BLAZE International Limited

AND CONTROLLED ENTITIES

ABN 15 074 728 019

ANNUAL REPORT

FOR THE YEAR ENDED

30 June 2019

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Josh Puckridge	Non-Executive Chairman
Mr Simon Coxhell	Non-Executive Director (Appointed 5 April 2019)
Mr Maciej Rosiewicz	Non-Executive Director

COMPANY SECRETARY

Mr Quinton Meyers

REGISTERED OFFICE

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Subiaco WA 6008

PRINCIPAL PLACE OF BUSINESS

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ASX Code: BLZ

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Perth WA 6000

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DIRECTORS' REPORT

The directors of Blaze International Limited (**ASX: BLZ**) (**Company** or **Blaze**) submit herewith the annual financial report of the Company and its controlled entity (**Group**) for the financial year ended 30 June 2019 (**Report**).

DIRECTORS

The names of the Directors in office at any time during, or since the end of the year and until the date of this report are:

Mr Josh Puckridge	Non-Executive Chairman	
Mr Simon Coxhell	Non-Executive Director	(appointed 5 April 2019)
Mr Maciej Rosiewicz	Non-Executive Director	
Mrs Loren King	Non-Executive Director	(resigned 5 April 2019)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Mr Quinton Meyers

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was mineral exploration within Australia.

No significant change in the nature of these activities occurred during the financial year.

OPERATING RESULTS

The loss of the Group for the financial year after income tax amounted to 2019: $710,573 (2018: $2,161,702).

DIVIDENDS PAID OR RECOMMENDED

The Directors recommend that no dividend be paid for the year ended 30 June 2019 and no amounts have been paid or declared by way of dividend since the end of the previous financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

DIRECTORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS

Blaze International Limited (**Company**) (**Blaze**) (ASX: **BLZ**) is pleased to present its review of operations for the 12 months ending 30 June 2019 (**Period**).

Blaze International is an exploration company with a current focus on gold exploration in Western Australia.

The Company holds two main projects areas, one in the Kirkalocka area, midway between Paynes Find and Mt Magnet and focused on the Wydgee Greenstone belt, a tightly folded and sheared sequence of basalts, sediments and banded iron units (**BIF**). A total of six (6) exploration licences are held covering approximately 468 square kilometres.

The other project area is focused in the Leonora district where the company holds a total of eight (8) tenements (six (6) prospecting licences and two (2) exploration licences) covering 26 square kilometres and focused on areas that are known to host significant alluvial gold occurrences and located within the regionally extensive Keith Kilkenny shear zone.

The Company also holds one (1) exploration licence in the Thundelarra area. The locations of the Company's projects are show on the map below (Figure 1).

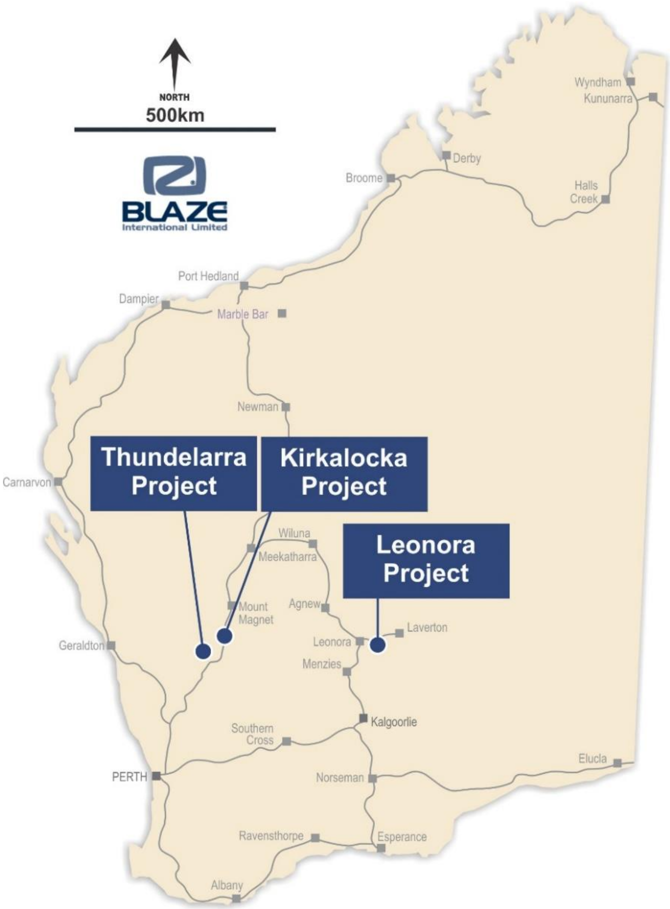

Figure 1. Location of the Kirkalocka, Thundelarra and Leonora Projects.

DIRECTORS' REPORT (CONTINUED)

KIRKALOCKA PROJECT

The Kirkalocka Project continues to be a key focus area of the Company having added five new exploration tenements in the period. These new tenements cover portions of the Meekatharra- Wydgee greenstone belt (see Figure 2).

