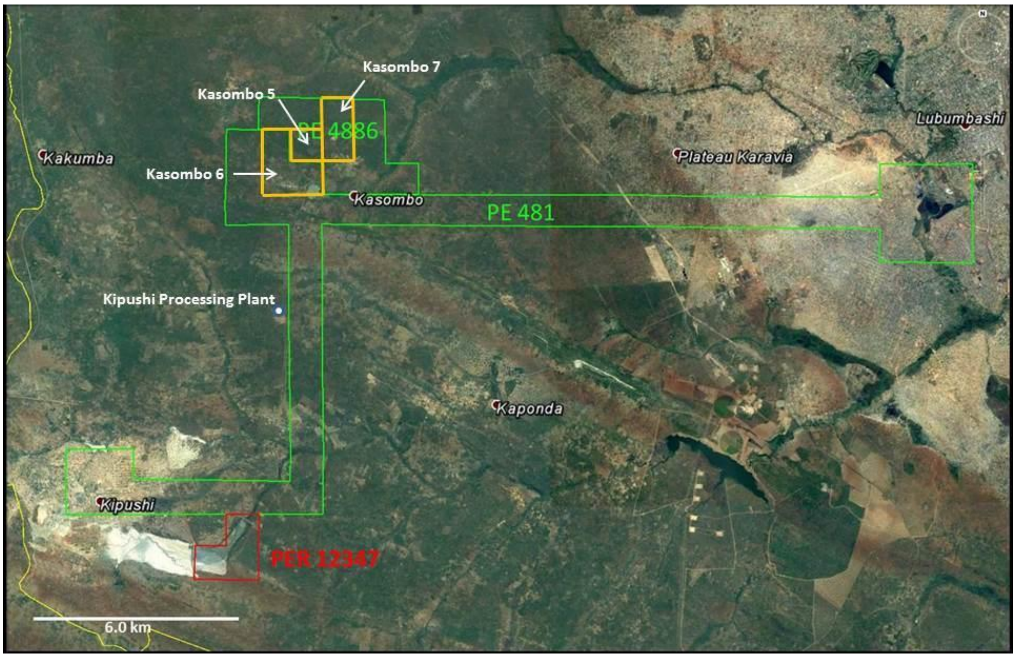

Figure 3: Location of the Kipushi Project, Kasombo Project and Kipushi Processing Plant

Kipushi Project

The Kipushi tailings dam is located approximately 8km from the Kipushi Processing Plant and extends for over 1.2km in length and over 400m in width. The tailings have a maximum depth of approximately 12m in the centre of the tailings dam and 5m at the boundaries of the tailings dam, with average depths of approximately 8m. Assaying of samples collected from the tailings dam returned Cobalt grades ranging from 0.35% to 0.46% and Copper grades ranging from 0.89% to 1.18% (refer ASX announcement dated 29 March 2017).

The Company reported that it was undertaking metallurgical testwork on the Kipushi tailings at the laboratory of Mintek in South Africa, as well as the laboratory of Axis House. The initial flotation testwork carried out by Axis House confirmed that a saleable concentrate of approximately 10% Copper and 2% Cobalt with recoveries of 57% and 50% respectively could be achieved. It was the Company's intent to repair and upgrade the Kipushi Processing Plant (flotation plant) to process the Kipushi tailings for sale. The Company engaged the services of South African consultants GCWH Consulting Pty Ltd (**GCWH**) to undertake a detailed engineering review of the Kipushi Processing Plant. GCWH visited the project in February 2018 and noted the requirement for several design modifications in the flotation plant and identified that some equipment should be replaced.

As reported in the March 2018 quarterly report, the Company had dispatched a sample of tailings to the laboratory of ALS Metallurgy Pty Ltd (**ALS**), to undertake leach/extraction testing that could potentially provide a more optimum processing solution, in particular higher Cobalt recoveries. ALS completed an initial 3 leach tests on the Kipushi tailings with very encouraging results, which resulted in recoveries of 95.8% for Copper and 83.5% for Cobalt at a 75 micron grind size after 3 hours of leaching.

Given the excellent results achieved from the leach testing, Soludo Lambert adopted a strategy to develop in parallel with the upgrade of the flotation plant, a leaching plant that will potentially produce a high grade copper cobalt hydroxide product. To progress the development of a potential leaching plant, Soludo Lambert engaged the services of Minnovo Pty Ltd (**Minnovo**) during Q1 2018 to undertake a pre-feasibility study (**PFS**) on a 1Mtpa leach extraction plant designed to produce a mixed hydroxide precipitate.

Continuing with the testwork, ALS carried out a number of tests to precipitate copper and cobalt from the leach solution. Precipitation tests completed produced a mixed hydroxide precipitate (**MHP**) with copper and cobalt grades ranging from 22.8% - 31.9% and 9.77% - 18.4% respectively. The value of 18.4% cobalt was for a precipitate produced after the removal of copper and indicated that a higher grade cobalt MHP could be produced as an alternative to the mixed copper/cobalt MHP. Optimisation tests to further improve the grades of the MHP continue.

Based on the preliminary details being received from Minnovo during the PFS study, the Board of Soludo Lambert determined that it was better to defer the upgrade of the flotation plant and focus solely on progressing the development of the leaching plant for the processing of the Kipushi tailings. In this regard, Soludo Lambert requested Minnovo to extend the PFS work to an Engineering Study, which was completed early July 2018 (refer ASX announcement dated 16 July 2018).

Based on the preliminary details delivered by Minnovo prior to the completion of the Engineering Study the Board of Soludo Lambert made a decision to pursue construction of the leaching plant and appointed Minnovo in May 2018 to undertake the detailed design. Subsequent to being awarded the design work, Minnovo progressed the finalisation of the process design criteria and process flow diagrams, process plant layout, equipment data sheet preparation and specifications for tendering long lead item equipment and the details required to tender the concrete works associated with the leaching plant.

Subject to the finalisation of funding and permitting, Soludo Lambert is targeting production at the project in Q2 2019.

Kasombo Project

The Kasombo Project comprises three mineralized areas, Kasombo 5, 6 and 7, located within two granted mining licenses PE 481 and PE 4886 (**Licences**), refer Figure 1. The Licences are held by La Generale Des Carrieres Et Des Mines S.A. (**Gecamines**).

In November 2017, FEL reported that it had completed its own mapping works at Kasombo 6 and 7. Mapping works at Kasombo 5 were completed early December 2017. The mapping showed two styles of mineralization: the first conforming to mineralization typical of deposits of the Katanga Copper Belt; the second showing cross-cutting breccia style, providing potential to significantly increase the size of mineralisation.

Twenty samples were collected during the mapping program, predominantly from Kasombo 7 and dispatched to ALS Laboratories for assaying in Lubumbashi and South Africa. The assay results returned high grade cobalt assays, with the highest grade assays being 6.99% cobalt (sample A2914) and 1.57% cobalt (sample A2916) (refer FEL announcement dated 12 December 2017).

In January 2018, FEL reported that it had completed a preliminary RC drilling at the Kasombo Project, with Kasombo 5 drilled with two reverse circulation (RC) holes for a total depth of 149 m, and Kasombo 7 was drilled with four RC holes for a total depth of 190 m.

Assays from Kasombo 5 showed wide intersections of high grade copper mineralization, with copper and cobalt intercepts from the drilling at Kasombo 5:

- KSB001: 23 m @ 3.18% Cu from 54 m
- KSB003b: 24 m @ 3.50% Cu from 37 m
- KSB003b: 12 m @ 0.19% Co from 36 m
- KSB003: 10 m @ 0.22% Co from 11 m

RC drilling at Kasombo 7 returned shallow intercepts of cobalt mineralisation from depths of 8m and over intercepts of up to 11m:

- KSB004: 11 m @ 0.10% Co from 8 m
- KSB006: 3 m @ 0.13% Co from 10 m

For more detailed information on the drilling results, refer to FEL announcement dated 14 March 2018.

In its June 2018 quarterly, FEL reported that it had tendered a 5000m drilling programme covering Kasombo 5 and Kasombo 7. Nine drilling companies visited the Kasombo area to tender on the proposed drilling programme, with four companies later shortlisted and proposals updated accordingly. The awarding of the drilling contract was delayed, however, pending the completion of a planned trenching and ground magnetics programme.

FEL also reported that a local consulting geology company Minex Consulting SA (**Minex**) was engaged to undertake a trenching, logging and sampling programme at Kasombo 7. Seven trenches for a total length of 617m were completed with a total of 289 samples collected for analysis.

FEL also reported that in June 2018, it had engaged the services of the Department of Geology from the University of Lubumbashi (**University**), to undertake a ground magnetics survey of the Kasombo area. The University commenced and completed the ground magnetics field works with 12 lines of survey of approximately 1.2km each, and equidistant of 400m oriented N-S, totalling a cumulative length of 20.2km.

Kitwe Tailings Project

In May 2017, the Company announced that it has executed a binding terms sheet to conditionally acquire 70% of the shares in Zambian entity Australian Mining Company Zambia Limited (**AMCZL**), which is the holder of exploration licence No 21853-HQ-SEL (**Licence)**. The Licence covers an historic cobalt-copper rich tailings dump located approximately 3km on the outskirts of Kitwe in Zambia (refer **Figure 3 and Figure 4**). Assays of seven samples collected from the tailings dam returned Cobalt grades in the range of 0.20% to 0.43% and Copper grades ranging from 0.43% to 0.93% (refer ASX announcement dated 22 May 2017).

Figure 4: Location of the Kitwe Cobalt-Copper Tailings Project

The share sale agreement was finally executed on 4 December 2017. The Company was expecting completion to occur during Q1 2018, however there was some frustration to the completion process by the Zambian authorities and then by AMCZL. Following discussions with AMZCL, the terms of the transaction were renegotiated and a new share sale agreement executed on 3 May 2018. Under the terms of the new agreement (**Agreement**), Cape Lambert will acquire a 60% interest in the Project on satisfaction of the following;

- Payment of US$150,000 on execution of the Agreement (of which US$50,000 had already been paid);
- Milestone Payments of:
  - US$300,000 payable on the later of AMZCL entering in to an agreement with the owner of an adjacent licence to allow the storage of processed tailings from the Project on a portion of its license area or 3 months from the date of execution of the Agreement, and
  - US$350,000 to AMZCL 6 months from the date of execution of the Agreement.

During Q2 2018 the Company received a mineralogy report on the 2kg sample of tailings collected and delivered to the laboratory of Mintek in South Africa, which indicated that the major copper bearing mineral phases (in order of abundance) within the sample occurred in the form of malachite, chalcopyrite, Cu-chlorite, bornite, chalcocite/digenite and chrysocolla, while the major cobalt contributor occurred in the form of the Co-hydroxide, heterogenite.

During H2 2017, the Company had collected samples for dispatching to Mintek in South Africa for commencement of metallurgical testwork. Considerable delays, however, were experienced in achieving the paperwork to enable the export of the samples. Given this delay, the Company sought out the assistance of a metallurgical consultant in Kitwe, to manage a testwork programme at a laboratory in Kitwe. The testwork programme is expected to commence early Q3 2018.

The Company also sought quotations for drilling companies for drilling of the Kitwe tailings dam in order to determine a Mineral Resource estimate for the Project. It is expected that drilling will commence during Q3 2018.

Wee MacGregor Project

Mining International Pty Ltd (**Mining International**) is a fully owned subsidiary of Cape Lambert. The Company holds tenure to 4 mining leases and 4 granted exploration permits for minerals (EPM's) at the Wee MacGregor Project located 40 km southeast of Mt Isa in Queensland (refer **Figure 5**). The total granted land package covers an area of approximately 124km^2.

The tenements are located within in the Eastern Fold Belt of the Mt Isa inlier. The eastern-most tenements are located in the Mary Kathleen Zone/Wonga Sub-province. The western group of tenements are located in the Kalkadoon Leichhardt Belt. These areas are prospective for a variety of deposit types, most notably structurally controlled epigenetic copper and gold deposits.

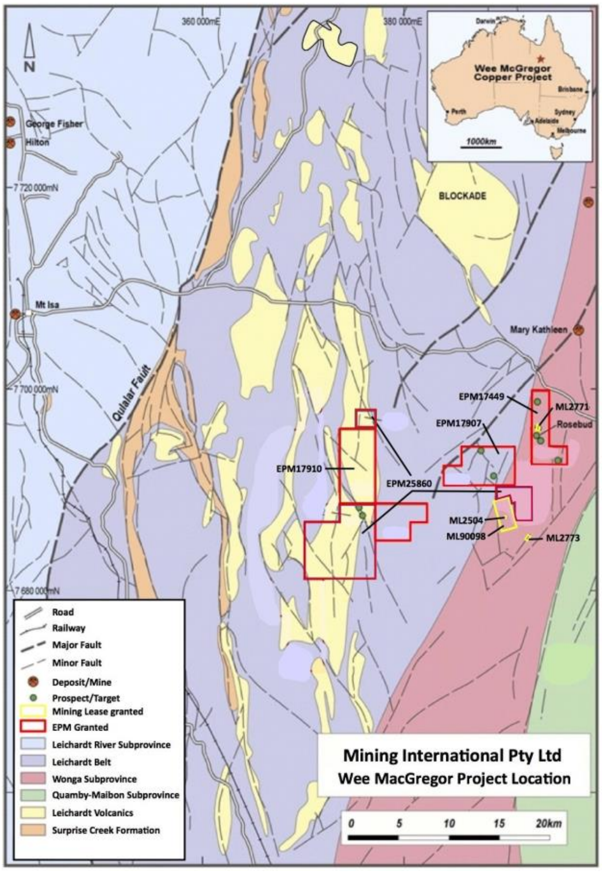

Figure 5: **Wee MacGregor Project Location and Geology**

The Wee MacGregor tenements can be classed as brownfields exploration as several copper occurrences and historical workings occur within the tenement boundaries. The largest of these is the Rosebud Mine within ML2773, which has recorded historical production of 20,000t of ore at 7.0% Cu. In addition, there are numerous under-explored geochemical and geophysical anomalies defined by previous explorers.

Cohiba Minerals Limited (Cohiba) has a Farm-in agreement with the Company for mining licences ML 2504, ML 2773 and ML 90098, while Firebird Minerals Pty Ltd (Firebird) has a Farm-in agreement for mining licence ML2771.

Cohiba noted that no mineralisation from the Great Central area has been defined or included in resource estimations in the past so anything discovered below surface will be new. Assay results from previous surface samples taken in the area have returned high grade copper and cobalt values including up to 8.4% Cu and 0.21% Co (refer Cohiba announcement dated 25 October 2017) demonstrating significant potential for the definition of additional near surface mineralisation. Drilling in Great Central is essentially reconnaissance as the source and morphology of the mineralisation is unknown.

During Q4 2017, a program of works for a small drilling program on ML2504 and ML90098 was lodged with the Kalkadoon Native Title Claimants (Kalkadoon) for heritage assessment, with the heritage survey completed during Q1 2018. The drilling programme is scheduled to commence in Q3 2018.

Competent Persons Statement

The contents of this Report relating to Exploration Results are based on information compiled by Olaf Frederickson, a Member of the Australasian Institute of Mining and Metallurgy. Mr Frederickson is a consultant to Cape Lambert and has sufficient experience relevant to the style of mineralisation and the deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Frederickson consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

Your Directors submit the financial report of Cape Lambert Resources Limited (**Cape Lambert** or the **Company**) and its controlled entities (collectively referred to as the **Group**) for the year ended 30 June 2018.