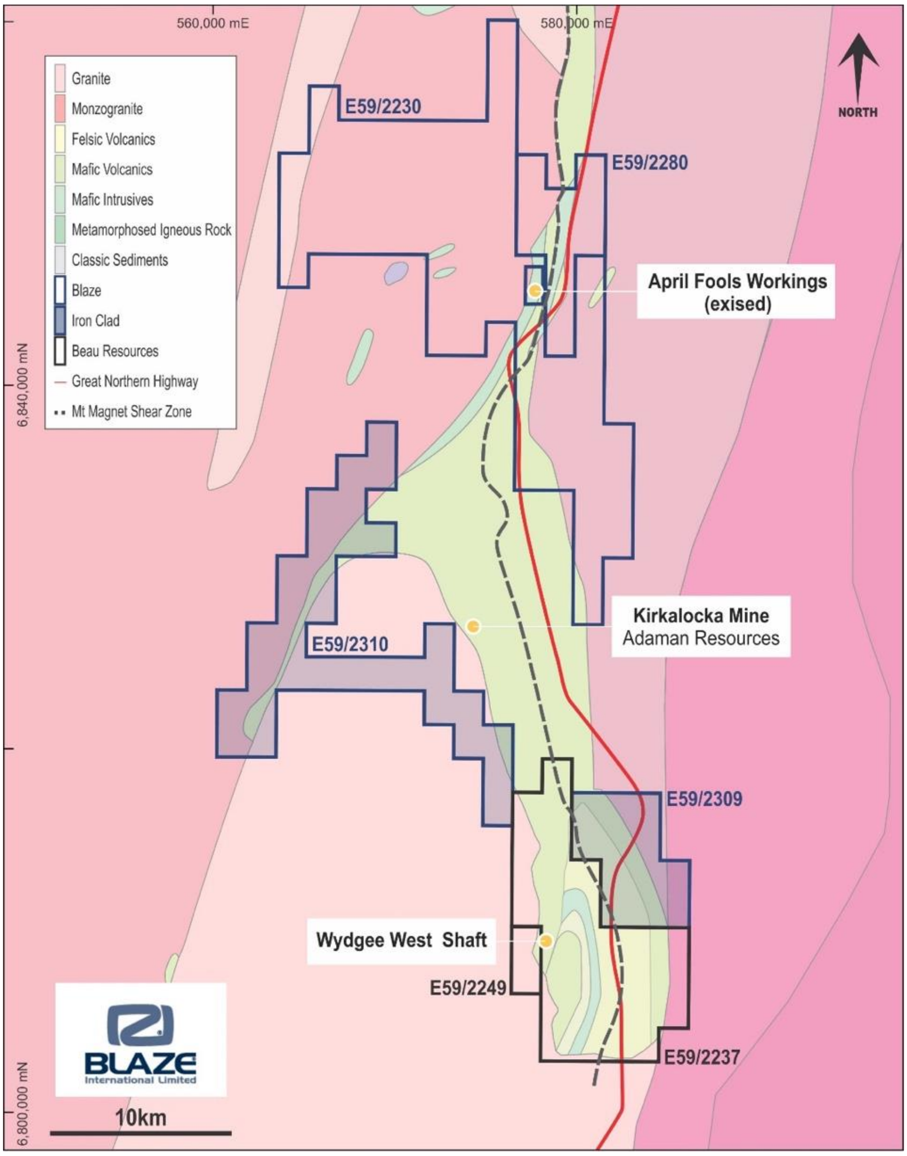

Figure 2. The Iron Clad and Beau Resources tenements over the Wydgee-Meekatharra Greenstone Belt. Note that the Kirkalocka Mine and the April Fools working are not within Blaze's tenure.

A Programme of Work (POW) was recently granted to allow geochemical auger and soil sampling to commence on a nominal 200 m X 100 m grid pattern over the interpreted prospective areas.

DIRECTORS' REPORT (CONTINUED)

The areas were selected following detailed reviews by geological consultants, Terra Resources Pty Ltd (**Terra**) and Gault Mining Solutions (**GMS**). Terra identified a number of areas where the magnetic signatures of the greenstone rocks have been significantly altered and correspond with increased shearing and folding, considered precursors for the introduction of any potential gold mineralisation. GMS identified co-incident anomalism in the ASTAR and radiometric data over these areas. Importantly, none have been tested by drilling.

LEONORA PROJECT

During the Period, the Company acquired eight (8) tenements in the prospective Leonora region (see Figure 3). The Leonora Project is comprised of eight (8) tenements that cover a total of approximately 2,365 hectares and are all located within a 30-kilometre radius of the multimillion-ounce Leonora Gold District and a major structural zone located to the east of Leonora called the Keith Kilkenny Lineament.

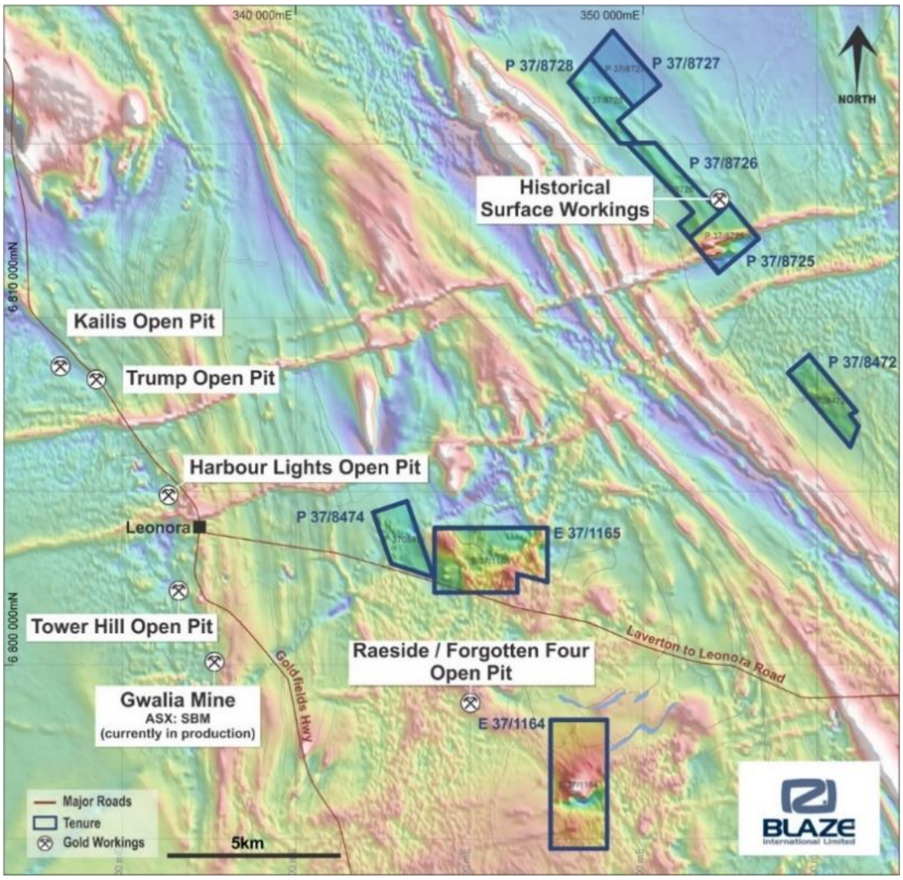

Figure 3. Leonora Project Ground

The ground is considered prospective for gold deposits hosted by quartz veined faults and shears where they transect favourable lithologies. The areas are all known to host historic gold workings and alluvial surface gold with a complex regolith potentially masking underlying basement gold mineralisation. The areas are on strike or adjacent to known gold deposits (Raeside, Cardinia) with a number of discrete targets based on sound geological principles already identified.

DIRECTORS' REPORT (CONTINUED)

Blaze completed a detailed geochemical auger sampling program over the Leonora Project during the period. A total of 572 samples were collected on a nominal 200m X 100m staggered grid pattern over the tenements which comprise the Leonora Project (see Figure 4). Samples were sent to Intertek/Genalysis for low level gold analysis via aqua regia digest followed by inductively coupled plasma mass spectrometry (**ICP-MS**). Gold results have now been returned and integrated into the database. A number of gold anomalies (+50 to 150 ppb) were returned from the work and a POW has been lodged to allow first pass air core drilling of the defined target areas.