DIRECTORS

In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Tony Sage
Tim Turner
Stefan Müller – appointed 1 January 2018
Jason Brewer – resigned 28 February 2018

Tony Sage	**Executive Chairman**	
Qualifications	B.Com, FCPA, CA, FTIA	
Experience	Mr Sage has in excess of 30 years' experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining and exploration companies for the last 20 years. Mr Sage has operated in Argentina, Brazil, Peru, Romania, Russia, Sierra Leone, Guinea, Cote d'Ivoire, Congo, South Africa, Indonesia, China and Australia. Mr Sage is currently Chairman of ASX-listed Australian companies, Cape Lambert Resources Ltd (which was AIM Company of the year in 2008), Cauldron Energy Ltd, European Lithium Limited and Fe Ltd. Mr Sage is also a Non-Executive Director of National Stock Exchange of Australia ("NSX") listed International Petroleum Ltd. Mr Sage is also the sole owner of A League football club Perth Glory that plays in the National competition in Australia.	
Directorships of listed companies held within the last 3 years	Cauldron Energy Limited	June 2009 to Present
	Fe Limited	August 2009 to Present
	International Petroleum Limited[2]	January 2006 to Present
	Kupang Resources Limited[3]	September 2010 to August 2015
	European Lithium Limited	September 2016 to Present
	Caeneus Minerals Limited	December 2010 to 18 January 2016
	[1] Company was delisted August 2014 [2] Listed on the National Stock Exchange of Australia [3] Company was delisted August 2015	
Interest in Shares & Options at the date of this report	Fully Paid Ordinary Shares	77,766,681

Tim Turner	**Non-Executive Director**
Qualifications	B.Bus, FCPA, FTIA, Registered Company Auditor
Experience	Timothy Turner is the senior partner of accounting and advisory Firm, HTG Partners. Mr Turner heads the audit and assurance division and is responsible for the issue of audit opinions for self-managed superannuation funds through to full reporting entities. He also has in excess of 30 years' experience in business development, structuring and general business consultancy. Timothy has a Bachelor of Business (Accounting), is a Registered Company, SMSF and Organisation Auditor, is a Fellow of CPA Australia and a Fellow of the Tax Institute of Australia. With over 15 years' experience on listed company boards and 30 years' experience in the Australian accounting, taxation and business fields, Mr Turner brings a wealth of experience and knowledge in corporate compliance, governance and corporate manoeuvring

Directorships of listed companies held within the last 3 years	International Petroleum Limited[1]	January 2006 to Present
	African Petroleum Corporation Limited[2]	November 2007 to Present
	Legacy Iron Ore Limited	July 2008 to August 2017
	[1] Company listed on the National Stock Exchange of Australia [2] Company delisted from the National Stock Exchange of Australia December 2015 to list on the Oslo Stock Exchange	
Interest in Shares & Options at the date of this report	Fully Paid Ordinary Shares	1,523,000

Mr Stefan Müller	**Non-Executive Director** (appointed 1 January 2018)
Qualifications	Executive Program, INSEAD
Experience	Mr Muller has extensive financial markets and investment banking knowledge and experience built over his 25-year career. Mr. Müller is CEO and founder of DGWA Deutsche Gesellschaft für Wertpapieranalyse GmbH, a boutique European investment and financial markets consulting firm for national and international SMEs based in Frankfurt, Germany. Mr. Müller began his career at Dresdner Bank AG as senior vice president of global equity trading. He held senior positions with Equinet AG, Bankhaus Sal Oppenheim (largest European private bank at that time) as Head of global proprietary trading and managing partner at Proprietary Partners AG, a Swiss based hedge fund advisory company.

Directorships of listed companies held within the last 3 years	European Lithium Limited	October 2017 to present
	Jadar Lithium Limited	July 2018 to present
Interest in Shares & Options at the date of this report	Fully Paid Ordinary Shares	1,000,000

Jason Brewer	**Non-Executive Director** (resigned 28 February 2018)	
Qualifications	M.Eng (ARSM) Hons	
Experience	Mr Brewer has over 20 years' international experience in the natural resources sector and in investment banking. He is a mining engineer with a Master's degree in mining engineering with honours from the Royal School of Mines, London. He has experience in a variety of commodities having worked in underground and opencast mining operations in the UK, Australia, Canada and South Africa, In addition he has worked for major global investment banks including Dresdner Kleinwort Benson, NM Rothschild & Sons (Australia) Limited and Investec Bank (Australia) Limited in London, Sydney and Perth where he had particular responsibility for structuring and arranging corporate and project funding facilities for mining companies operating in Asia and Africa.	
Directorships of listed companies held within the last 3 years	Black Mountain Resources Limited International Goldfields Limited Kupang Resources Limited[1] Force Commodities Limited [1] Company was delisted August 2015	February 2012 to January 2017 December 2015 to September 2016 September 2010 to August 2015 February 2018 to Present
Interest in Shares & Options at the date of this report	Fully Paid Ordinary Shares	None

COMPANY SECRETARY

Ms Chapman is a certified practising accountant with over 15 years of experience in the mining industry. She has worked extensively in Australia and the United Kingdom. Ms Chapman has a Bachelor of Accounting from Murdoch University and has been a member of CPA Australia since 2000. Melissa has completed a Graduate Diploma of Corporate Governance with the Governance Institute of Australia, and the company directors course with the Australian Institute of Company Directors. Ms Chapman is a director of Bellatrix Corporate Pty Ltd (**Bellatrix**), a company that provides company secretarial and accounting services to a number of ASX Listed companies.

DIVIDEND AND RETURN OF CAPITAL

No dividend was declared or paid during the current or prior year.

REVIEW OF RESULTS AND OPERATIONS

Principal Activity

The principal activity of the Group during the year was mineral investment, exploration and evaluation.

There were no significant changes in the nature of the principal activity during the year.

Review of Operations

A summary of the most significant transactions during the year ended 30 June 2018 is set out below:

Sale of Mayoko Royalty

On 19 February 2018, the Company announced that it had sold its 100% owned royalty, in the form of a deferred consideration deed, in the Mayoko iron ore project. During the year the Company received A$500,000 in cash with the remaining A$500,000 to be received as a deferred consideration.

Cobalt Mining and Tailings Processing Operations - DRC

On 21 February 2017, the Company announced that it had entered into a Binding Heads of Agreement with Congolese company, Paragon Mining SARL (**Paragon**) to form a 50/50 Joint Venture (**JV**) to develop the Kipushi Cobalt Copper Tailings Project, the Kasombo Copper-Cobalt Projects and operate the Kipushi Processing Plant in the Democratic Republic of Congo (**DRC**). On 17 May 2017, the Company announced that it had executed the JV Agreement with Paragon. On 19 February 2018, the joint venture company "Soludo-Lambert Mining SAS" (Soludo Lambert) was incorporated.

Assignment of Kasombo Project to Fe Limited

On 13 July 2017, the Company announced that it had executed a binding term sheet (**Terms Sheet**) with Fe Limited (**FEL**) to assign 100% of the rights and obligations to the Kasombo Copper-Cobalt Project (**Kasombo Project**) (**Kasombo Transaction**) in the DRC to FEL. Cape Lambert's rights to the Kasombo Project were established in the 50/50 joint venture agreement with Paragon (detailed above).

In consideration for Cape Lambert assigning its rights in the Kasombo Project to FEL, FEL has agreed to:

- issue 25,000,000 fully paid ordinary shares in FEL at a deemed issue price of $0.0256 (determined as the volume weighted average closing price of FEL shares as quoted on ASX over the last five trading days immediately preceding the execution of the Terms Sheet) to Cape Lambert (**Consideration Shares**); and
- payment of $50,000 on execution of the Terms Sheet and payment of $75,000 on the date which is three months after the settlement date of the Kasombo Transaction to Cape Lambert (together, the **Cash Reimbursement**); and
- issue 10,000,000 fully paid ordinary shares in FEL at a deemed issue price of $0.0256 to the facilitator of the Kasombo Transaction (**Facilitator Shares**).

Settlement of the Kasombo Transaction was conditional upon:

- FEL receiving shareholder approval in relation to the Kasombo Transaction including approval to issue:
  - the Consideration Shares to Cape Lambert (in accordance with Item 7 of Section 611 of the Corporations Act if required); and
  - the Facilitator Shares;
- completion of the Kasombo transfer to the JV Company in accordance with the terms of the JV Agreement;
- execution by the relevant parties of a formal agreement to more fully document the Kasombo Transaction; and
- receipt of consent from all relevant parties in respect of the Kasombo Transaction,

On 3 November 2017, the Company held a general meeting of shareholders to approve the disposal of the Kasombo project to FEL. The resolution passed on a show of hands. On 6 November 2017, the Company completed the assignment of the Kasombo Project to FEL and the Company was issued 25,000,000 shares in FEL.

Kitwe Tailings Project – Zambia

On 22 May 2017, the Company announced that it had executed a binding terms sheet to conditionally acquire 70% of the shares in Zambian entity Australian Mining Company Zambia Limited (**Seller** or **AMCZL**), which is the holder of exploration licence No 21853-HQ-SEL (**Licence** or **Kitwe Project**) (**Acquisition**). The Licence covers an historic cobalt-copper rich tailings dump located near Kitwe in Zambia (refer ASX announcement dated 22 May 2017).

The Kitwe Project is located approximately 3km from the outskirts of Kitwe, in the Copperbelt region of Zambia. Kitwe is the second largest city, in terms of size and population, in Zambia and is one of the most developed commercial and industrial areas in the nation, alongside Ndola and Lusaka. The Copperbelt is centered around the towns of Ndola, Kitwe, Chingola, Luanshya and Mufulira – a string of towns on Zambia's northern border with the Democratic Republic of Congo.

The original share sale agreement was executed on 4 December 2017. Due to some frustration to the completion process by the Zambian authorities and then by AMZCL, following discussions with AMZCL, the terms of the transaction were renegotiated and a new share sale agreement executed on 3 May 2018. Under the terms of the new agreement (**Agreement**), Cape Lambert will acquire a 60% interest in the Project on satisfaction of the following:

- Payment of US$150,000 on execution of the Agreement (of which US$50,000 had already been paid);
- Milestone Payments of:
  - US$300,000 payable on the later of AMZCL entering in to an agreement with the owner of an adjacent licence to allow the storage of processed tailings from the Project on a portion of its license area or 3 months from the date of execution of the Agreement, and
  - US$350,000 to AMZCL 6 months from the date of execution of the Agreement.

Timis Mining Corporation Bridging Finance

In October 2014, the Company provided bridging financing of US$8 million and purchased a royalty of US12 million to Timing Mining Corporate SL Limited and TImis Mining Corporation Limited (collectively **Timis Mining**). The bridging finance principal and interest (interest is calculated on 3-month US LIBOR plus 6%) was due to be repaid to the Company on 21 October 2015 and could be extended by the parties on mutually agreed terms.

In May 2017, the Company commenced legal action against Mr Craig Dean (First Defendant), Gerald Metals Limited (Second Defendant), Timis Mining Corporation SL Ltd (Fourth Defendant) and Frank Timis (Third Defendant) (jointly the **Defendants**) in the High Court of Sierra Leone seeking damages and injunctions against the Defendants (refer ASX announcement dated 15 May 2017), with an interim injunction subsequently granted (refer ASX announcement dated 19 May 2017).

On 7 July 2017, the Company announced that the High Court of Sierra Leone issued a Court Order in relation to the Notice of Motion lodged by the Company, which ordered the Parties to proceed to arbitration if desired, refused the Fourth Defendant's application for a stay of proceedings and maintained the interlocutory injunction against the First Defendant, Second Defendant and Third Defendant that prevents liquidating the Fourth Defendant's company, pending the hearing and determination of the matter. The Company is presently in discussions with the Defendants in regard to proceeding to arbitration.

Placements and Capital Movements

On 27 October 2017, the Company completed a placement of 37,500,000 fully paid ordinary shares at $0.03 per share to raise cash proceeds of $1,060,000 and settle liabilities of the Company of $65,000.

On 6 November 2017, the Company completed a placement of 200,000 fully paid ordinary shares at $0.03 per share to raise cash proceeds of $6,000.

On 18 December 2017, the Company completed a placement of 2,905,450 fully paid ordinary shares at $0.04 per share to settle liabilities of the Company of $116,218.

On 12 March 2018, the Company completed a placement of 30,672,725 fully paid ordinary shares at $0.055 per share to raise cash proceeds of $1,687,000. The Company also issued 15,336,363 options representing one free attaching unquoted option for every two shares applied for under this placement which are exercisable at $0.07 (7 cents) expiring 12 March 2020.

On 16 March 2018, the Company completed a placement of 5,335,455 fully paid ordinary shares at $0.055 per share to raise cash proceeds of $293,450. The Company also issued 2,667,727 options representing one free attaching unquoted option for every two shares applied for under this placement which are exercisable at $0.07 (7 cents) expiring 19 March 2020. On the same day, the Company issued 5,000,000 unlisted options to facilitators of the placement which are exercisable at $0.07 (7 cents) expiring 19 March 2020.

On 27 June 2018, the Company completed a placement of 5,250,000 fully paid ordinary shares at $0.04 per share to raise cash proceeds of $210,000. The Company also issued 5,250,000 options to facilitators of the placement which are exercisable at $0.04 (4 cents) expiring 31 March 2020.

On 29 June 2018, the Company completed a placement of 22,826,667 fully paid ordinary shares at $0.03 per share to raise cash proceeds of $550,000 and settle liabilities of the Company of $134,800.

The board intends to continue to follow its strategy of acquiring and investing in undervalued and/or distressed mineral assets and companies (**Projects**) and improve the value of these Projects, through a hands on approach to management, exploration, evaluation and development and retaining a long-term exposure to these Projects through a production royalty and/or equity interest. Cape Lambert aims to deliver shareholder value by adding value to these undeveloped Projects. If Projects are converted into cash, the Company intends to follow a policy of distributing surplus cash to Shareholders.

RESULTS

The Group made a loss after income tax for the year ended 30 June 2018 of $828,296 (2017: loss of $10,945,226).

CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the Group other than those referred to in the Review of Operations.

EVENTS SUBSEQUENT TO BALANCE DATE

On 3 July 2018, the Company completed a placement of 1,000,000 fully paid ordinary shares at $0.03 per share to raise cash proceeds of $30,000.

On 13 July 2018 the Company completed a placement of 10,600,000 fully paid ordinary shares at $0.03 per share to raise cash proceeds of $300,000 and settle liabilities of the Company of $18,000

On 23 July 2018 the Company completed a placement of 38,924,698 fully paid ordinary shares at $0.03 per share to raise cash proceeds of $1,104,741 and settle liabilities of the Company of $63,000

On 23 July 2018 the Company issued 23,500,000 fully paid ordinary shares to Gulf Energy upon the exercise of options to raise cash proceeds of $1,175,000.

There have been no other events subsequent to 30 June 2018 up to the date of this report that would materially affect the operations of the Group or its state of affairs which have not otherwise been disclosed in this financial report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The board intends to continue to follow its strategy of acquiring and investing in undervalued assets and adding value through a hands on approach to management, exploration and evaluation.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. There have been no significant known breaches of the Groups environmental regulations to which it is subject.

INDEMNIFICATION OF OFFICERS

In accordance with the Company's constitution, except as may be prohibited by the *Corporations Act 2001*, every officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the financial year, the Company has paid insurance premiums in respect of directors' and officers' liability insurance. The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending legal proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving wilful breach of duty or improper use of information to gain a personal advantage.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to insurers has not been disclosed. This is permitted under section 300(9) of the *Corporations Act 2001*.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO during or since the financial year.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

	Board of Directors		**Audit Committee**		**Remuneration Committee**	
Directors	**Eligible to Attend**	**Attended**	**Eligible to Attend**	**Attended**	**Eligible to Attend**	**Attended**
Tony Sage	5	4	-	-	-	-
Tim Turner	5	4	1	1	-	-
Stefan Müller	2	2	-	-	-	-
Jason Brewer	4	4	1	1	-	-

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2018 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its regulations. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

Remuneration Policy for Directors and Other Key Management Personnel

The remuneration report details the remuneration arrangements for key management personnel (**KMP**), defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Details of Directors and Other Key Management Personnel

Directors
T Sage – Executive Chairman
T Turner – Non-Executive Director
S Müller – Non-Executive Director - appointed 1 January 2018
J Brewer – Non-Executive Director resigned 28 February 2018

Other Key Management Personnel
J Hamilton – Manager Project Development
M Chapman – Chief Financial Officer and Company Secretary

Principles used to determine the nature and amount of remuneration

The remuneration policy of the Company has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain appropriately skilled directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members and other key management personnel is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior staff members, was developed by the Executive Chairman and approved by the Board after benchmarking against the market.

All executives receive a base salary (which is based on factors such as length of service and experience).

The Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented individuals, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. The Board endorses the use of incentive and bonus payments for directors and senior executives.

Options and performance incentives may also be issued as the Group invests in projects which are subsequently successfully monetised, and key performance indicators such as profits and growth can then be used as measurements for assessing Board performance.

Shares awarded to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes option pricing model.

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Chairman determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors as approved at the 2009 Annual General Meeting is $750,000. Any modifications to this amount is subject to approval by shareholders at the Company's Annual General Meeting. To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company. The Company did not engage external remuneration consultants to advise the Board on remuneration matters during the year.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy aims to increase goal congruence between shareholders and directors via the issue of options to directors to encourage the alignment of personal and shareholder interests. During the financial year, the Company's share price traded between a low of $0.018 and a high of $0.08. The price volatility is a concern to the Board but is not considered abnormal for medium sized exploration entities and in the context of volatile global equity markets. In order to keep all investors fully informed and minimise market fluctuations, the Board is determined to maintain promotional activity amongst the investment community so as to increase awareness of the Company and to stabilise the Company's share price in line with a consistent and stable financial position and base value of assets.