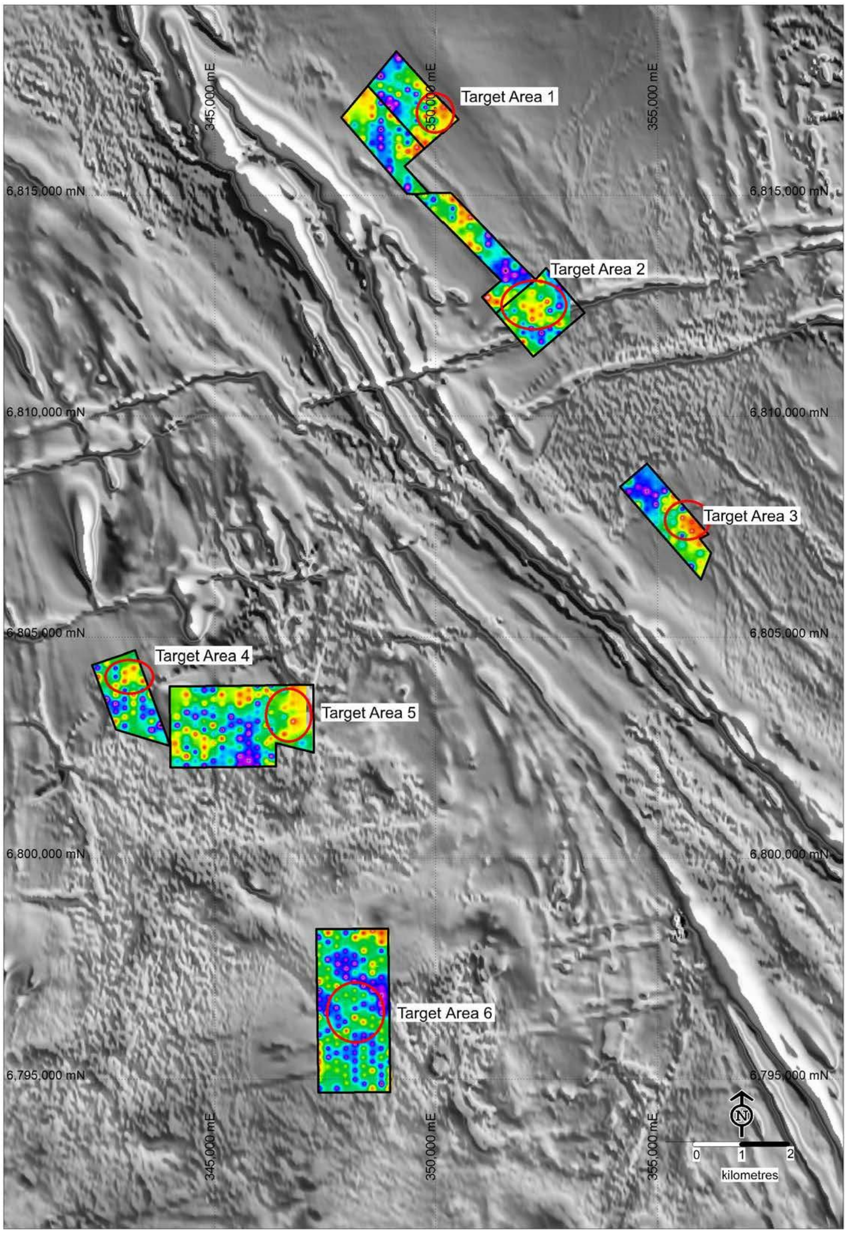

Figure 4. Leonora Project Ground: Imaged Gold Geochemistry

The company continues to review opportunities with a focus on gold while exploring its own Western Australian tenements.

DIRECTORS' REPORT (CONTINUED)

CORPORATE

Mr Simon Coxhell was appointed as a director of the Board of the Company on the 5 April 2019 with the focus of progressing exploration at the Company's Kirkalocka Project and its proposed Leonora Project. He brings a heightened technical capacity to the board that will enhance the Company's ability to generate value for shareholders from its current and future projects.

Mrs Loren King resigned as a director of the Company on the same day.

The Company announced on 22 May 2019 the Entitlement Issue Prospectus (**Prospectus**) detailing the non-renounceable entitlement issue of one (1) option exercisable at $0.05 on or before 31 March 2022 (**Options**)for every two (2) Shares held by Shareholders (**Entitlement Issue**). The Options had an issue price of $0.001 per Option.

The Prospectus also contained the offer of 92,499,998 Options via an option placement (**Placement Options**), the offer of 2,500,002 Options to advisers of the offer (**Adviser Options**), and the offer of 10,000,000 Options to Simon Coxhell, a Director of the Company (**Director Options**).

The Placement Options offer invited applicants to participate in the placement of up to 92,499,498 Options at an issue price of $0.001 per Option. Former holders of Expired Options are eligible to apply for the Placement Options. Placement Options will otherwise be issued to applicants at the absolute discretion of the Directors.

The Advisor Options were issued to the lead manager of the offer, Cicero Advisory Services Pty Ltd (and/or their nominee), at an issue price of $0.001 per Option as consideration for corporate advisory services provided by the Lead Manager in connection with the Entitlement Offer and the Placement Options Offer.

The Director Options were issued to Mr Simon Coxhell (and/or his nominee) as a performance linked incentive component in Mr Coxhell's remuneration package to motivate and reward his performance as a Director.

The Entitlement Issue closed undersubscribed by 28,063,024 Options on 14 June 2019. Pursuant to the Prospectus, the 28,063,024 Options were made available under a shortfall offer, which closed fully subscribed on 3 July 2019.

FINANCIAL POSITION

The net assets of the Group have decreased by ($455,079) from $5,977,475 at 30 June 2018 to a net asset position of $5,522,396 at 30 June 2019.

DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or in the financial statements.

AFTER BALANCE DATE EVENTS

On 3 July 2019, the Company announced the closure of its shortfall placement of 28,063,024 options exercisable at $0.05 per option on or before 31 March 2022 at an issue price of $0.001 per option.

ENVIRONMENTAL ISSUES

The Group is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY AS AT THE DATE OF THIS REPORT

MR JOSH PUCKRIDGE
NON-EXECUTIVE CHAIRMAN

Mr Puckridge is a Corporate Finance Executive formerly working as specialist Equity Capital Markets Advisor for Fleming Australia, a Corporate Advisory and Funds Management firm based in Perth, Western Australia. He has significant experience within fund management, capital raising, mergers, acquisitions and divestments of projects by companies listed on the Australian Securities Exchange.