	2014	2015	2016	2017	2018
Closing Share Price 30 June	$0.077	$0.026	$0.019	$0.029	$0.03
Profit/(Loss) for the year attributable to members of Cape Lambert Resources Limited	($24,152,240)	($178,909,136)	($30,470,607)	($10,781,531)	($651,170)
Basic EPS	($0.036)	($0.2852)	($0.0469)	($0.0148)	($0.0748)

Details of Remuneration

Remuneration packages contain the key elements incorporated in the Company's Remuneration Policy as detailed above. The following table discloses the remuneration of the directors and key management personnel of the Company:

	Short Term Benefits Cash Salary & Fees $	Post-employment benefits $	Long term benefit Leave $	Share Based Payments – Equity Options[2] $	Total $	% of Total Remuneration Fixed %	At Risk Short Term Incentive %	At Risk Long Term Incentive (Options) %
30 June 2018								
Directors								
T Sage	700,000	-	-	-	700,000	100%	0%	0%
T Turner	60,000	-	-	-	60,000	100%	0%	0%
S Müller	12,000	-	-	-	12,000	100%	0%	0%
J Brewer	32,000	-	-	-	32,000	100%	0%	0%
Other Key Management Personnel								
J Hamilton	204,000	-	-	-	204,000	100%	0%	0%
M Chapman[1]	73,951	7,758	-	-	81,709	100%	0%	0%
Total	**1,081,950**	**7,758**	**-**	**-**	**1,089,709**	**100%**	**0%**	**0%**
30 June 2017								
Directors								
T Sage	700,000	-	-	(52,906)	647,094	100%	0%	0%
T Turner	60,000	-	-	(21,163)	38,837	100%	0%	0%
J Brewer	48,000	-	-	(21,163)	26,837	100%	0%	0%
Other Key Management Personnel								
J Hamilton	185,250	-	-	(20,898)	164,352	100%	0%	0%
M Chapman[1]	168,783	23,275	20,336	(17,415)	194,979	100%	0%	0%
Total	**1,162,033**	**23,275**	**20,336**	**(133,545)**	**1,072,099**	**100%**	**0%**	**0%**

For executives who were appointed or resigned during the year, the remuneration reflected above is that from date of appointment or to date of resignation.

Notes

[1] A portion of Ms M Chapman's salary was recharged to related entity European Lithium Limited and unrelated entities MCS Services Limited and Latin Resources Limited. Long term leave balance represents accrued annual leave. Ms Chapman was an employee and disclosed as a KMP of the Company until 31 October 2017. Since 1 November 2017, Bellatrix Corporate Pty Ltd (Bellatrix) has been engaged via a consultancy agreement to provide company secretarial and accounting services. Ms Chapman is a director of Bellatrix.

[2] Share options issued to directors and key management personnel during the year ended 30 June 2015 were issued for no consideration with vesting subject to the following performance hurdles being met:

- Divestment (wholly or partially) of Marampa (whether by joint venture, sale or IPO); OR
- Sale of Mayoko royalty; OR
- Sale of any major asset by an associate company in the portfolio of companies managed by CFE.

The share options issued were approved by the Company's shareholders at the Annual General Meeting of the Company's shareholders held on 27 November 2014. The director share options were valued using the Black Scholes option valuation method at $0.0457 at the grant date of 27 November 2014. The key management personnel share options were valued using the Black Scholes option valuation method at $0.039 on the date of issue on 27 November 2014. The amount payable upon exercise of each share option is $0.088 and the share options expired on 18 December 2016 without vesting. The share based payment amount detailed in this table represents the portion of the total value of options recognised as a share based payment expense in the relevant year or the amount reversed as a result of the options not vesting.

Additional disclosures relating to options and shares

Options awarded, vested and lapsed

There were no share options granted to executives as remuneration during the years ended 30 June 2018 and 30 June 2017. No share options lapsed during the current year ended 30 June 2018.

Option holdings of directors and key management personnel

	Balance 1-Jul-17 No.	Granted as remuneration No.	Lapsed during the year No.	Exercised during the year No.	Other No.	Balance 30-Jun-17 No.	Vested and exercisable 30-Jun-18 No.
Directors							
T Sage	-	-	-	-	-	-	-
T Turner	-	-	-	-	-	-	-
S Müller	-	-	-	-	-	-	-
J Brewer	-	-	-	-	-	-	-
Other Key Management Personnel							
J Hamilton	-	-	-	-	-	-	-
M Chapman	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

There were no shares issued on the exercise of options during the year.

Share holdings of directors and key management personnel

Details of fully paid ordinary shares of Cape Lambert Resources Limited held by directors and key management personnel are set out below:

	Balance 1-Jul-17 No.	Share based payment received No.	Received on exercise of options No.	On market purchases No.	On market sales No.	Off market purchase No.	Balance 30-Jun-18 No.
Directors							
T Sage	77,766,681	-	-	-	-	-	77,766,681
T Turner	1,523,000	-	-	-	-	-	1,523,000
S Müller	-	-	-	1,000,000	-	-	1,000,000
J Brewer	-	-	-	-	-	-	-
Other Key Management Personnel							
J Hamilton	-	-	-	500,000	(500,000)	-	-
M Chapman	900,000	-	-	-	-	-	900,000
	80,189,681	-	-	1,500,000	(500,000)	-	81,189,681

Other transactions with director related entities

		Sales to related parties	Purchases from related parties	Consulting fees paid	Amounts owed by related parties	Amounts owed to related parties
Director related entities:						
Fashion Council WA	2018	-	4,855	-	-	-
Fashion Council WA	2017	-	7,758	-	-	-
Perth Glory Football Club	2018	-	65,641	-	-	-
Perth Glory Football Club	2017	-	56,700	-	-	-
Okewood Pty Ltd	2018	-	569,694	700,000	-	-
Okewood Pty Ltd	2017	-	568,020	700,000	4,054	-

Perth Fashion Festival Pty Ltd, Okewood Pty Ltd and Okewood Pty Ltd trading as Perth Glory Football Club are entities controlled by Tony Sage. During the year ended 30 June 2018 a total amount of $65,641 (30 June 2017: $56,700) was paid to Okewood Pty Ltd for a corporate box and events of the Perth Glory Football Club. During the year ended 30 June 2018 a total amount of $4,855 (30 June 2017: $7,758) was paid to Perth Fashion Festival Pty Ltd for events held by the Perth Fashion Festival.

Office lease agreement with Okewood Pty Ltd

On 1 April 2012 the Company entered into a lease agreement with Okewood Pty Ltd, a company owned by Tony Sage, for the lease of 32 Harrogate Street, West Leederville WA 6007, as varied by a deed of variation dated 22 June 2015 (**Lease Agreement**). The term of the Lease Agreement is 1 April 2012 to 31 March 2020 with an option to extend. The lease is based on an area of 1,148m² at a rent of $459,200 (excluding GST) per annum, subject to an annual CPI increase, with variable outgoings and parking charged separately at market rates. The Company has entered into a series of sub-lease agreements whereby the Company is entitled to receive rental income. The above minimum lease payments have not been adjusted for any sub-lease rental income payments.

Service Agreements

Executive Director

On 26 September 2013, the Company entered into a consultancy contract with the Executive Chairman, Tony Sage for a period of 3 years from 28 August 2013. Pursuant to the terms of the contract, Mr Sage is paid an annual fee of $700,000 per annum (plus GST) for performing the role as Executive Chairman of the Company with the specific responsibility for all negotiations and strategic networking to facilitate the acquisition and disposal of assets of the

Company. Under that contract, Mr Sage is not entitled to any set long or short term bonus or incentive. For the avoidance of doubt, there is no fixed formula under which any incentives or bonuses are payable by the Company to Mr Sage. During the term of the contact, the Remuneration Committee may consider incentive plans and bonus structures that will be focussed on the Executive Chairman achieving performance hurdles based on a material increase in the net market capitalisation of the Company and returns to shareholders of the Company, such as dividends. The contract may be terminated by either party, without cause, providing 3 months' notice (or payment in lieu).

Upon expiry of the Executive Chairman contract on 28 August 2016, the Company has entered into a new 3 year consultancy contract. The key terms of the new contract are consistent with those of the existing one with the exception of the inclusion of an incentive structure of 10-20%, subject to Remuneration Committee approval, which is dependent on the achievement of all key performance milestones detailed in the consultancy contract.

Non-Executive Directors
The engagement conditions of non-executive director Tim Turner were approved by the Board on 30 November 2007. A fee of $60,000 per annum plus GST was subsequently approved by the Board on 28 August 2009.

The engagement conditions of non-executive director Jason Brewer were approved by the Board on commencement of engagement on 31 December 2013 with a fee of $48,000 plus GST per annum. Mr Brewer resigned on 28 February 2018.

The engagement conditions of non-executive director Stefan Müller were approved by the Board on 4 December 2017 with a fee of $24,000 per annum exclusive of GST.

Other Key Management Personnel
The engagement conditions of contractor J Hamilton were approved by the Board on commencement of his engagement in April 2006. A subsequent review was undertaken and a fee of $1,500 per day plus GST was approved.

Ms M Chapman was an employee and disclosed as a KMP of the Company until 31 October 2017. A portion of Ms Chapman's salary has been recharged to related party European Lithium Limited . Since 1 November 2017, Bellatrix Corporate Pty Ltd (Bellatrix) has been engaged via a consultancy agreement to provide company secretarial and accounting services. Ms Chapman is a director of Bellatrix.

2017 Annual General Meeting

The Company received 93.09% of 'yes' votes and 6.52% 'no' votes on its remuneration report for the year ending 30 June 2018.

This is the end of the audited remuneration report

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Non Audit Services

The Board of Directors is satisfied that the provision of any non-audit services by the Company's auditors is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* because:

- All non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided is reviewed to ensure that they do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year $Nil was paid or payable (2017: $30,268) to the auditor or its related practices for non-audit services.

Share Options

Share Options Granted to Directors and Employees and Consultants

During the financial year, there were nil share options granted to directors, employees and consultants (30 June 2017: Nil). A total of nil (30 June 2017: 3,800,000) of such options were forfeited or lapsed during the current year and nil (30 June 2017: nil) were forfeited or lapsed subsequent to balance date.

Share Options Granted to Facilitators

On 19 March 2018 5,000,000 unlisted options with an exercise price of $0.07, expiring on 19 March 2020 were issued to facilitators of the Placement. There were no vesting conditions attached to these options.

On 27 June 2018 5,250,000 unlisted options with an exercise price of $0.04, expiring on 31 March 2020 were issued to facilitators of the Placement. There were no vesting conditions attached to these options.

Share Options on Issue at Year End

Unissued ordinary shares of Cape Lambert under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price of shares	Number under option
12 March 2018	12 March 2020	$0.07	15,336,363
19 March 2018	19 March 2020	$0.07	7,667,727
31 March 2018	31 March 2020	$0.04	5,250,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. No shares were issued during the current year as a result of the exercise of options.

Since 30 June 2018, 23,500,000 share options have been exercised for total consideration of $1,175,000. No amounts are unpaid on any of the shares.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 22 for the year ended 30 June 2018.

This report is signed in accordance with a resolution of the Board of Directors.

Tony Sage
Director
Dated this 28 September 2018

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Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF CAPE LAMBERT RESOURCES LTD

As lead auditor of Cape Lambert Resources Ltd for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cape Lambert Resources Ltd and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 28 September 2018

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees

CORPORATE GOVERNANCE STATEMENT

In March 2014, the ASX Corporate Governance Council released a third edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**).

The Company's Corporate Governance Statement for the year ended 30 June 2018 (which reports against these ASX Principles) may be accessed from the Company's website at www.capelam.com.au.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
Revenue	3(a)	368,377	678,328
Other income	3(b)	700,069	659,974
Share based payments	5(c)	(162,224)	266,775
Directors remuneration and employee benefits expenses		(570,026)	(1,847,419)
Consulting and professional services		(1,614,757)	(1,232,790)
Occupancy expenses	3(d)	(672,291)	(1,096,276)
Compliance and regulatory expenses		(183,148)	(212,982)
Travel and accommodation		(219,465)	(250,203)
Depreciation and amortisation expense	3(c)	(28,251)	(257,991)
(Loss)/Gain on fair value of financial assets through profit & loss	3(f)	(1,001,618)	153,391
Finance expenses		(241)	(2,050)
Other expenses	3(e)	(1,017,437)	(750,730)
Impairment on fixed assets	10	-	(35,932)
Impairment of receivable		211,419	(354,317)
Write off office security bond		-	(20,573)
Impairment of loans	7	-	(159,250)
Reversal/(Impairment) of interest receivable		-	(107,881)
De-recognition of capitalised exploration	14	(2,109,292)	(2,837,518)
Reversal/(Impairment) of investment in associate	11(e)	(6,852,289)	2,652,243
Reversal/(Impairment) of investment		-	(30,000)
Share of net losses of associates accounted for using the equity method	11(b)	148,108	(2,555,741)
Share of net losses of joint venture accounted for using the equity method	12(a)	(157,895)	-
Gain on dilution of interest in associate	11(b)	881,851	1,623,455
Gain transfer from associate accounting to fair value through profit and loss	11(b)	1,408,338	-
Share of net losses of deconsolidated entity	30	(224,376)	-
Gain on deconsolidation	30	10,242,555	-
Profit/(loss) before income tax		(852,593)	(5,717,487)
Income tax (expense)/benefit	4	24,297	(5,227,739)
Net loss for the year		**(828,296)**	**(10,945,226)**
Other comprehensive income/(expenditure) net of tax			
Items that may be reclassified subsequently to profit and loss			
Foreign exchange differences arising on translation of foreign operations		(153,928)	193,399
Share of reserves of associates accounted for using the equity method		186,871	131,460
Fair value gain/(loss) on available for sale financial assets		-	(1,750)
Total comprehensive loss for the year		**(795,353)**	**(10,622,117)**
Loss for the year attributable to:			
Members of Cape Lambert Resources Ltd		(651,170)	(10,781,531)
Non-controlling interests		(177,126)	(163,695)
		(828,296)	(10,945,226)
Total comprehensive loss for the year attributable to:			
Members of Cape Lambert Resources Ltd		(618,227)	(10,458,422)
Non-controlling interests		(177,126)	(163,695)
		(795,353)	(10,622,117)
Loss per share attributable to members of Cape Lambert Resources Ltd:			
Basic loss per share (cents per share)	20	(0.07)	(1.48)
Diluted loss per share (cents per share)	20	(0.07)	(1.48)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	27(a)	1,015,522	1,110,287
Restricted cash and cash equivalents	9	44,546	104,617
Trade and other receivables	7	320,355	788,077
TOTAL CURRENT ASSETS		1,380,423	2,002,981
NON-CURRENT ASSETS			
Other financial assets	8	2,567,722	1,208,188
Restricted cash	9	81,833	81,833
Plant and equipment	10	109,576	131,033
Investments accounted for using equity method	11	7,115,698	3,417,907
Investment in joint venture accounted for using equity method	12	2,882,726	-
Deferred expenses	13	-	2,715,801
Exploration and evaluation expenditure	14	1,107,642	33,551
TOTAL NON-CURRENT ASSETS		13,865,197	7,588,313
TOTAL ASSETS		**15,245,620**	**9,591,294**
CURRENT LIABILITIES			
Trade and other payables	15	8,251,795	6,608,125
Application funds	9	-	60,000
Provisions	16	1,055,262	334,841
Current tax liabilities	4	5,203,442	5,227,739
TOTAL CURRENT LIABILITIES		14,510,499	12,230,705
TOTAL LIABILITIES		**14,510,499**	**12,230,705**
NET ASSETS/(NET LIABILITIES)		**735,121**	**(2,639,411)**
EQUITY			
Issued capital	17	200,730,049	196,771,578
Reserves	18	23,604,936	23,320,641
Accumulated losses	19	(223,599,865)	(222,948,696)
Parent interests		735,120	(2,856,477)
Non-controlling interest		-	217,066
TOTAL EQUITY/(DEFICIENCY)		**735,121**	**(2,639,411)**