In the three years immediately before the end of the financial year Mr Puckridge also served as a director of the following ASX listed Companies:

Silver City Minerals Limited (ASX: SCI) – appointed 3 February 2017
Lustrum Minerals Limited (ASX: LRM) – appointed 1 December 2015
Affinity Energy and Health Limited (ASX: AEB) – appointed 8 April 2019
Fraser Range Metals Group Limited – resigned 29 November 2017
Alcidion Group Limited (ASX: ALC) – resigned 29 November 2016
MCS Services Limited (ASX: MSG) – resigned 14 July 2017

MR MACIEJ ROSIEWICZ
NON-EXECUTIVE DIRECTOR

Mr Rosiewicz has extensive experience in corporate finance with over a decade working in the sector spanning across stockbroking, corporate advisory and private equity. Over this time, he has gained experience in various industries working on projects in sectors including mining and mining services, energy, real estate and agriculture.

DIRECTORS' REPORT (CONTINUED)

In his previous role Mr Rosiewicz was an advisor at Clearwater Capital Partners, a Hong Kong based private equity firm with a credit focus on the Asia Pacific region. His role was to evaluate potential buyside opportunities, in both credit and equity, as well as exit strategies and asset management for Clearwater's portfolio companies.

Prior to that he was an investment manager at Alto Capital where he worked in equity capital markets dealing with both retail and corporate clients on portfolio management, raising capital and corporate advisory.

Mr Rosiewicz has a Bachelor degree from Edith Cowan University with a double major in Finance and Economics.

In the three years immediately before the end of the financial year Mr Rosiewicz also served as a director of the following ASX listed Companies:

Avira Resources Limited (ASX: AVW) – appointed 30 November 2019

MR SIMON COXHELL
NON-EXECUTIVE DIRECTOR (appointed 5 April 2019)

Mr. Coxhell is a geologist with 34 years of diverse experience encompassing all aspects of the resource sector including exploration, resource development, metallurgical considerations and mining. Mr Coxhell has maintained significant exposure to capital markets, fund raising and significant corporate experience over the last 15 years in senior executive roles. Mr. Coxhell most recently served as the Chief Executive Officer of Echo Resources Limited (Echo), while at Echo, Mr. Coxhell was responsible for leading Echo Resources through the exploration, resource definition, and PFS and BFS of the Julius and Bronzewing Gold Project, located in the Eastern Goldfields of Western Australia.

Mr. Coxhell will focus on progressing exploration at the Company's Kirkalocka and Leonora Projects and brings a heightened technical capacity to the board that will enhance the Company's ability to generate value for shareholders from its current and future projects.

In the three years immediately before the end of the financial year Mr Coxhell also served as a director of the following ASX listed Companies:

Echo Resources limited (ASX:EAR) – resigned 2 October 2018

MRS LOREN KING
NON-EXECUTIVE DIRECTOR & COMPANY SECRETARY (resigned 5 April 2019 and 31 October 2018)

As well as being a Director at, and Company Secretary of, Cicero Corporate Services Pty Ltd, Mrs King holds the positions of Non-Executive Director and Company Secretary at Brookside Energy Limited (ASX: BRK). Past Non-Executive Director positions include Intiger Group Limited (ASX: IAM).

Mrs King has a Bachelor of Psychology, is a Fellow Member of the Governance Institute of Australia holding a Graduate Diploma of Applied Corporate Governance and has a Certificate IV in Financial Services (Bookkeeping).

DIRECTORS' REPORT (CONTINUED)

In the three years immediately before the end of the financial year Mrs King also served as a director of the following ASX listed Companies:

Brookside Energy Limited (ASX: BRK) – appointed 5 June 2015
Intiger Group Limited (ASX: IAM) – resigned 17 August 2016

MR QUINTON MEYERS
COMPANY SECRETARY (Appointed on 31 October 2018)

Mr. Meyers holds a Bachelor of Commerce, majoring in Accounting and Finance, and has been working within accounting firms since 2015. Mr. Meyers has performed a range of accounting and Company Secretarial duties for public and private companies and is experienced in audit management, preparation of accounts, capital budgeting and ASX listing rules. Mr Meyers is currently serving as Company Secretary on Family Insights Group Limited (ASX: FAM).

DIRECTORS' EQUITY HOLDINGS

At the date of this report the following table sets out the current directors' relevant interests in shares and options of Blaze International Limited and the changes during the year ended 30 June 2019:

	Ordinary Shares		Options over Ordinary Shares	
Director	Current holding	Net increase/ (decrease)	Current holding	Net increase/ (decrease)
Josh Puckridge	-	-	-	-
Simon Coxhell[1]	2,713,404[2]	-	11,356,702[3]	-
Maciej Rosiewicz	-	-	-	-
Loren King[4]	-	-	-	-

[1] Appointed on 5 April 2019.
[2] 2,713,404 shares issued as part of the acquisition of the Leonora Tenements
[3] 10,000,000 options issued with shareholder approval at the General Meeting held on 20 May 2019. The remaining 1,356,702 applied for and issued under the entitlement offer detailed in the Entitlement Issue Prospectus announced 22 May 2019.
[4] Resigned on 5 April 2019.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information about the remuneration of key management personnel is set out in the Remuneration Report on pages below. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share-based compensation
E. Directors' option holdings
F. Directors' equity holdings
G. Other related party transactions

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Due to the size of the Board, it has been deemed that Remuneration Committee is not required and the Board as a whole will perform the duties a Remuneration Committee. The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component with the flexibility to offer specific long term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to manage the Company.