The above Consolidated Statement of Financial Position should 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 $	Share Based Payment Reserve $	Available for Sale Reserve $	Foreign Currency Translation Reserve $	Equity Reserve $	Parent Equity Interest Total $	Non-controllin g interest $	Total $
Balance at 1 July 2017		**196,771,578**	**(222,948,696)**	**2,167,905**	**-**	**22,332,366**	**(1,179,630)**	**(2,856,477)**	**217,066**	**(2,639,411)**
Loss for the year		-	(651,170)	-	-	-	-	(651,170)	(177,126)	(828,296)
Other comprehensive income										
Share of reserves of associates	18	-	-	62,814	-	124,057	-	186,871	-	186,871
Forex (gain) / loss on translation of foreign operations	18	-	-	-	-	(153,928)	-	(153,928)	-	(153,928)
Total comprehensive income/(loss) for the year		-	(651,170)	62,814	-	(29,871)	-	(618,227)	(177,126)	(795,353)
Transactions with owners in their capacity as owners										
Placement of shares (net of costs)	17	3,958,473	-	-	-	-	-	3,958,473	-	3,958,473
Share based payments expense		-	-	162,224	-	-	-	162,224	-	162,224
Movement in non-controlling interest		-	-	-	-	-	89,129	89,129	412,071	501,201
Deconsolidation of Fe Ltd	30	-	-	-	-	-	-	-	(452,011)	(452,011)
Transactions with equity holders in their capacity as owners		3,958,473	-	162,224	-	-	89,129	4,209,826	(39,940)	4,169,887
Balance at 30 June 2018		**200,730,051**	**(223,599,866)**	**2,392,942**	**-**	**22,302,495**	**(1,090,501)**	**735,120**	**-**	**735,121**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Available for Sale Reserve $	Foreign Currency Translation Reserve $	Equity Reserve $	Parent Equity Interest Total $	Non-controlling interest $	Total $
Balance at 1 July 2016		**193,581,578**	**(212,167,165)**	**2,434,680**	**1,750**	**22,007,507**	**(1,389,138)**	**4,469,212**	**(35,792)**	**4,433,420**
Loss for the year		-	(10,781,531)	-	-	-	-	(10,781,531)	(163,695)	(10,945,226)
Other comprehensive income										
Share of reserves of associates	18	-	-	-	-	131,460	-	131,460	-	131,460
Forex (gain) / loss on translation of foreign operations	18	-	-	-	-	193,399	-	193,399	-	193,399
Fair value gain on available for sale financial assets		-	-	-	(1,750)	-	-	(1,750)	-	(1,750)
Total comprehensive income/(loss) for the year		-	(10,781,531)	-	(1,750)	324,859	-	(10,458,422)	(163,695)	(10,622,117)
Transactions with owners in their capacity as owners										
Placement of shares (net of costs)	17	3,190,000	-	-	-	-	-	3,190,000	-	3,190,000
Share based payments expense		-	-	(266,775)	-	-	-	(266,775)	-	(266,775)
Increase in non-controlling interest		-	-	-	-	-	209,508	209,508	416,553	626,061
Transactions with equity holders in their capacity as owners		3,190,000	-	(266,775)	-	-	209,508	3,132,733	416,553	3,549,286
Balance at 30 June 2017		**196,771,578**	**(222,948,696)**	**2,167,905**	**-**	**22,332,366**	**(1,179,630)**	**(2,856,477)**	**217,066**	**(2,639,411)**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
CASHFLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of GST)		(3,448,618)	(3,263,674)
Interest received		8,998	34,378
Net cash used in operating activities	27(b)	(3,439,620)	(3,229,296)
CASHFLOWS FROM INVESTING ACTIVITIES			
Payment for acquiring interests in associated entities	11(b)	-	(194,687)
Payments for other investments		150,000	(36,437)
Payments for exploration and evaluation		(1,266,224)	(2,904,040)
Deferred expenses		-	(98,233)
Investment in joint venture		(324,819)	-
Proceeds on sale of royalty	23	500,000	-
Purchase of equity investments in listed entities	8	-	(100,000)
Proceeds from sale of equity investments		540,283	683,067
Cash balances on disposal of controlled entity (FEL)	30	(381,805)	-
Proceeds from sale of property, plant and equipment		(6,794)	42,540
Net cash from/(used in) investing activities		(789,360)	(2,607,790)
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of costs	17	3,684,455	670,000
Proceeds from share issue of subsidiary		-	662,500
Proceeds from issuing loan note		65,000	-
Repayment of loan note		384,759	-
Net cash from/(used in) financing activities		4,134,214	1,332,500
Net decrease in cash and cash equivalents		(94,765)	(4,504,586)
Cash and cash equivalents at beginning of period		1,110,287	5,614,871
Foreign exchange gain		-	2
Cash and cash equivalents at end of period	27(a)	1,015,522	**1,110,287**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The consolidated financial statements of Cape Lambert Resources Limited and its subsidiaries (collectively, the **Group**) for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 28 September 2018.

Cape Lambert Resources Limited (the **Company** or the **Parent**) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature and operations and principal activities of the Group are described in the directors' report.

Information of the Group's structure is provided in Note 24. Information on other related party relationships is provided in Note 26.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial report has been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The Group is a for-profit public listed company, incorporated and domiciled in Australia.

(b) Going concern

This consolidated financial report has been prepared on the basis that the consolidated entity will continue normal business activities and realise assets and settle liabilities in the ordinary course of business.

During the year ended ended 30 June 2018, the Consolidated Entity incurred losses after income tax of $828,296 (30 June 2017: $10,945,226), net cash outflows from operating activities of $3,439,620 (30 June 2017: $3,229,296), and at that date had cash on hand of $1,015,522 (30 June 2017: $1,110,287).

The consolidated entity's ability to continue as a going concern and to continue to fund its planned expanded activities is dependent on raising further capital and / or generating additional revenues from its operations and / or reducing operational costs.

These conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe the consolidated entity will continue as a going concern, after consideration of the following factors:

- The Consolidated Entity has recent successful experience in raising capital having raised $3.8 million through share placements during the year; and
- The consolidated entity has successfully completed the planned first phase of its commercial strategy and now requires additional capital for its next phase. The Company's current intention is to raise additional capital prior to the end of the calendar year through equity or debt in order to fund its expansion and working capital requirements. Initial discussions have commenced with a number of Australian stock brokers and the directors are confident of a successful outcome within the next 12 months; and

- Realisation of certain of the Groups financial assets; and
- The consolidated entity is continuing efforts to secure key customers in key markets and are similarly confident of generating additional sales revenue within the next 12 months.

Should the consolidated entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

(c) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).
Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(d) Changes in accounting policy, disclosures, standards and interpretations

New accounting standards adopted in the current period

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are mandatory for the current reporting period. Adoption of these standards and interpretations did not have any effect on the statements of financial position or performance of the Company. The Company has not elected to early adopt any new standards or amendments.

The following relevant standards and interpretations have been applied for the first time for the year ended 30 June 2018:

Reference	Title	Summary	Application date of standard	Application date for CFE
AASB 2016-1	*Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*	This Standard makes amendments to AASB 112 *Income Taxes* to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value.	1 January 2017	1 July 2017
AASB 2016-2	*Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*	The amendments to AASB 107 *Statement of Cash Flows* are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). Refer to note 27 for reconciliation.	1 January 2017	1 July 2017
AASB 2017-2	*Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*	This Standard clarifies the scope of AASB 12 *Disclosure of Interests in Other Entities* by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale or discontinued operations in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.	1 January 2017	1 July 2017

New accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2018. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

Reference	Title	Summary	Application date of standard	Application date for CFE
AASB 9, and relevant amending standards	*Financial Instruments*	AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139. The entity has short term trade receivables. When this Standard is adopted, the entity's loss on allowance of trade receivables is expected to increase. The group is currently assessing the impact of this transition at 1 July 2018. Based on the Company's initial assessment, there will be no significant change from the current measurement of the Company's financial instruments and classification of its financial instruments at fair value through profit and loss.	1 January 2018	1 July 2018
AASB 2016-5	*Amendments to Australian Accounting Standards –*	This Standard amends AASB 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: - The effects of vesting and non-vesting conditions on the	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard	Application date for CFE
	Classification and Measurement of Share-based Payment Transactions	measurement of cash-settled share-based payments - Share-based payment transactions with a net settlement feature for withholding tax obligations - A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Based on the Company's initial assessment, there will be no significant change from the current measurement of the Company's share-based payment transactions		
Interpretation 23	*Uncertainty over Income Tax Treatments*	The Interpretation clarifies the application of the recognition and measurement criteria in AASB 12 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: - Whether an entity considers uncertain tax treatments separately - The assumptions an entity makes about the examination of tax treatments by taxation authorities - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates - How an entity considers changes in facts and circumstances.	1 January 2019	1 July 2019
AASB 15	*Revenue from Contracts with Customers*	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption. The Consolidated Entity does not expect a significant effect on the financial statements resulting from the change of this standard however the Consolidated Entity is in the process of evaluating the impact of the new revenue standard. The changes in the Consolidated Entity's accounting policies from the adoption of AASB 15 will be applied from 1 July 2018.	1 January 2019	1 July 2019
AASB 16	*Leases*	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases into its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117. The Consolidated Entity is in the process of evaluating the impact of the new leases standard. The changes in the Group's accounting policies from the adoption of AASB 16 will be applied from 1 July 2019 onwards.	1 January 2019	1 July 2019

The Group is in the process of determining the impact of the above on its financial statements. The Group has not elected to early adopt any new Standards or Interpretations.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Cape Lambert Resources Limited (**Cape Lambert**) and its subsidiaries as at 30 June 2018 (the **Group**).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Business combinations are accounted for using the acquisition method.

(f) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in statement of comprehensive income and reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position. Restricted cash relates to term deposits held with various financial institutions as security for bank guarantees.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(i) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Office equipment	3 years
Plant and equipment	3 years
Motor vehicles	3 years
Furniture and fittings	5 years
Leasehold improvements	over the period of the lease

(j) Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group has the following financial assets:

Financial Assets at Fair Value through Profit or Loss

Certain shares and options held for trading have been classified as financial assets at fair value through profit or loss. Financial assets held for trading purposes are stated at fair value, with any resultant gain or loss recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. Assets in this category are classified as current assets if they are expected to be realised within 12 months otherwise they are classified as non-current assets.

Loans and Receivables

Trade receivables, loans, and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recorded at amortised cost less impairment. Impairment is determined by review of the nature and recoverability of the loan or receivable with reference to its terms of repayments and capacity of the debtor entity to repay the debt. If the recoverable amount of a receivable is estimated to be less than its carrying amount, the carrying amount of receivable is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. They are included in current assets, other than those with maturities greater than 12 months from reporting date which are classified as non-current assets.

Available for sale financial assets

Available for sale financial assets are those non-derivative financial assets, principally equity securities, that are designated as available for sale or are not classified as 'at fair value through profit or loss', 'held-to-maturity' investments or 'loans and receivables'. Available for sale financial assets are measured at fair value, or cost where fair value is unable to be reliably measured, until the investment is disposed of or determined to be impaired, at which time the gain or loss on disposal or the impairment is recognised in the profit or loss. They are included in non-current assets unless management intends to dispose of the investment within 12 months.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is reclassified from equity and recognised in profit or loss as a reclassification adjustment. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

(k) Debt and Equity Instruments Issued by the Group

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

(l) Foreign Currency

Foreign currency transactions and balances

All foreign currency transactions occurring during the financial year are recognised at the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in the profit or loss in the period in which they arise except those exchange differences which relate to assets under construction for future productive use which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

Functional and presentation currency

Items included in the financial statements of each of the companies within the Group are measured using the currency of the primary economic environment in which they operate (the functional currency). The consolidated financial statements are presented in Australian dollars, which is Cape Lambert's functional and presentation currency.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
b. income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
c. all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(m) Trade and other payables

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

(n) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be wholly settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be wholly settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Refer also to note 2(s) for accounting policy regarding share based payments.

(o) Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

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

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

(p) Impairment of non-current assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(q) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Group intends to settle its current tax assets and liabilities on a net basis. The Group has implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

(r) Revenue recognition

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

Interest Revenue

Interest revenue is recognised using the effective interest rate method.

(s) Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability and exercise restrictions.

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

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

(t) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest where right of tenure is current and active and significant operations are continuing in the area of interest. Costs associated with these identifiable areas of interests are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full in the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(u) Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing 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.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interests and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(v) Business Combinations

The acquisition method of accounting is used to account for all business combinations. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to the former owners of the acquiree and the equity issued by the acquirer, and the amount of any non controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Costs directly attributable to the acquisition are expensed.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non controlling shareholders' interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets acquired, the difference is recognised directly in the statement of profit or loss and other comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

Any contingent consideration to be transferred by the acquiree is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(w) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease.

(x) Contributed equity

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

(y) Parent entity financial information

The financial information for the parent entity, Cape Lambert Resources Limited, disclosed in note 29 has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries and associates
Investments in subsidiaries and associates are accounted for at cost in the financial statements of Cape Lambert Resources Limited. Dividends received from associates are recognised in the parent entity's statement of profit or loss and other comprehensive income, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation
Cape Lambert Resources Limited and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Cape Lambert Resources Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have entered into a tax funding agreement under which the wholly-owned entities fully compensate Cape Lambert Resources Limited for any current tax payables assumed and are compensated by Cape Lambert Resources Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Cape Lambert Resources Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligation to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(z) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed as balance date.

(ab) Critical Judgements in Applying the Group's Accounting Policies

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

Exploration and Evaluation
The Group's accounting policy for exploration and evaluation is set out at note 2(t). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves may be determined. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure, it is determined that recovery of the expenditure by future exploitation or sale is unlikely, then the relevant capitalised amount is written off in the statement of profit or loss and other comprehensive income.

Income taxes
The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations.

Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax laws in the relevant jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Group recognises deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority against which the unused tax losses can be utilised. However, utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

Impairment
The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amounts of the assets are determined.

As at 30 June 2018, management have recognised impairment losses in respect of those assets which had a carrying value which exceeded their recoverable amounts.

Accounting for Investments
The Group makes judgements as to its level of influence over its investments, which impacts how it accounts for these investments. The Group may determine that control of an investment exists, despite its interest in it being less than 50%. The criteria for this assessment includes: power over the investee; the right to variable returns from its involvement with the investee; and the ability to use power over investee to affect investment returns. If, on the balance of these criteria, control is deemed to exist, the Group accounts for its investment using the consolidation method. The Group may also determine that significant influence of an investment exists, despite its interest in it being less than 20%. The criteria for this assessment includes: representation on the investee's board of directors, participation in policy making processes; material transactions between investor and investee; interchange of

managerial personnel; and the provision of essential technical information. If, on the balance of these criteria, significant influence is deemed to exist, the Group accounts for its investment using the equity method.

3. PROFIT/(LOSS) FROM OPERATIONS

	Note	2018 $	2017 $
(a) Revenue			
Interest income		8,998	87,666
Rental revenue		359,378	590,662
		368,377	678,328
(b) Other income			
Unrealised foreign currency exchange gain/(loss)		(1,644)	(19,065)
Foreign currency exchange gain/(loss)		(7,185)	(12,537)
Gain on sale of fixed assets		1,091	95,570
Gain on sale of tenements		-	138,783
Sale of Mayoko royalty (Note 22)		500,000	-
Other income		207,807	457,223
		700,069	659,974
(c) Depreciation and amortisation expense			
Depreciation of plant and equipment		(26,890)	(100,181)
Amortisation of leasehold improvements		(1,361)	(157,810)
	10	(28,251)	(257,991)
(d) Occupancy expenses			
Rental expense relating to operating leases - minimum lease payments		(492,432)	(891,509)
Other occupancy expenses		(227,046)	(550,622)
Provision for end of lease obligations		47,187	(125,805)
Movement in provision for onerous lease contracts		-	471,660
		(672,291)	(1,096,276)
(e) Other expenses			
Administration expenses		(415,082)	(530,454)
Exploration expenditure expensed/(reversed)		(599,473)	(212,155)
Other expenses		(2,882)	(8,121)
		(1,017,437)	(750,730)
(f) Gain / (loss) on fair value of financial assets through profit and loss			
Gain / (loss) on fair value of financial assets (shares in listed entities) through profit and loss	8(a)	(1,001,618)	153,391
		(1,001,618)	153,391

4. INCOME TAXES

	2018 $	2017 $
Major components of income tax expense for the year are:		
Income statement		
Current income		
Current income tax charge / (benefit)	(24,297)	5,227,739
Income tax (benefit) / expense reported in income statement	(24,297)	5,227,739
Statement of changes in equity		
Income tax expense reported in equity	-	-

The Company has been the subject of an audit by the Australian Taxation Office (**ATO**) regarding various taxation matters, covering the 2011 - 2015 income years. The key issue in dispute is the tax treatment of the disposal of certain assets.

Subsequent to the year end, on 31 July 2018, the Company reached an out of court settlement with the ATO. Under the terms of the settlement, the Company has, on a without admission of liability basis, agreed to make final settlement payments to the ATO totalling $5,203,442 following the issue of amended assessments for each of the respective income tax years in dispute. Included in the settlement is a shortfall interest component of $790,000. The settlement is payable over 5 years until March 2023. Under the terms of the settlement, the Company retains all carry forward losses.

The Company's wholly owned subsidiary, Dempsey Resources Pty Ltd (**Dempsey**), has agreed to provide the ATO with security over its shareholdings in Fe Limited and Cauldron Energy Ltd as collateral.

The Company recognised an amount of $5,227,739 in the Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 30 June 2017. The variance of ($24,297) to the final settlement amount of $5,203,442 has been recognised in the current years Consolidated Statement of Profit and Loss and Other Comprehensive Income.

The agreed settlement figure of $5,203,442 represents full and final settlement and removes the potential for any further payments to the ATO under the amended assessments.