The Board's policy for determining the nature and amount of remuneration for Key Management Personnel is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.

- All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company.

DIRECTORS' REPORT (continued)

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executive performance. Currently, this is facilitated through the issue of options to the directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. The Company currently has no performance based remuneration component built into director and executive remuneration packages.

NON-EXECUTIVE DIRECTORS

The non-executive Directors are entitled to receive directors' fees of amounts as determined by the shareholders of the Company in general meeting. Pursuant to the Company's Constitution, the non-executive Directors of the Company are entitled to receive directors' fees in such amounts (as determined by the Directors) in aggregate not to exceed $250,000, to be divided among non-executive Directors as the Directors may agree and in the absence of agreement then equally, until otherwise determined by shareholders in General Meeting. Non-executive Directors may also be remunerated for additional specialised services performed at the request of the Board and reimbursed for reasonable expense incurred by directors on Company business.

GROUP PERFORMANCE, SHAREHOLDER WEALTH AND DIRECTORS AND EXECUTIVES REMUNERATION

The table below shows the gross revenue, losses and earnings per share for the last five years for the listed entity.

Performance Indicator	2015	2016	2017	2018	2019
Revenue	1,660	11,061	11,138	15,284	2,218
Net Profit/(Loss) after tax	(738,277)	(2,000,485)	(1,049,701)	(2,161,702)	(710,543)
Earnings/(Loss) - Cents per share	(4.24)	(2.90)	(0.84)	(1.40)	(0.36)

B. DETAILS OF REMUNERATION

Details of remuneration of the directors and key management personnel (as defined in *AASB 124 Related Party Disclosures)* of Blaze International Limited are set out below.

The key management personnel of Blaze International Limited are the directors as listed on the pages above.

The Company does not have any other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

DIRECTORS' REPORT (CONTINUED)

The table below shows the 2019 and 2018 figures for remuneration received by the Company's directors:

	Short-term Employee Benefits			Post-employment Benefits	Share-based Payments		
	Salary & fees	Bonus	Other benefits	Super-annuation	Shares	Options	Total
	$	$	$	$	$	$	$
2019							
Directors							
Josh Puckridge	45,000	-	-	-	-	-	69,486
Loren King (i)	27,000	-	-	-	-	-	27,000
Maciej Rosiewicz (ii)	33,000	-	-	-	-	-	33,000
Simon Coxhell (iii)	10,000	-	-	-	-	10,000	20,000
	115,000	**-**	**-**	**-**	**-**	**10,000**	**149,486**
2018							
Directors							
Josh Puckridge	39,000	-	22,727	-	-	-	61,727
Loren King (i)	36,000	-	-	-	-	-	36,000
Maciej Rosiewicz (ii)	33,000	-	-	-	-	-	33,000
	108,000		**22,727**	**-**	**-**	**-**	**130,727**

(i) Mrs King resigned on 5 April 2019.
(ii) Mr Rosiewicz was appointed on 1 April 2017.
(iii) Mr Coxhell was appointed on 5 April 2019.

The $10,000 worth of options issued to Mr Simon Coxhell are performance based remuneration.

C. SERVICE AGREEMENTS

There were no key management personnel that have or had service agreements for the year ended 30 June 2019, other than as disclosed below.

EMPLOYMENT CONTRACTS OF DIRECTORS

Director	Appointment	Term of Agreement	Annual Salary (exc. GST)	Termination Benefit
Josh Puckridge	Non-Executive Chairman	No fixed term	48,000	Nil
Loren King	Non-Executive Director	No fixed term	36,000	Nil
Maciej Rosiewicz	Non-Executive Director	No fixed term	36,000	Nil
Simon Coxhell	Non-Executive Director	No fixed term	40,000	Nil

D. SHARE-BASED COMPENSATION

Options may be issued to directors and executives as part of their remuneration. Options are issued based on performance criteria, and may be issued to directors and executives of Blaze International Limited and its subsidiaries to increase goal congruence between executives, directors and shareholders.

During the financial year ended 30 June 2019, there were 10,000,000 listed director options granted (2018:Nil), 2,000,000 director options that lapsed (2018:Nil), and no director options exercised (2018:Nil). As at 30 June 2019 there were 10,000,000 listed director options exercisable at $0.05 cents and expiring 31 March 2022 on issue (2018: Nil). The fair value of the listed director options was $0.001 per option, determined using the subscription price for the entitlement options and placement options.

DIRECTORS' REPORT (CONTINUED)

No shares were granted or vested as part of remuneration of any key management personnel during 2019 (2018: Nil). As at 30 June 2019, Mr Simon Coxhell Holds 2,713,404 Shares in the Company. No other key management personnel hold any shares or options in the Company.

E. DIRECTORS' OPTION HOLDINGS

The number options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Director	Balance at 1 July No.	Granted as remuneration No.	Options Purchased No.	Lapsed No.	Balance at 30 June No.
Josh Puckridge	2,000,000	-	-	2,000,000	-
Loren King (i)	-	-	-	-	-
Maciej Rosiewicz (ii)	-	-	-	-	-
Simon Coxhell(iii)	-	10,000,000	1,356,702	-	11,356,702

(i) Mrs King resigned on 5 April 2019.
(ii) Mr Rosiewicz was appointed on 1 April 2017.
(iii) Mr Coxhell was appointed on 5 April 2019.

F. DIRECTORS' EQUITY HOLDINGS

No shares were granted or vested as part of remuneration of any key management personnel during 2019 (2018: Nil).

Director	Balance at 1 July No.	Purchase of Leonora Tenements No.	Options Exercised No.	Lapsed No.	Balance at 30 June No.
Josh Puckridge	-	-	-	-	-
Loren King (i)	-	-	-	-	-
Maciej Rosiewicz (ii)	-	-	-	-	-
Simon Coxhell(iii)	-	2,713,404	-	-	2,713,404

(i) Mrs King resigned on 5 April 2019.
(ii) Mr Rosiewicz was appointed on 1 April 2017.
(iii) Mr Coxhell was appointed on 5 April 2019.

G. OTHER RELATED PARTY TRANSACTIONS

As at 30 June 2019, there was the invoices payable to Mr Simon Coxhell ($3,333), Mr Josh Puckridge ($4,400) and Coxsrocks Pty Ltd ($10,000).

The Company has an agreement with Cicero Corporate Services Pty Ltd, a company related to Mrs King, for corporate administration services including financial reporting, company secretarial services, rent and administrative operations. The charges for these services is $10,000 per month (exc. GST). Charges are at commercial terms in accordance with the agreement entered into on 11 December 2015 for an initial 12-month term which rolls annually.

DIRECTORS' REPORT (CONTINUED)

As announced on 5 April 2019, the Company entered into an agreement to acquire eight (8) tenements near Leonora, Western Australia. As part of the agreement, the vendor, Coxrocks Pty Ltd, a company related to Mr Simon Coxhell, was paid $100,000 cash and issued 2,713,404 fully paid ordinary shares in the Company as considerations for the tenements.

- - END OF REMUNERATION REPORT - -

MEETING OF DIRECTORS

During the financial year, one director meeting was held and six circular resolutions were resolved. Attendances and circular resolutions resolved by each director during the year were as follows:

Board Member	Meetings Eligible to Attend	Meetings Attended	Circular Resolutions Eligible to Sign	Circular Resolutions Signed
Josh Puckridge	1	1	6	6
Loren King	1	1	5	5
Maciej Rosiewicz	1	1	6	6
Simon Coxhell	-	-	1	1

INDEMNIFYING OFFICERS

During or since the financial year, the Company has paid premiums insuring all the directors of Blaze International Limited against costs incurred in defending conduct involving:

a) A breach of duty,
b) A contravention of sections 182 or 183 of the *Corporations Act 2001*,

as permitted by section 199B of the *Corporations Act 2001*.

Blaze has agreed to indemnify all directors and executive officers of the Company against liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of Blaze, except where the liability has arisen as a result of a wilful breach of duty in relation to the Company. The agreement stipulates that Blaze will meet the full amount of any such liabilities, including costs and expenses.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

OPTIONS

At the date of this report there are 210,000,000 unissued ordinary shares for which options were outstanding.

DIRECTORS' REPORT (CONTINUED)

PROCEEDINGS ON BEHALF OF COMPANY

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

CORPORATE GOVERNANCE

Blaze International Limited and the Board of Directors are committed to achieving the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entities together are referred to as the Group in this statement.

A description of the Group's main corporate governance practices is set out on the Company's website www.blazeinternational.com.au. All these practices, unless otherwise stated, were in place for the entire year and comply with the ASX Corporate Governance Principles and Recommendations

AUDITOR

HLB Mann Judd continues in office in accordance with Section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

No fees for non-audit services were paid or are payable to the external auditor of the Parent Entity during the year ended 30 June 2019 (2018: Nil).

AUDITOR'S DECLARATION OF INDEPENDENCE

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 19 and forms part of this Directors' report for the year ended 30 June 2019.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Josh R. Puckridge

Josh Puckridge
Non-Executive Chairman
Dated this 24th day of September 2019

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Blaze International Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
24 September 2019

D I Buckley
Partner

hlb.com.au

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T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

DIRECTORS' DECLARATION

The Directors declare that:

a. the accompanying financial statements and notes are 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 2019 and of its performance for the year then ended; and
    ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
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.
c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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 financial year ended 30 June 2019.