Reconciliation

A reconciliation of income tax expense / (benefit) applicable to accounting profit / (loss) before income tax at the statutory income tax rate to income tax expense / (benefit) at the Company's effective income tax rate for the year is as follows:

	2018 $	2017 $
Accounting profit / (loss) before income tax	(852,593)	(5,717,487)
Income tax benefit at the statutory income tax rate of 30% (2017: 30%)	(255,778)	(1,715,246)
Adjusted for:		
Non-deductible expenses	22,562	25,057
Share based payments	48,667	(80,032)
Deferred tax assets and tax losses not recognised	9,437,686	2,398,901
Share of losses of associates	(3,661,885)	279,686
Impairment/de-recognition of exploration assets	184,007	521,125
Impairment loss on associates	2,055,687	(795,673)
Forgiveness of intercompany loans	(4,249,559)	(203,532)
Capitalised exploration	-	(300,037)
Transfer investment in associate to investment in listed entity at fair value	(3,581,389)	(130,249)
Commissioner's Settlement Offer (as detailed above)	(24,297)	5,227,739
Income tax expense / (benefit) reported in income statement	(24,297)	5,227,739

Recognised deferred tax assets and liabilities

The deferred tax liability balance comprises temporary differences attributable to:

	2018 $	2017 $
The deferred tax liability balance comprises temporary differences attributable to:		
Accrued income	854,528	746,235
Capitalised expenditure	801,480	458,407
Unrealised foreign exchange gains / losses	(676,406)	(681,483)
Financial assets	3,074,235	(807,637)
Bad debts	5,128	106,295
Costs deductible over five years	143,030	(3,549)
Deferred tax liability	4,201,995	(181,732)
The deferred tax asset balance comprises temporary differences attributable to:		
Accrued expenses and provisions	(4,201,995)	181,732
Deferred tax asset	(4,201,995)	181,732
Net deferred tax asset /(liability)	-	-

Movement in temporary differences during the current year

Consolidated	Balance 1 July 2017 $	Recognised in Income $	Balance 30 June 2018 $
Accrued expenses and provisions	746,235	108,294	854,528
Financial assets	(807,637)	3,881,872	3,074,235
Capitalised exploration expenditure	458,407	343,074	801,480
Unrealised foreign exchange gains / losses	(681,483)	5,077	(676,406)
Other	102,746	45,413	148,158
Net deferred tax asset / (liability)	(181,732)	4,383,730	4,201,995

Movement in temporary differences during the prior year

Consolidated	Balance 1 July 2016 $	Recognised in Income $	Balance 30 June 2017 $
Accrued expenses and provisions	427,515	318,720	746,235
Financial assets	(252,310)	(555,327)	(807,637)
Capitalised exploration expenditure	-	458,407	458,407
Unrealised foreign exchange gains / losses	(672,648)	(8,835)	(681,483)
Other	-	102,746	102,746
Net deferred tax asset / (liability)	(497,443)	315,711	(181,732)

	2018 $	2017 $
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	214,884,916	197,029,801
@ 30%	64,465,475	59,108,940

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits. As part of the deed of settlement, the Company's carried forward tax losses as at 30 June 2015 have been amended as follows:

- Group income tax losses $19,001,334; and
- Group capital losses $29,242,713.

5. SHARE-BASED PAYMENT ARRANGEMENTS

(a) Shares

Share-based payments granted during the current year
There were no shares issued as share based payments made during the year.

Share-based payments granted during the prior year
The company issued 90,000,000 shares during 2017 as part of the Kipushi consideration shares. The shares were valued based on the Company's share price of $0.028 at the grant date (total cost 2,520,000) and capitalised as deferred charges. These shares were approved at a general meeting on 12 May 2017 and were issued on 7 June 2017.

(b) Options

Options granted as share based payments during the current year
The following options were granted as share based payment arrangements during the year (2017: Nil):

On 19 March 2018 5,000,000 unlisted options with an exercise price of $0.07 and a fair value of $0.0183, expiring on 19 March 2020 were issued to facilitators of the Placement. There were no vesting conditions attached to these options.

On 27 June 2018 5,250,000 unlisted options with an exercise price of $0.04 and a fair value of $.0134, expiring on 31 March 2020 were issued to facilitators of the Placement. There were no vesting conditions attached to these options.

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted.

	Assumption	
Number options issued to corporate advisor	5,000,000	5,250,000
Dividend yield	0.00%	0.00%
Expected volatility	106%	104%
Risk-free interest rate	1.99%	2.05%
Expected life of options	2 years	1.76 years
Exercise price	$0.07	$0.04
Grant date share price	$0.042	$0.030
Fair value per option	$0.0183	$0.0134

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Options outstanding at balance date

The following options were outstanding at 30 June 2018 (2017: Nil):

Grant Date	Class of Shares	Exercise Price	Number of Options	Expiry Date	Listed/Unlisted
19 March 2018	Ordinary	$0.07	5,000,000	19 March 2020	Unlisted
31 March 2018	Ordinary	$0.04	5,250,000	31 March 2020	Unlisted
			10,250,000		

Reconciliation of options on issue

The following reconciles the outstanding share options granted, exercised and lapsed during the financial year:

	2018 Number of Options	2018 Weighted Average Exercise Price $	2017 Number of Options	2017 Weighted Average Exercise Price $
Balance at beginning of the financial year	-	-	7,675,000	0.088
Granted during the financial year	10,250,000	0.05	-	-
Exercised during the financial year (i)	-	-	-	-
Lapsed during the financial year (ii)	-	-	(7,675,000)	0.088
Forfeited during the financial year (iii)	-	-	-	-
Balance at end of the financial year	10,250,000	0.05	-	-
Exercisable at end of the financial year	10,250,000	0.05	-	-

(i) During the current and previous year, there were no share options exercised.
(ii) During the current year nil (30 June 2017: 7,675,000) share options lapsed.
(iii) During the current and previous year, there were no share options forfeited.

Rights attaching to options

The Employee Incentive Scheme, approved by the shareholders in December 2000, entitles each option holder to one share exercisable any time up to or on the expiry date at the stated exercise price; does not confer the right to a change in exercise price; subject to the *Corporations Act 2001*, the ASX Listing Rules and the Company's Constitution are freely transferable; the shares, upon exercise of the options, will rank pari passu with the Company's then issued shares; will be applied for quotation; the Option Holder can participate in a pro rata issue to the holders of the underlying securities in the Company if the Options are exercised before the record date of an entitlement; in the event of any reconstruction of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

(c) Expenses arising from share-based payments

Total costs arising from share-based payment transactions recognised as expenses during the year are as follows:

	2018 $	2017 $
Options issued to employees and consultants	162,224	(171,543)
Options issued to directors	-	(95,232)
	162,224	(266,775)

The 2018 expense relates to the issue of the options detailed in note 5(b) above.

The 2017 credit balances relate to share options issued to directors and key management personnel during the year ended 30 June 2015 were issued for no consideration with vesting subject to the following performance hurdles being met:

- Divestment (wholly or partially) of Marampa (whether by joint venture, sale or IPO); OR
- Sale of Mayoko royalty; OR
- Sale of any major asset by an associate company in the portfolio of companies managed by CFE.

The share options issued were approved by the Company's shareholders at the Annual General Meeting of the Company's shareholders held on 27 November 2014. The director share options were valued using the Black Scholes option valuation method at $0.0457 at the grant date of 27 November 2014. The employee and consultant share options were valued using the Black Scholes option valuation method at $0.039 on the date of issue on 27 November 2014. The amount payable upon exercise of each share option is $0.088 and the share options expired on 18 December 2016 without vesting. The share based payment amounts in 2017 represent the portion of the total value of options recognised as a share based payment expense in the relevant year less the amount reversed as a result of the options not vesting.

6. REMUNERATION OF AUDITORS

The auditor of Cape Lambert Resources Limited is BDO (WA) Pty Ltd.

	2018 $	2017 $
Amounts received or due and receivable by BDO (WA) Pty Ltd for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	59,970	-
Tax	-	-
Other	-	-
	59,970	-
Amounts received or due and receivable by related practices BDO (WA) Pty Ltd for:		
Tax	-	-
Other	-	-
	-	-
Amounts received or due and receivable by non-BDO (WA) Pty Ltd audit firms for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	20,828	185,817
	20,828	185,817

7. TRADE AND OTHER RECEIVABLES

	Note	2018 $	2017 $
Trade and other receivables – current			
Trade debtors		3,737,577	3,899,953
GST recoverable and other debtors		100,035	52,527
Prepayments		36,700	151,043
Interest receivable		70	80,000
Deferred consideration receivable	(a)	2,500,000	2,500,000
Loans receivable	(b)	-	370,000
Allowance for doubtful debts	(c)	(6,054,027)	(6,265,446)
		320,355	788,077

(a) Deferred consideration receivable payable on the achievement of a production milestone. This receivable has been previously provided for in full.

(b) Current loans receivable at balance date are made up as follows:

		Carrying value of loans	
		2018	2017
	Interest rate	$	$
Loan of $200,000 and US$150,000 (i)	10.0%	-	419,184
Convertible loan note of $250,250 (ii)	15.0%	159,250	159,250
Loan of $370,000 (iii)	10.0%	-	370,000
Loan of USD$8,000,000 (iv)	Libor + 6%	10,447,200	10,447,200
Carrying value of loans		10,606,450	11,395,634
Impairment of receivables		(10,606,450)	(11,025,634)
Current carrying value at amortised cost at balance date		-	370,000

	2018	2017
	$	$
Movements:		
Opening balance	370,000	529,250
Repayment of loans	(370,000)	-
Conversion of convertible loan notes	419,184	-
Impairment of loans receivable	(419,184)	(159,250)
Current carrying value at amortised cost at balance date	-	370,000

(i) In May 2014 the Company advanced a short term loan of $200,000 to International Goldfields Limited (ASX: IGS). Interest is payable at 10% per annum and repayment was due on 30 June 2015. In May 2015, the Company advanced a further short term loan of US$150,000 to IGS. In part consideration for the loan agreement, the Company will receive an arrangement fee of US$10,000 and default interest on overdue amounts is payable at 10% per annum. The loans were due for repayment on 18 May 2015. The loans have been previously provided for in full. In April 2018 the loans were converted into equity with the issue of 392,307,692 shares.

(ii) In August 2014, the Company entered into a converting loan agreement with Kiwanda Mines (NA) LLC for $250,250. The loans were due for repayment or conversion on 12 August 2015. During the year ended 30 June 2016, the Company received cash of $91,000 for the partial redemption of the convertible note. The balance of the loan receivable has been provided for in full.

(iii) In November 2014, the Company advanced a loan of $320,000 to Allegra Capital Pty Ltd (**Allegra**). Interest is payable at 10% per annum and repayment is due on or before 25 May 2016. In May 2016, a deed of variation was entered into extending the repayment date to 31 October 2016. In May 2016, the Company advanced a further short term loan of $50,000 to Allegra. Interest is payable at 10% per annum and the loan was due for repayment on 31 October 2016. During the year ended 30 June 2018 the loan was repaid in full.

(iv) On 22 October 2014, the Company announced that it had entered into a US$20 million funding agreement with Timis Mining (**Agreement**) to assist it with the acquisition of London Mining's Marampa Iron Ore Mine (**Mine**) from the administrator of London Mining PLC. The Agreement was divided into two parts, being (a) US$8 million Bridging Finance loan and US$12 million for the purchase of a royalty. The bridging finance loan of US$8 million was repayable in October 2015 and incurs interest of 3 month US LIBOR (London interbank offered rate) + 6%. This loan has previously been provided for in full.

Risk Exposure

The Group's exposure to risk is discussed in more detail in note 28. An impairment allowance of $10,606,450 in the current year (30 June 2017: $11,025,634) has been raised in relation to loans past due and objective evidence of impairment.

Movements in the impairment allowance:

	2018 $	2017 $
Opening balance at beginning of the year	11,025,634	10,866,384
Impairment of loans receivable	-	159,250
Reversal of provision for impairment (receivables converted into loans)	(419,184)	-
	10,606,450	11,025,634

(c) The movement in allowance for doubtful debts is made up as follows:

	2018 $	2017 $
Opening balance at beginning of the year	(6,265,446)	(5,911,129)
Impairment of receivable	(17,085)	(418,619)
Reversal of impairment (receivable converted into shares)	160,492	53,237
Reversal of impairment (receivable counterparty placed into receivership)	68,012	-
Reversal of impairment (repayment of debt)	-	11,065
	(6,054,027)	(6,265,446)

8. OTHER FINANCIAL ASSETS

	Note	2018 $	2017 $
Financial Assets at Fair value through Profit or Loss			
Shares in listed entities	(a)	2,497,722	1,138,188
Call options		-	-
		2,497,722	1,138,188
Financial Assets accounted for as Available-for-sale			
Shares in unlisted entities – at cost	(b)	70,000	70,000
		70,000	70,000
Total Financial Assets		2,567,722	1,208,188

(a) Movements in the carrying amount of the shares in listed entities

	Note	2018 $	2017 $
Carrying value at beginning of the year		1,138,188	1,350,477
Fair value of investments at reclassification from associate to fair value profit & loss	11(b)	2,361,152	-
Conversion of loan interest into shares		-	11,555
Purchase of equity investments		-	331,124
Reclassification of financial asset at fair value through profit or loss to associate		540,283	(231,124)
Disposal of equity investments		(540,283)	(544,284)
Gain/(Loss) on fair value of financial assets through profit or loss	3(f)	(1,001,618)	153,391
Exercise of call option		-	68,799
Other		-	(1,750)
		2,497,722	1,138,188

(b) Movements in the carrying amount of the shares in unlisted entities

	2018 $	2017 $
Movements:		
Carrying value at beginning of year (cost less impairment)	70,000	100,000
Impairment of investment	-	(30,000)
	70,000	70,000

(c) Impairment and Risk exposure

Investments in unlisted entities are classified as available for sale financial assets. Available for sale financial assets are measured at fair value, or cost where fair value cannot be reliably measured until the investment is disposed of or determined to be impaired, at which time the gain or loss on disposal or the impairment is recognised in the profit or loss. Management have recognised an impairment loss of $nil (30 June 2017: $30,000) in relation to the unlisted investments during the year ended 30 June 2018.

The Group's exposure to risk is discussed in note 28.

9. RESTRICTED CASH

	2018 $	2017 $
Current		
Term deposits (a)	44,546	44,617
Application funds (b)	-	60,000
	44,546	104,617
Movements:		
Opening balance at beginning of the year	104,617	1,001,470
Application funds refunded by Fe Limited	(60,071)	(968,131)
Application funds received by Cape Lambert	-	60,000
Security against loan	-	32,046
Release of restricted cash in relation to office bond	-	(20,768)
Exchange differences	-	-
	44,546	104,617
Non current		
Term deposits (a)	81,833	81,833

(a) Restricted cash relates to term deposits, which are not readily accessible to the Group, held with financial institutions as security for bank guarantees issued to:
- Various environmental regulatory departments in respect of the potential rehabilitation of exploration areas; and
- Landlords of leased properties.

(b) As at 30 June 2017, the Company had received $60,000 in application funds from sophisticated investors pursuant to a placement offer to acquire ordinary shares in the Company at $0.03 each. Application funds received as at 30 June 2017 are included in the statement of financial position at balance date as restricted cash. A contra liability has been included in the statement of financial position at 30 June 2017.

Risk Exposure

The Group's exposure to risk is discussed in note 28.

10. PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment $	Buildings $	Motor Vehicles $	Furniture & Fittings $	Leasehold Improvements $	Total $
Gross carrying amount – at cost						
At 1 July 2016	**720,147**	**67,535**	**107,039**	**242,574**	**1,464,351**	**2,601,646**
Additions	35,425	-	-	340	-	35,765
Write down (a) (b)	(575,179)	(2,146)	(97,229)	(183,241)	-	(857,704)
Exchange differences	(50)	-	-	-	-	(50)
At 30 June 2017	**180,343**	**65,389**	**9,810**	**59,673**	**1,464,351**	**1,779,657**
Additions	4,442	-	-	-	-	4,442
Write down (a) (b)	(55,507)	-	-	-	-	(55,507)
Exchange differences	135	2,433	365	2,120	-	5,052
At 30 June 2018	**129,413**	**67,822**	**10,175**	**61,793**	**1,464,351**	**1,733,644**
Accumulated depreciation						
At 1 July 2016	**(638,391)**	**-**	**(64,917)**	**(203,827)**	**(1,305,178)**	**(2,212,313)**
Depreciation expense	(53,673)	-	(15,865)	(30,642)	(157,810)	(257,991)
Write down (a) (b)	566,419	-	77,798	177,555	-	821,772)
Exchange differences	-	-	-	-	(1)	(92)
At 30 June 2017	**(125,645)**	**-**	**(2,984)**	**(56,914)**	**(1,462,989)**	**(1,648,624)**
Depreciation expense	(22,061)	-	(3,234)	(1,595)	(1,362)	(28,251)
Disposal of assets	2,764	-	-	-	-	2,764
Write down (a) (b)	52,538	-	-	-	-	52,538
Exchange differences	(130)	-	(260)	(2,108)	-	(2,498)
At 30 June 2018	**(92,534)**	**-**	**6,478**	**(60,617)**	**(1,464,351)**	**(1,624,071)**
Net Book Value						
At 1 July 2016	**81,756**	**67,535**	**42,122**	**38,747**	**159,173**	**389,333**
Additions	35,425	-	-	340	-	35,765
Write down (a) (b)	(8,760)	(2,146)	(19,431)	(5,686)	-	(35,932)
Depreciation expense	(53,673)	-	(15,865)	(30,642)	(157,810)	(257,991)
Exchange differences	(50)	-	-	-	(1)	(142)
At 30 June 2017	**54,697**	**65,389**	**6,826**	**2,759**	**1,362**	**131,033**
Additions	7,206	-	-	-	-	7,206
Write down (a) (b)	(2,969)	-	-	-	-	(2,969)
Depreciation expense	(22,061)	-	(3,234)	(1,595)	(1,362)	(28,251)
Exchange differences	5	2,433	105	12	-	2,554
At 30 June 2018	**36,878**	**67,822**	**3,697**	**1,176**	**-**	**109,573**

(a) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) The impairment loss represents the write down of certain plant and equipment to the recoverable amount. An item of property, plant and equipment initially recognised is derecognised when no future economic benefits are expected from use or its disposal. In 2017, impairment of $630,579 was recognised on fixed assets associated with the Guinea exploration activities, on the basis of an arms-length transaction, which the directors believe represents fair value in an orderly transaction (level 3 in the fair value hierarchy). The sale of these assets was completed during the period.

11. INVESTMENTS IN ASSOCIATED ENTITIES

	2018 $	2017 $
Investments in associates accounted for using the equity method	7,115,698	3,417,907

(a) Investment details

	Percentage held at balance date 2018 %	2017 %	Year ended 2018 $	Year ended 2017 $
Cauldron Energy Limited[1]	N/A	15.9	-	493,713
Kupang Resources Limited[2]	12.62	12.6	-	-
Global Strategic Metals Limited	N/A	27.4	-	-
European Lithium Limited[3]	12.01	14.5	3,615,329	2,924,194
Fe Limited[4]	39.33	N/A	3,500,367	-
International Goldfields Limited	19.35	20.4	-	-
			7,115,698	3,417,907

[1]Given that the Company holds less than a 20% interest in Cauldron Energy Ltd (**Cauldron**), and that Mr Sage no longer provides Executive Chairman services to Cauldron, this investment is no longer equity accounted for. Instead the Company's shareholding in Cauldron is accounted for a fair value through Profit and Loss.

[2] On 28 May 2015 receivers and managers were appointed to Kupang Resources Limited (**Kupang**), and was ultimately placed into voluntary administration. Kupang was removed from the official list of the Australian Securities Exchange on 31 August 2015.

[3] Although the Company holds less than a 20% interest in European Lithium Ltd (**Euro**), this investment is equity accounted given the significant influence the Company has on Euro through Mr Sage's role on the board and the interchange of management personnel.

[4] Prior to 2018, the Company controlled Fe Limited (**Fe**) through its direct shareholding and indirect shareholding through Cauldron, and as such, the Company consolidated Fe into its group for reporting purposes. Given that the Company lost its significant influence over Cauldron during the year, control has ceased to exist over Fe. The Company now accounts for its investment in Fe using the equity method.

(b) Movements in the carrying amount of the investment in associates

	2018 $	2017 $
Balance at beginning of period	3,417,907	1,371,803
Purchase of shares	18,750	194,687
Sale of shares	(417,832)	-
Interest in listed shares transferred to interest in associate (note 30)	10,601,325	-
Conversion of debt into shares	83,820	-
Share of profits/(losses) of associates recognised during the year	148,108	(2,555,741)
Share of reserves of associates recognised during the year	186,871	131,460
Gain on transfer from associate accounting to fair value through Profit & Loss (i) (note 8(a))	1,408,338	-
Reclassification to Financial Assets at fair value through Profit & Loss (note 8(a))	(2,361,152)	-
Gain on dilution of interest in associate	881,851	1,623,455
Impairment reversal	66,180	2,652,243
Impairment (loss) (e)	(6,918,469)	-
	7,115,698	3,417,907

(i) Gain on transfer of investment in Cauldron Energy Limited (ASX: CXU) from associate to financial asset of $1,408,338 is the difference between the fair value of the investment at the date of transfer of $2,361,152, less the carrying value of the investment per equity method of $952,814.

(c) Fair value of investments in listed associates

The fair value of listed associates has been determined by reference to published price quotations in an active market (level 1 in the fair value hierarchy).

	2018 $	2017 $
Cauldron Energy Limited	N/A	1,783,981
European Lithium Limited	13,767,723	2,924,192
Fe Limited	3,500,367	N/A

Kupang was removed from the official list of the Australian Securities Exchange on 31 August 2015. Global Strategic Metals Limited was removed from the official list of the Australian Securities Exchange on 15 August 2014. The securities of IGS were suspended from official quotation on 16 March 2016.

(d) Summarised financial information

Cauldron Energy Ltd

The Group has a 15.93% interest in Cauldron Energy Limited (**CXU**), which is an ASX-listed mineral exploration company with uranium prospective tenements in Western Australia, South Australia and Argentina. Up until 31 December 2017, the Group's interest in CXU has been accounted for using the equity method in the consolidated financial statements. Given that the Company holds less than a 20% interest in Cauldron Energy Ltd (**Cauldron**), and that Mr Sage no longer provides Executive Chairman services to Cauldron, effective 1 January 2018, this investment is no longer equity accounted for. Instead the Company's shareholding in Cauldron is accounted for a fair value through Profit and Loss (refer note 8). The following table illustrates the summarised financial investment of the Group's investment in CXU up until 31 December 2017 (the date that the Group determined significant influence was lost):

	2018 $	2017 $
Current assets	7,683,678	4,890,930
Non-current assets	4,231	11,884
Current liabilities	(531,494)	(627,611)
Equity	**7,156,415**	**4,275,203**
Group's carrying amount of the investment at 31 December 2017	**952,814**	**493,713**
Balance at beginning of the year	493,713	1,205,718
Share of losses	459,101	(1,349,753)
Purchase of shares	-	144,035
Impairment	-	493,713
Gain on transfer from associate accounting to fair value through profit & loss	(952,814)	
Balance at 31 December 2017	-	493,713

	2018 $	2017 $
Revenue	12,814	36,682
Other income	3,402,447	18,188
Depreciation	(7,621)	(97,340)
Profit/(Loss) before tax	**2,903,175**	**(11,954,682)**
Income tax expense	-	-
Profit/(Loss) for the year	**2,903,175**	**(11,954,682)**
Total comprehensive income for the half year to 31 December 2017	**(21,963)**	**(11,980,544)**
Group's share of profit for the half year to 31 December 2017	**462,601**	**(1,904,896)**

European Lithium Ltd

The Group has a 12.01% interest in European Lithium Limited (**EUR**), which is an ASX-listed mineral exploration company with lithium assets in Austria. The Group's interest in EUR is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial investment of the Group's investment in EUR:

	2018 $	2017 $
Current assets	3,858,732	1,079,853
Non-current assets	27,726,120	21,791,323
Current liabilities	(656,789)	(523,484)
Equity	**30,928,063**	**22,347,692**
Group's carrying amount of the investment	**3,615,329**	**2,924,194**

Balance at beginning of the year	2,924,194	-
Purchase of shares	-	50,650
Sale of shares	(267,832)	-
Dilution of investment	(73,718)	(335,590)
Share of losses	(90,116)	(1,210,109)
Share of movement in reserves	167,233	135,581
Share of issue of equity	955,568	1,959,045
Reversal of previous impairment, net (based on market value of shares)	-	2,324,617
Balance at the end of the year	3,615,329	2,924,194

	2018 $	2017 $
Revenue and other income	691,713	790,705
Depreciation	(2,508)	(688)
Loss before tax	**(749,798)**	**(8,008,363)**
Income tax expense	-	-
Loss for the year	**(749,798)**	**(8,008,363)**
Total comprehensive income/(loss) for the year	**310,936**	**(7,105,856)**
Group's share of profit/(loss) for the year	**(90,116)**	**(1,210,109)**

The associate has provided bank guarantees to the value of €20,000 in respect of any unrepaired damage to property at the Wolfsberg project. The associate has no other contingent liabilities or capital commitments as at 30 June 2018.

Fe Ltd

The Group has a 39.33% interest in Fe Limited (**Fe**), which is an ASX-listed mineral exploration company. Prior to 2018, the Company controlled Fe through its direct and indirect (through Cauldron) shareholdings, and as such, the Company consolidated Fe into its group for reporting purposes. Given that the Company lost its significant influence over Cauldron during the year, triggered by Mr Sage resigning as Executive Chairman to the Cauldron board, control has ceased to exist over Fe. The Company now accounts for its investment in Fe using the equity method. The following table illustrates the summarised financial investment of the Group's investment in Fe:

	2018 $	2017 $
Current assets	912,069	-
Non-current assets	735,174	-
Current liabilities	(292,729)	-
Equity	**1,354,514**	**-**
Group's carrying amount of the investment	**3,500,367**	**-**

Balance at beginning of the year	-	-
Carrying value of FEL at date of reclassification to associate (refer note 30)	10,601,325	-
Purchase of shares	18,750	-
Share of losses	(224,376)	-
Share of movement in reserves	23,137	-
Impairment (based on market value of shares)	(6,918,469)	-
Balance at the end of the year	3,500,367	-

	2018 $	2017 $
Revenue and other income	425,338	-
Depreciation	-	-
Loss before tax	**(1,082,275)**	**-**
Income tax expense	**-**	**-**
Loss for the year	**(1,082,275)**	**-**
Total comprehensive income/(loss) for the year	**(1,082,275)**	**-**
Group's share of profit/(loss) for the year	**(224,376)**	**-**

The associate has no contingent liabilities or capital commitments as at 30 June 2018.

(e) Impairment assessment

The carrying amounts of the investments in associates were assessed for impairment at 30 June 2018. The market value prices of some investments were below their carrying value. As a result, the recoverable amount has been measured at fair value less cost to sell. Impairment losses of $6,852,289 (2017: net reversal of previous impairment expenses of $2,132,025) have been recognised.

12. INVESTMENT IN JOINT VENTURE

	2018 $	2017 $
Investment in joint venture accounted for using the equity method	2,882,726	-

In May 2017 the Company executed an agreement (**JV agreement**) with Congolese company, Paragon Mining SARL to form a 50/50 joint venture to develop the Kipushi Cobalt copper tailings project, the Kasombo copper-cobalt projects and operate the Kipushi processing plant in the Democratic Republic of Congo (**DRC**). The Company agreed to pay the following consideration to the vendors and its DRC based advisors/lawyers on the acquisition:

- US$50,000 payable on execution of the binding heads of agreement;
- US$100,000 and 90,000,000 fully paid ordinary shares in Cape Lambert, within 5 business days of the execution of the JV agreement;
- US$150,000 and 50,000,000 fully paid ordinary shares in Cape Lambert, within 5 business days of achieving first production at any of the projects; and
- 1% royalty on all of the Cape Lambert's attributable revenue from the projects to its advisors/lawyers.

(a) Movements in the carrying amount of the investment in joint venture

	2018 $	2017 $
Balance at beginning of period	-	-
Reclassification from deferred expenses (a)	2,715,801	-
Cash investments	325,353	-
Share of losses of joint venture recognised during the year	(157,895)	-
Other	(533)	-
	2,882,726	-

-

(a) As at 30 June 2017, the Company recognised deferred expenses of $2,715,801 on its Balance Sheet to account for part of the consideration settled prior to the year end and prior to the incorporation of the joint venture company, Soludo-Lambert Mining SAS (**Soludo-Lambert**). Subsequently, operations commenced and Soludo-Lambert was incorporated in February 2018. As such, the Company now accounts for its investment in the Soludo-Lambert joint venture using the equity method, per AASB 128.

(b) Soludo-Lambert financial information

	2018 $	2017 $
Current assets	25,872	-
Non-current assets	153,730	-
Current liabilities	-	-
Equity	**179,602**	**-**
Group's carrying amount of the investment	**2,882,726**	**-**

	2018 $	2017 $
Revenue and other income	-	-
Depreciation	(5,582)	-
Loss before tax	**(315,790)**	**-**
Income tax expense	-	-
Loss for the year	**(315,790)**	**-**
Total comprehensive income/(loss) for the year	**-**	**-**
Group's share of profit/(loss) for the year	**(157,895)**	**N/A**

The joint venture has no contingent liabilities or capital commitments as at 30 June 2018.

13. DEFERRED EXPENSES

	2018 $	2017 $
Opening balance at beginning of the year	2,715,801	-
Shares issued for the acquisition (refer note 5a)	-	2,520,000
Acquisition costs	-	195,801
Reclassification to investment in joint venture accounted for using equity method (refer note 12)	(2,715,801)	-
	-	2,715,801

14. EXPLORATION AND EVALUATION EXPENDITURE

	2018 $	2017 $
Exploration and evaluation phases	1,107,642	33,551
Movements:		
Carrying value at beginning of the year	33,551	-
Exploration and evaluation expenditure capitalised during the year	3,183,383	2,871,069
Exploration expenditure de-recognised during the year (a)	(2,109,292)	(2,837,518)
Total exploration and evaluation phases	1,107,642	33,551

The value of the exploration expenditure is dependent upon:

- the continuance of the rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Certain of Cape Lambert's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Indigenous people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

(a) Impairment and de-recognition

The Company de-recognised capitalised exploration to the extent of $2,109,292 (30 June 2017: $2,837,518) on projects that are on care and maintenance and no longer met the criteria for deferral under the Group's accounting policy as active and significant operations are not continuing at balance date.

15. TRADE AND OTHER PAYABLES

Current	2018 $	2017 $
Unsecured		
Trade payables	1,321,190	483,255
Other creditors and accruals	4,391,730	3,595,033
Withholding tax	2,538,875	2,529,837
	8,251,795	6,608,125

Risk Exposure

The Group's exposure to risk is discussed in note 28.

Terms and Conditions

Terms and conditions relating to the above financial instruments:

(i) Trade creditors are non-interest bearing and are normally settled on 30 day terms.

(ii) Sundry creditors and accruals are non-interest bearing and have an average term of 30 days.

16. PROVISIONS

	2018 $	2017 $
Current provisions		
Employee entitlements	719	26,858
Provision for end of lease obligations	-	125,805
Provision for dilapidation charges	78,617	-
Provision for acquisition of Zambia project (i)	877,078	-
Other	98,848	182,178
	1,055,262	334,841

(i) On 22 May 2017, the Company announced that it had entered into a binding terms sheet with Australian Mining Company Zambia Limited (**AMCZ Ltd**) to acquire a 70% interest in the Kitwe cobalt-copper tailings project. Under the terms of the agreement, the consideration payable is as follows:

- US$150,000 cash upon execution of share purchase agreement; and
- US$650,000 upon execution of an agreement between AMCZ Ltd and Auszam Lining Ltd to allow the storage of processed tailings from the project on a portion of its license area (**Milestone Condition**).

The provision above relates to the US$650,000 (at an exchange rate of 1.34935) consideration payable upon satisfaction of the Milestone Condition.

17. ISSUED CAPITAL

	2018	2017
	$	$
937,710,216 fully paid ordinary shares (2017: 833,019,919)	200,730,049	196,771,578

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings, each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Movement in ordinary shares on issue

	Ordinary fully paid shares	
	Number	$
2018		
Shares on issue at 1 July 2017	833,019,919	196,771,578
Placements (i)	95,124,846	3,806,450
Issue of shares for cobalt acquisition (ii)	2,166,667	65,000
Shares issued in settlement of liabilities (ii)	7,398,784	251,018
Costs associated with capital issues	-	(163,995)
Shares on issue at 30 June 2018	**937,710,216**	**200,730,051**
2017		
Shares on issue at 1 July 2016	720,686,586	193,581,578
Issue of shares for cobalt acquisition (note 5)	90,000,000	2,520,000
Placement	22,333,333	670,000
Shares on issue at 30 June 2017	**833,019,919**	**196,771,578**

(i) The following shares were issued via share placements during the year:

- On 30 October 2017 the Company issued 35,333,333 shares to raise funds of $1,060,000;
- On 6 November 2017 the Company issued 200,000 shares to raise funds of $6,000;
- On 12 March 2018 the Company announced it would undertake a placement of up to 37,036,361 fully paid ordinary shares at an issue price of $0.055 per share to raise proceeds of up to $2 million, before costs (**Placement**). As part of the Placement, the Company also issued one free attaching unquoted option for every two shares applied for under the Placement, as well as issuing 5 million options to facilitators of the Placement, which are exercisable at $0.07, expiring 2 years from the date of issue. On the same day the Company issued 30,672,725 Placement shares and 15,336,363 free attaching options (refer note 21 for details) and on 19 March 2018 the Company issued another 5,335,455 Placement shares and 2,667,727 free attaching options (refer note 21 for details);
- On 27 June 2018 the Company issued 5,250,000 shares to raise funds of $210,000; and
- On 29 June 2018 the Company issued 18,333,333 shares to raise funds of $550,000.

(ii) The following shares were issued in settlement of liabilities during the year:

- On 30 October 2017 the Company issued 2,166,667 shares to settle a liability of US$50,000 ($65,000) at a deemed issue price of $0.03 per share, as part of the DRC acquisition.
- On 18 December 2017 the Company issued 2,905,450 shares to settle a liability of $116,218 at a deemed issue price of $0.04 per share, due to a trade creditor.

- On 29 June 2018 the Company issued 4,493,334 shares to settle a liability of $134,800 at a deemed issue price of $0.03 per share, due to certain trade creditors.

Capital Risk Management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "borrowings" and "trade and other payables" as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

	2018 $	2017 $
Total Trade and other payables	8,251,795	6,608,125
less: Cash and cash equivalents	(1,015,522)	(1,110,287)
Net (cash)/debt	7,236,273	5,497,838
Total equity/(deficiency)	735,121	(2,639,411)
Total capital	7,971,394	(2,639,411)
Gearing ratio	91%	0%

18. RESERVES

	2018 $	2017 $
Foreign currency translation reserve	22,302,495	22,332,366
Share based payments reserve	2,392,942	2,167,905
Equity reserve	(1,090,501)	(1,179,630)
Available for sale reserve	-	-
	23,604,936	23,320,641

	2018	2017
Foreign currency translation reserve		
Balance at beginning of financial year	22,332,366	22,007,507
Share of movement of associate's foreign currency translation reserve	124,057	131,460
Foreign currency exchange differences arising on translation of foreign operation	(153,928)	193,399
Balance at end of financial year	22,302,495	22,332,366
Share based payments reserve		
Balance at beginning of financial year	2,167,905	2,434,680
Share of movement of associate's share based payments reserve	62,813	-
Share based payments	162,224	(266,775)
Balance at end of financial year	2,392,942	2,167,905
Equity reserve		
Balance at beginning of financial year	(1,179,630)	(1,389,138)
Increase in non-controlling interest	89,129	209,508
Balance at end of financial year	(1,090,501)	(1,179,630)
Available for sale reserve		
Balance at beginning of financial year	-	1,750
Fair value gain/(loss) recognised through equity	-	(1,750)
Balance at end of financial year	-	-

Nature and Purpose of Reserves

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

Share based payments reserve
The share based payments reserve records items recognised as expenses on valuation of employee share options, and options issued to directors and consultants.

Equity reserve
The equity reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Available for sale reserve
The available for sale reserve is used to record the value of fair value gains or losses in respect of available for sale investments.

19. ACCUMULATED LOSSES

	2018 $	2017 $
Balance at beginning of financial year	(222,948,696)	(212,167,165)
Loss for the year	(651,170)	(10,781,531)
Balance at end of financial year	(223,599,865)	(222,948,696)

20. LOSS PER SHARE

	2018 Cents per Share	2017 Cents per Share
Basic loss per share (a)	(0.07)	(1.48)
Diluted loss per share (b)	(0.07)	(1.48)

(a) Basic Loss per Share
The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2018 $	2017 $
Loss for the year	(651,170)	(10,781,531)

	2018 Number	2017 Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	870,801,223	726,787,956

(b) Diluted Loss per Share
The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

	2018 $	2017 $
Loss for the year	(651,170)	(10,781,531)

	2018 Number	2017 Number
Weighted average number of ordinary shares for the purposes of diluted earnings per share (c).	870,801,223	726,787,956

(c) Weighted average number of shares

	2018 Number	2017 Number
Weighted average number of ordinary shares for the purposes of basic (loss) / earnings per share	870,801,223	726,787,956
Effect of dilution:	-	-
Share options	-	-
	870,801,223	726,787,956

There are 28,254,090 share options (30 June 2017: 23,500,000) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for the current period presented.

Since 30 June 2018 and prior to the date of release of these financial statements, nil (30 June 2017: nil) share options have been forfeited and nil (30 June 2017: nil) share options have been exercised.

21. OTHER UNLISTED OPTIONS

The following refers to unlisted options issued by the Company which do not constitute a share based payment.

(a) Options granted during the year

On 12 March 2018 15,336,363 unlisted options with an exercise price of $0.07, expiring on 12 March 2020 were issued to investors pursuant to the Placement.

On 19 March 2018 2,667,727 unlisted options with an exercise price of $0.07, expiring on 19 March 2020 were issued to investors pursuant to the Placement.

(c) Options on issue at 30 June 2018

The outstanding balance of options at 30 June 2018 (other than those granted as share based payments) is as follows:

Grant Date	Class of Shares	Exercise Price	Number of Options	Expiry Date	Listed/Unlisted
12 March 2018	Ordinary	$0.07	15,336,363	12 March 2020	Unlisted
19 March 2018	Ordinary	$0.07	2,667,727	19 March 2020	Unlisted
			18,004,090		

22. COMMITMENTS

	2018 $	2017 $
Operating lease commitments		
Minimum lease payments not provided for in the financial report and payable:		
not later than one year	572,289	572,289
later than one year but not later than five years	406,331	1,040,575
later than five years	-	-
Aggregate expenditure contracted for at balance date but not provided for	978,621	1,612,864

On 1 April 2012 the Company entered into an office premises lease agreement (as varied by a deed of variation dated 22 June 2015) terminating on 31 March 2020. The Company has entered into a series of sub-lease agreements with terms to 31 March 2020 whereby the Company is entitled to receive a total of $304,826 in rental income. In addition, rental income is received from various other companies under sub-lease arrangements with no fixed terms. The above minimum lease payments have not been adjusted for any sub-lease rental income payments.

23. CONTINGENT ASSETS AND LIABILITIES

Contingent asset for future royalties payable from the Mayoko Iron Ore Project

In March 2012, Johannesburg Stock Exchange listed Exxaro Resources Limited (**Exxaro**) completed a takeover offer for all of the shares and listed options in African Iron Limited, a company in which the Company held 126,700,000 shares, delivering $72.2 million in cash to the Company. African Iron Limited owns the Mayoko Iron Ore Project which is located in the Republic of Congo (**Mayoko Project**). As part of the takeover transaction, the Company retains a production royalty of AUD$1.00 (indexed annually to the CPI) per tonne of iron ore shipped from the Mayoko Project (**Mayoko Royalty**). On 6 February 2014, the Company released an announcement advising shareholders that Exxaro has been granted a Mining Convention for the Mayoko Project. In September 2016 Exxaro announcement the completion of the sale of the Mayoko Project to Sapro SA. On 13 February 2017, the Company released an announcement that it had sold the Mayoko Royalty for A$1,000,000 subject to the formality of the new owners signing off on the transaction. As at 30 June 2018, the Company had received A$500,000 in cash with the remaining A$500,000 to be received as deferred consideration.

Contingent spend on DRC Cobalt

On 21 February 2017, the Company announced that it had entered into a Binding Heads of Agreement (**Agreement**) with Congolese company, Paragon Mining SARL (**Paragon**) to form a 50/50 Joint Venture (**JV**) to develop the Kipushi Cobalt Copper Tailings Project, the Kasombo Copper-Cobalt Projects and operate the Kipushi Processing Plant in the Democratic Republic of Congo (**DRC**). In accordance with the terms of the Agreement, the Company is responsible to fund 100% of the working capital and capital costs for the Kipushi projects and Kasombo projects.

On 13 July 2017, the Company announced that it had entered into a binding terms sheet to assign the rights to the Kasombo projects to FE Limited (**FEL**) (**Kasombo Acquisition**). On 3 November 2017 at a General Meeting of Shareholders, the Shareholders approved the assignment of the Company rights and obligations to the Kasombo Project to FEL. In accordance with the terms of this assignment, FEL are responsible to fund 100% of the working capital and capital costs for the Kasombo project. Pursuant to the Kasombo Acquisition agreement, FEL is required to reimburse the Company for expenditure incurred by Cape Lambert since acquisition of its interest in the Kasombo Project (**Pre-Settlement Expenditure**) up to maximum amount of $125,000 (subject to ASX's confirmation that it is reimbursement of expenditure incurred in the development of the asset). The Company has raised a final invoice for Pre-Settlement Expenditure to FEL for $99,130, which has been recorded in exploration and evaluation expenditure in the statement of comprehensive income. The Company has originally received $50,000 as a contribution towards the Pre-Settlement Expenditure, such that the outstanding balance at balance date is $49,130.

Contingent spend on Zambia project

On 22 May 2017, the Company announced that it had entered into a binding terms sheet with Australian Mining Company Zambia Limited (**AMZCL**) to acquire a 70% interest in the Kitwe cobalt-copper tailings project. The share sale agreement was executed on 4 December 2017 which included renegotiated terms of the transaction. Under the terms of the new agreement (**Agreement**), Cape Lambert will acquire a 60% interest in the Project with US$150,000 on execution of the Agreement (of which US$50,000 had already been paid), US$300,000 payable on the later of AMZCL entering in to an agreement with the owner of an adjacent licence to allow the storage of processed tailings from the Project on a portion of its license area or 3 months from the date of execution of the Agreement, and US$350,000 to AMZCL 6 months from the date of execution of the Agreement..

24. SUBSIDIARIES

Name of Entity	Country of Incorporation	Ownership Interest 2018 %	Ownership Interest 2017 %
Parent entity			
Cape Lambert Resources Limited	Australia	-	-
Subsidiaries			
African Minerals Exploration Pty Ltd	Australia	100%	100%
Cape Lambert Minsec Pty Ltd	Australia	100%	100%
Danae Resources Pty Ltd	Australia	100%	100%
Dempsey Resources Bermuda Limited	Bermuda	100%	100%
Dempsey Resources Pty Ltd	Australia	100%	100%
Fe Limited[1]	Australia	N/A	44.69%
Marampa Iron Ore (Bermuda) Limited	Bermuda	100%	100%
Marampa Iron Ore (SL) Limited	Sierra Leone	100%	100%
Metals Exploration (Australia) Pty Ltd	Australia	100%	100%
Metals Exploration (Cote D'Ivoire) SA[2]	Cote d'Ivoire	100%	100%
Metal Exploration (Mauritius) Limited	Mauritius	100%	100%
Metal Exploration (SL) Limited	Sierra Leone	100%	100%
Mineral Resources (Bermuda) Limited	Bermuda	100%	100%
Mineral Securities Investments (Australia) Pty Ltd	Australia	100%	100%
Mineral Securities Operations Pty Ltd	Australia	100%	100%
Mineral Securities (UK) Ltd	UK	100%	100%
Mining International Pty Ltd	Australia	100%	100%
Multiplex Resources (Kazakhstan) Limited[2]	United Kingdom	100%	100%
Pinnacle Group Assets (SL) Limited	Sierra Leone	100%	100%
Soludo-Lambert Mining SAS (note 12)	DRC	50%	-

[1] Prior to 2018, the Company controlled Fe Limited (**Fe**) through its direct and indirect (via Cauldron Energy) shareholding, and as such, the Company consolidated Fe into its group for reporting purposes. During the year the Company lost its significant influence over Cauldron Energy Ltd (CXU) which sequentially influenced the Company's cessation of control over FE Limited (FEL). The Company now accounts for its investment in Fe using the equity method. See note 11 for further details.
[2] In the process of being liquidated.

25. SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. In the case of the Group the CODM are the executive management team and all information reported to the CODM is based on the consolidated results of the Group as one operating segment, as the Group's activities relate to mineral exploration.
Accordingly, the Group has only one reportable segment and the results are the same as the Group results.

Information by geographical region

The analysis of the location of non-current assets other than financial instruments and deferred tax assets is as follows:

	2018 $	2017 $
Australia	7,153,142	3,471,265
West Africa	4,062,500	2,827,027
	11,215,642	6,298,292

Revenue by geographical region

	2018 $	2017 $
Australia	368,377	678,314
West Africa	-	14
	368,377	678,328

26. RELATED PARTY DISCLOSURES

Subsidiaries

The consolidated financial statements include the financial statements of Cape Lambert Resources Limited and the subsidiaries listed in note 24.

Ultimate parent

The ultimate Australian parent entity is Cape Lambert Resources Limited.

Transactions with related parties

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

Agreements entered into with related parties

Office lease agreement with Okewood Pty Ltd

On 1 April 2012 the Company entered into a lease agreement with Okewood Pty Ltd, a company owned by Tony Sage, for the lease of 32 Harrogate Street, West Leederville WA 6007, as varied by a deed of variation dated 22 June 2015 (**Lease Agreement**). The term of the Lease Agreement is 1 April 2012 to 31 March 2020 with an option to extend. The lease is based on an area of 1,148m² at a rent of $459,200 (excluding GST) per annum, subject to an annual CPI increase, with variable outgoings and parking charged separately at market rates. The Company has entered into a series of sub-lease agreements, both with related parties as outlined below and unrelated parties, whereby the Company is entitled to receive rental income. The above minimum lease payments have not been adjusted for any sub-lease rental income payments.

Sub-lease agreements for office space

The Company has fixed term sub-lease agreements with the following related entities:
- Fe Limited (lease term expiring 31 March 2020)
- Cauldron Energy Limited (lease term expiring 31 March 2020)

The lease covers the rental, outgoings and parking charges under agreements made on commercial terms and conditions at market rates. Refer to the table below which summarises the recharges.

FE Limited loan

On 12 June 2018, the Company advanced a short-term interesting-bearing loan of $65,000 to Cape Lambert. Under the terms of the loan agreement, daily compounding interest at a rate of 7.5% per annum applied. The loan (including accrued interest of $241) was repaid on 29 June 2018. Mr Antony Sage is a director of Cape Lambert.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Sales to related parties	Purchases from related parties	Consulting fees paid	Amounts owed by related parties	Amounts owed to related parties
Related entities with common directors:						
African Petroleum Corporation Limited	2018	-	-	-	-	-
African Petroleum Corporation Limited	2017	-	-	-	-	-
Cauldron Energy Limited	2018	188,179	4,058	-	14,006	-
Cauldron Energy Limited	2017	219,288	-	-	4,928	-
International Petroleum Limited	2018	-	-	-	-	-
International Petroleum Limited	2017	39,265	-	-	-	-
Karratha Metals Group Ltd	2018	7,149	-	-	-	-
Karratha Metals Group Ltd	2017	116,504	-	-	159,446	-
Associate entities:						
European Lithium Limited	2018	201,824	635	-	29,768	635
European Lithium Limited	2017	161,060	-	-	49,059	-
Fe Limited	2018	154,659	154,659	-	83,837	-
Fe Limited	2017	60,866	60,866	-	1,002	-
Director related entities:						
DGWA GmbH	2018	-	58,199	-	-	11,162
DGWA GmbH	2017	-	-	-	-	-
Fashion Council WA	2018	-	4,855	-	-	-
Fashion Council WA	2017	-	7,758	-	-	-
Perth Glory Football Club	2018	-	65,641	-	-	-
Perth Glory Football Club	2017	-	56,700	-	-	-
Okewood Pty Ltd	2018	-	569,694	700,000	-	-
Okewood Pty Ltd	2017	-	568,020	700,000	4,054	-

Perth Fashion Festival Pty Ltd, Okewood Pty Ltd and Okewood Pty Ltd trading as Perth Glory Football Club are entities controlled by Tony Sage.

DGWA GmbH is an entity controlled by Stefan Müller.

Key management personnel

The following table discloses the remuneration of the directors and key management personnel of the Company:

	2018 $	2017 $
Short-term employee benefits	1,081,950	1,162,033
Post-employment benefits	7,758	23,275
Share based payments	-	(133,545)
Long term employee benefits	-	20,336
	1,089,708	1,072,099

Detailed remuneration disclosures are provided in the remuneration report.

27. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2018 $	2017 $
Cash and cash equivalents		
Cash in banks and on hand	1,015,522	1,110,287
Deposits at call	-	-
Cash and cash equivalents per consolidated statement of cash flows	1,015,522	1,110,287
Cash and cash equivalents per consolidated statement of financial position	1,015,522	1,110,287

(b) Reconciliation of Net Profit/ (loss) to Net Cash Flows from Operating Activities

	2018 $	2017 $
Loss from ordinary activities after tax	(828,296)	(10,945,226)
Adjusted for non-cash items:		
Loss/(gain) on disposal of tenement interests	-	(138,783)
Loss/(gain) on fair value of financial assets through profit & loss	1,001,618	(153,391)
Depreciation and amortisation of non-current assets	28,251	257,991
Share of losses of associates	(148,108)	2,555,741
Share of losses of joint venture	157,895	-
Gain on dilution of interest in associate	(881,851)	(1,623,455)
Gain on transfer from associate accounting to fair value through profit & loss	(1,408,338)	-
Gain on sale of fixed assets	(525,000)	(95,570)
Impairment of fixed assets	-	35,932
Impairment of investment in associate	6,852,289	(2,652,243)
Provision for payroll tax	(421,617)	592,068
Provision for end of lease obligations	-	125,805
Gain on sale of royalty (investing activity)	(500,000)	-
Interest on loan (investing activity)	241	-
Share based payments	162,224	(266,775)
Exploration expenditure de-recognised during the year	2,109,292	2,837,518
Provision for impairment of investments	-	30,000
Provision for impairment of loans and receivables	-	267,131
Provision for onerous leases	-	(471,660)
Unrealised foreign currency exchange gains	1,644	19,065
(Reversal of impairment)/Impairment of receivable	(211,419)	374,890
Profit after income tax expense from deconsolidated entity	(9,925,882)	-
Income tax (benefit)/expense	(24,297)	5,227,739
Changes in net assets and liabilities		
(Increase)/decrease in trade and other receivables	229,211	(188,349)
(Increase)/decrease in provisions	(877,080)	(4,858,101)
Increase / (decrease) in trade and other payables	1,769,603	5,840,378
Increase / (decrease) in income tax payable	-	-
Net cash used in operating activities	(3,439,620)	(3,229,296)

(c) Financing and investing activities

The following significant non-cash investing or financing transactions occurred during the year ended 30 June 2018 (30 June 2017: nil):

On 13 July 2017, the Company announced that it had executed a binding term sheet with Fe Limited (**FEL**) whereby Cape Lambert will assign to FEL 100% of the rights and obligations to the Kasombo Copper-Cobalt Project (**Kasombo Transaction**) in the DRC. On 3 November 2017, the Kasombo Transaction was approved at a general meeting by the Company's shareholders. On 6 November 2017, the Company was issued 25m shares in FEL pursuant to the terms of the Kasombo Transaction. As at the date of this report, the Company owns a 39.33%% interest in FEL.

On 19 February 2018, the Company announced that it had sold its 100% owned royalty, in the form of a deferred consideration deed, in the Mayoko iron ore project. During the year the Company received A$500,000 in cash with the remaining A$500,000 to be received as a deferred consideration.

28. FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks including market risk (currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to meet its financial targets whilst minimising potential adverse effects on financial performance. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk. Risk management is carried out by the Board.

The Group holds the following financial instruments:

	2018 $	2017 $
Financial assets:		
Cash and cash equivalents	1,015,522	1,110,287
Restricted cash	126,379	186,450
Trade and other receivables	320,355	788,077
Other financial assets	2,567,722	1,208,188
	4,029,979	3,293,002
Financial liabilities:		
Trade and other payables	8,251,795	6,608,125
Application funds	-	60,000
	8,251,795	6,668,125

(a) Market Risk

(i) Foreign Currency Risk

The Group operates internationally and is exposed to foreign exchange risk arising from commercial transactions. The Group converted assets and liabilities into the functional currency where balances were denominated in a currency other than the Australian dollars.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

At the reporting date, the Group had the following exposure to foreign currency:

	2018 $	2017 $
Financial assets:		
Cash and cash equivalents - USD	US$ $876	US$1,793
Cash and cash equivalents - CFA	CFA-	CFA9,791,675
Cash and cash equivalents - SLL	(SSL4,102)	SSL39,865,883

Movement of 10% in the foreign currency exchange rates as at 30 June 2018 would not have a material impact on the consolidated loss or equity.

Managements have set up a policy to monitor and measure this risk using sensitivity analysis and cash flow forecasting.

(ii) Cash Flow Interest Rate Risk

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents. The Group is exposed to movements in market interest rates on short term deposits.

At the reporting date, the Group had the following variable rate cash and cash equivalents and restricted cash:

	2018 $	2017 $
Financial assets:		
Cash and cash equivalents	1,015,522	1,110,287
Restricted cash	126,379	186,450
	1,141,901	1,296,737
Weighted average interest rate	0.95%	0.95%

Movement of 50 basis points on the interest rate (considered a reasonably possible change) would not have a material impact on the consolidated loss or equity.

(iii) Price Risk

The Group is exposed to equity securities price risk. This arises from investments held and classified on the statement of financial position as at fair value through profit or loss. The Group is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio which is done in accordance with the limits set by the Board of Directors.

The majority of the Group's equity investments are publicly traded on the Australian Stock Exchange (ASX) and are recognised as financial assets carried at fair value through profit or loss.

(b) Credit Risk

Credit risk is managed on a consolidated basis. Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The maximum credit risk on financial assets, excluding investments, of the Group, which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

The Group is exposed to credit risk as a result of subscribing to loan notes and convertible loan notes issued by listed and unlisted entities. This credit risk is managed by obtaining adequate security over the loans, generally in the form of a fixed and floating charge over the assets of the borrower. Details of the loan notes and convertible loan notes to which the Group had subscribed during the year are listed in note 7. Credit risk arises from trade receivables. The Consolidated Entity has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings.

The Company holds 99% (2017: 99%) of its cash and cash equivalents with banks with a Moody's credit rating on Aa2.

	2018	2017
Financial assets:	**$**	**$**
Cash and cash equivalents and restricted cash	1,141,901	1,296,737
Loans and receivables	320,355	788,077
Other financial assets	2,567,722	1,208,188
	4,029,979	3,293,002

(c) Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows in relation to its operational, investing and financing activities. At the reporting date, the Group had no financing arrangements in place. All financial liabilities are current and expected to settle within six months.

(d) Fair Value Estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values. The carrying values of trade and other receivables net of impairment and the carrying value of payables approximate fair values due to their short-term nature.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's assets measured at fair value at 30 June 2018.

	Level 1	Level 2	Total
	$	**$**	**$**
Financial assets			
Financial assets at Fair value through Profit and Loss:			
Shares in listed entities	2,497,722	-	2,497,722
	2,497,722	-	2,497,722

The following table presents the Group's assets measured at fair value at 30 June 2017.

	Level 1	Level 2	Total
	$	**$**	**$**
Financial assets			
Financial assets at Fair value through Profit and Loss:			
Shares in listed entities	1,138,188	-	1,138,188
	1,138,188	-	1,138,188

29. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements of the parent entity show the following aggregate amounts:

	2018 $	2017 $
Statement of financial position		
Current assets	1,077,673	756,215
Total assets	5,415,092	3,612,824
Current liabilities	(11,506,091)	(10,640,621)
Total liabilities	(49,730,310)	(61,220,725)
Shareholders' equity		
Issued capital	200,730,049	196,771,576
Reserves	1,526,311	1,711,965
Retained earnings	(246,571,578)	(256,091,444)
Total equity /(deficit)	**(44,315,218)**	**(57,607,903)**
Net profit / (loss) for the year	**5,045,118**	**(2,828,736)**
Total comprehensive income / (loss)	**5,045,118**	**(2,828,736)**

(b) Guarantees entered into by the parent entity

The parent entity has provided financial guarantees in respect of environmental performance bonds for subsidiaries during the current year amounting to nil (2017: nil).

(c) Tax Consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entities on a pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Cape Lambert Resources Limited.

Tax Effect Accounting by Members of the Tax Consolidated Group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of AASB 112 Income Taxes. The allocation of tax under the tax funding agreement is recognised as an increase/decrease in the controlled entities' intercompany accounts with the tax consolidated group head Company, Cape Lambert Resources Limited. In this regard, the Company has assumed the benefit of tax losses from controlled entities of $4,392,828 (2017: $2,939,312) as of the balance date. The Company has received a payment from the controlled entities of nil (2017: nil) as of the balance date in respect of the current year tax liability for the tax consolidated group. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants are required.

30. DECONSOLIDATION OF FE LIMITED

On 1 January 2018, the Company has no power to govern the financial and operating policies of FE Limited (**FEL**) due to loss of majority control. Accordingly, the Company was deemed to have lost control of FEL on 1 January 2018, and the Company's investment was reclassified to an investment accounted for using the equity method on that date. The Company did not receive any consideration in the deconsolidation of FEL.

Details of net assets deconsolidated on loss of control	**1 January 2018 $**
Fair value of FEL's net assets/(liabilities)	
Cash and cash equivalents	40,844
Trade and other receivables	766,311
Plant and equipment	211
Exploration assets	735,000
Trade and other payables	(926,621)
FEL's net assets/(liabilities)	**615,745**
Reclassification of FEL transactions to be consistent with CFE policies	195,035
FEL's net assets/(liabilities)	**810,780**

Gain on deconsolidation of subsidiary

	1 January 2018 $
Fair value of equity held in FEL at 1 January 2018	(10,601,325)
Less net assets deconsolidated	810,780
Non-controlling interest	(452,010)
Gain recognised on deconsolidation of subsidiary to owners of the parent entity	**10,242,555**

Cashflow impact of deconsolidation

FEL has a cash balance of $422,649 as at 30 June 2017 and a cash balance of $40,844 at 1 January 2018. As a result of the deconsolidation of FEL, the Company derecognized $381,805 in cash and cash equivalents in its Balance Sheet which represents the movement during this 6 month period. This impact is shown as an outflow of cash in Cash Flow Statement under the category Cash Flows from Investing Activities.

Reclassification of investment

The Company's 44.25% equity interest in FEL was reclassified to an Investment accounted for using the equity method on 1 January 2018. Refer to Note 11. The share of net losses of FEL included in the current years consolidated statement of comprehensive income is $224,376.

31. EVENTS SUBSEQUENT TO REPORTING DATE

On 3 July 2018, the Company completed a placement of 1,000,000 fully paid ordinary shares at $0.03 per share to raise cash proceeds of $30,000.

On 13 July 2018 the Company completed a placement of 10,600,000 fully paid ordinary shares at $0.03 per share to raise cash proceeds of $300,000 and settle liabilities of the Company of $18,000

On 23 July 2018 the Company completed a placement of 38,924,698 fully paid ordinary shares at $0.03 per share to raise cash proceeds of $1,104,741 and settle liabilities of the Company of $63,000

On 23 July 2018 the Company issued 23,500,000 fully paid ordinary shares to Gulf Energy upon the exercise of options to raise cash proceeds of $1,175,000.

There have been no other events subsequent to 30 June 2018 up to the date of this report that would materially affect the operations of the Group or its state of affairs which have not otherwise been disclosed in this financial report.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Cape Lambert Resources Limited, I state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of Cape Lambert Resources Limited for the financial year ended 30 June 2018 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the financial position of the Group as at 30 June 2018 and of its performance, for the period ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

      (iii) complying with International Financial Reporting Standards as disclosed in note 2(c).

   (b) Subject to the matters set out in note 2(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2018.

Signed in accordance with a resolution of the Directors:

____
Tony Sage
Director

Perth, 28 September 2018

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INDEPENDENT AUDITOR'S REPORT

To the members of Cape Lambert Resources Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cape Lambert Resources Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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 ended on that date; 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 Group 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 related to going concern

We draw attention to Note 2(b) in the financial report which describes the events and/or conditions which give rise to 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. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Deconsolidation of Subsidiary FE Limited ('FEL')

Key audit matter	How the matter was addressed in our audit
As disclosed in note 30 to the financial report, the Group deconsolidated subsidiary FEL on 1 January 2018 as the Company was deemed to have lost control of FEL on that date, and the investment in FEL was subsequently reclassified as an investment in associate as disclosed in note 11(d) of the financial report. The is a key audit matter due to the significance of the gain on deconsolidation of FEL in the statement of profit or loss, the material impact of the investment in associates balance in the statement of financial position, and the complexity of accounting for the loss of control of a subsidiary as disclosed in notes 2(e) and 2(ab) in the financial report.	Our procedures included, but were not limited to the following; • Evaluating management's determination of the deemed loss of control of FEL and subsequent reclassification of FEL as an investment in associate; • Agreeing the completeness and accuracy of the FEL assets and liabilities deconsolidated at 1 January 2018 to supporting documentation; • Re-performing the calculation of the gain on deconsolidation of FEL by comparing the fair value of FEL at 1 January 2018 to carrying value of FEL assets and liabilities at that date; • Examining the adequacy and accuracy of the disclosure of the transaction in note 30 of the financial report, the reclassification as an investment in associate in note 11(d), and the related disclosures in notes 2(e) and 2(ab).

Investments in Associates

Key audit matter	How the matter was addressed in our audit
The Group's investments in associates are accounted for using the equity method as disclosed in Note 11 to the financial report. The classification of the asset as an investment in associates and measurement thereof is a key audit matter due to the significance of the asset to the Group, and the judgement exercised by management in assessing the classification of the investment and determining whether there are any indicators to suggest that the investment in associates could be impaired.	Our procedures included, but were not limited to the following; • Evaluating management's determination of whether the Group has significant influence over the investments; • Considering management's assessment of indicators that the investment in associates could be impaired; • Agreeing the Group's share of associate losses and reserves to the audited financial reports of the Associates; • Reviewing the financial information of the associates including assessing if the accounting policies of the associate were consistent with the Group, and; • Reviewing the adequacy of the disclosures in note 11 of the financial report.

Other information

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

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

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

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

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 20 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Cape Lambert Resources Ltd, 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.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 28 September 2018

ADDITIONAL STOCK EXCHANGE INFORMATION

Cape Lambert Resources Limited is a listed public company, incorporated in Australia.

The Company's registered and principal place of business is 32 Harrogate Street, West Leederville, Western Australia 6007 Australia.

This information is current as at 31 August 2018.

(a) Distribution of equity securities

The distribution of members and their holdings of equity securities in the Company as at 31 August 2018 are as follows:

Category (size of holding)	Total Holders	Number of Units
1- 1,000	204	83,497
1,001- 5,000	970	3,012,424
5,001- 10,000	769	6,528,293
10,001- 100,000	1,655	64,432,397
100,001 – 999,999,999	597	937,678,303
Total	**4,195**	**1,011,734,914**

Equity Securities

As at 31 August 2018, there were 4,195 shareholders, holding 1,011,734,914 fully paid ordinary shares.

All issued ordinary shares carry one vote per share and are entitled to dividends.

The number of shareholders holding less than a marketable parcel of shares is 2,547.

(b) Twenty Largest Shareholders

The names of the twenty largest fully paid ordinary shareholders as at 31 August 2018 are as follows:

	Name	Number of Fully Paid Ordinary Shares Held	% held of Issued Capital
1	J P MORGAN NOMINEES AUSTRALIA LIMITED	248,550,419	24.57
2	GULF ENERGY INTERNATIONAL LIMITED	117,500,000	11.61
3	OKEWOOD PTY LTD	77,516,681	7.66
4	SARELLA INVESTMENTS LIMITED	33,333,333	3.29
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,575,430	2.53
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	17,532,716	1.73
7	WHITEY TIGER PTY LTD <THE WTL A/C>	17,416,599	1.72
8	MR STANLEY LUFUNGA M PELESA	16,500,000	1.63
9	CITICORP NOMINEES PTY LIMITED	15,642,909	1.55
10	KEONG LIM PTY LIMITED <SK LIM FAMILY A/C>	14,804,487	1.46
11	ADKSK SUPERFUND PTY LTD <ADKSK SUPERFUND A/C>	13,616,667	1.35
12	CAULDRON ENERGY LIMITED	10,416,667	1.03
13	PER WIMMER	6,993,334	0.69
14	DALE ESTATES NO 1 PTY LTD	6,500,000	0.64
15	ORCA CAPITAL GMBH	6,347,380	0.63
16	SUBURBAN HOLDINGS PTY LTD <THE SUBURBAN SUPER FUND A/C>	5,531,934	0.55
17	FRED PARRISH INVESTMENTS PTY LTD <PARRISH FAMILY A/C>	5,303,535	0.52
18	GANBARU PTY LTD <THE PARRISH SUPER FUND A/C>	5,269,465	0.52
19	MR JON FAZZALORI	5,250,288	0.52
20	PERSHING AUSTRALIA NOMINEES PTY LTD <PATERSONS SECURITIES A/C>	5,000,000	0.49
		654,601,844	**64.70**

(c) Substantial shareholders

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

	Fully paid ordinary shareholders	Number as per the Notice	% held of Issued Capital at the time of Notice
1	J P MORGAN NOMINEES AUSTRALIA LIMITED	248,550,419	24.57
2	GULF ENERGY INTERNATIONAL LIMITED	117,500,000	11.61
3	OKEWOOD PTY LTD	77,516,681	7.66

(d) Voting Rights

In accordance with the Company's constitution, on show of hands every member present in person or by proxy or attorney or duly authorised representative had one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held. Options do not carry a right to vote.

(e) Unquoted securities

At 31 August 2018 the Company has 28,254,090 unlisted options and nil performance rights of issue.

The names of security holders holding more than 20% of an unlisted class of security are listed below:

Name	15,336,363 Unlisted Options Exercisable at $0.07 Expiring 12 March 2020	7,667,727 Unlisted Options Exercisable at $0.07 Expiring 19 March 2020	5,250,000 Unlisted Options Exercisable at $0.04 Expiring 31 March 2020
Steubing AG	4,545,455	-	-
Somers	-	2,272,727	-
ADKSK Superfund Pty Ltd	-	3,500,000	-
Jarz Werner	-	-	4,000,000
Rene Lutz	-	-	1,250,000
	4,545,455	**5,772,727**	**5,250,000**

Schedule of Mineral Tenements Held at 30 June 2018

Tenement	Project & Location	Interest
Marampa Project - EL 46A/2011	Lunsar - Sierra Leone	100%
Marampa Project – ML 05/2014	Lunsar - Sierra Leone	100%
Kukuna Project - EL 22/2012	Kukuna – Sierra Leone	100%
ML 90098 [1]	Wee MacGregor - Queensland	100%
ML 2504 [1]	Wee MacGregor - Queensland	100%
ML 2771 [2]	Wee MacGregor - Queensland	100%
ML 2773 [1]	Wee MacGregor - Queensland	100%
21853-HQ-SEL [3]	Zambia	-
PER 12347 [4]	Kipushi – DRC	35%

[1] Subject to the Cohiba (Cobalt X) Farm-in agreement, refer to ASX March 2017 Quarterly Report for details.
[2] Subject to the Firebird Farm-in agreement, refer to ASX March 2016 Quarterly Report for details.
[3] Completion of this transaction is in progress, Refer to ASX announcements for extent of interest.
[4] Refer to ASX announcements for extent of interest.