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

For, and on behalf of, the Board of the Company,

Josh Puckridge
Non-Executive Chairman
Perth, Western Australia this 24th day of September 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the members of Blaze International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Blaze International Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, 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 statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

b) 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying value of exploration expenditure Refer Note 10	
In accordance with AASB 6 *Exploration for Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We examined the exploration budget for the year ending 30 June 2019 and discussed with management the nature of planned ongoing activities; • We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and • We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Blaze International Limited for the year ended 30 June 2019 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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D I Buckley
Partner

Perth, Western Australia
24 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2019

	Note	2019 $	2018 $
Continuing operations			
Interest income	2	2,218	4,863
Other income	2	-	10,421
Accounting and audit fees		(49,575)	(43,185)
Administration expense		(135,928)	(120,000)
Changes in the fair value of financial assets	15	(76,927)	(477,102)
Corporate compliance costs		(52,242)	(58,489)
Consultants fees		(186,926)	-
Depreciation	9	(13,016)	(44,358)
Directors' fees, salaries, super and consulting costs		(115,401)	(130,727)
Legal fees		(9,274)	(40,302)
Other expenses from ordinary activities		(63,502)	(44,670)
Project evaluation		-	(10,162)
Share based payment expense	23	(10,000)	(1,352,360)
Loss before income tax expense		(710,573)	(2,306,071)
Income tax benefit	3	-	144,369
Loss for the year from continuing operations		(710,573)	(2,161,702)
Items that will not be reclassified to profit or loss		-	-
Other comprehensive income		-	-
Total comprehensive loss for the year		(710,573)	(2,161,702)
Earnings/(loss) per share			
Basic loss per share (cents per share)	6	(0.34)	(1.40)
Diluted loss per share (cents per share)	6	(0.34)	(1.40)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	7	2,284,085	3,159,087
Trade and other receivables	8	37,029	55,498
Other financial assets	15	81,200	158,127
Total current assets		2,402,314	3,372,712
Non-current assets			
Plant and equipment	9	16,437	29,453
Deferred exploration expenditure	10	3,372,187	2,804,995
Total non-current assets		3,388,624	2,834,448
Total assets		**5,790,938**	**6,207,160**
Liabilities			
Current liabilities			
Trade and other payables	11	60,112	21,255
Current tax liabilities	3	208,430	208,430
Total current liabilities		268,542	229,685
Total liabilities		**268,542**	**229,685**
Net assets		**5,522,396**	**5,977,475**
Equity			
Issued capital	12	41,823,329	41,766,347
Reserve	13	2,695,944	2,497,432
Accumulated losses		(38,996,877)	(38,286,304)
Total equity		**5,522,396**	**5,977,475**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2019

	Share capital $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2017	**36,541,893**	**989,745**	**(36,124,602)**	**1,407,036**
Consolidated loss for the year	-	-	(2,161,702)	(2,161,702)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(2,161,702)**	**(2,161,702)**
Shares issued to acquire Everest Minerals Pty Ltd	3,881,601	-	-	6,976,954
Options issued to advisors and consultants	-	1,507,687	-	-
Shares issued through placement	1,587,666	-	-	-
Share issue costs	(244,813)	-	-	(244,813)
Balance at 30 June 2018	**41,766,347**	**2,497,432**	**(38,286,304)**	**5,977,475**
Balance at 1 July 2018	**41,766,347**	**2,497,432**	**(38,286,304)**	**5,977,475**
Consolidated loss for the year	-	-	(710,573)	(710,573)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(710,573)**	**(710,573)**
Shares issued to acquire Leonora Tenements	56,982	-	-	56,982
Options issued to Mr Simon Coxhell	-	10,000	-	10,000
Options issued under entitlement offer and placement	-	188,512	-	188,512
Share/option issue costs	-	-	-	-
Balance at 30 June 2019	**41,823,329**	**2,695,944**	**(38,966,877)**	**5,522,396**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 30 June 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(555,520)	(452,641)
Interest received	2	2,218	4,863
Net cash used in operating activities	7.2	(553,302)	(447,779)
Cash flows from investing activities			
Purchase of plant and equipment	9	-	(7,780)
Proceeds from sale of plant and equipment		-	10,421
Payments for exploration and evaluation expenditure		(510,212)	(149,462)
Cash acquired on acquisition of subsidiary	16	-	942,880
Net cash provided by/(used in) investing activities		(510,212)	796,059
Cash flows from financing activities			
Proceeds from issue of options		188,512	1,587,666
Payment for shares issue costs		-	(95,421)
Net cash generated by financing activities		188,512	1,492,425
Net (decrease)/increase in cash and cash equivalents		(875,002)	1,840,705
Cash and cash equivalents at the beginning of the year		3,159,087	1,318,381
Cash and cash equivalents at the end of the year	7	**2,284,085**	**3,159,087**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

1. BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis, except for other financial assets which have been measured at fair value.

The Company is a listed public company, incorporated and operating in Australia. The financial report is presented in Australian dollars.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for Blaze International Limited and its subsidiaries ("the Group").

The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

1.1. ADOPTION OF NEW AND REVISED STANDARDS

1.1.1. Standards and interpretations applicable to 30 June 2019

In the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. Those which have a material impact on the Group are set out below.

AASB 9 Financial Instrument

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and makes changes to a number of areas including classification of financial instruments, measurements, impairment of financial assets and hedge accounting model.

The Group has adopted AASB 9 from 1 July 2018.

The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

1.1. ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information accordingly, the information presented for 30 June 2018 has not been restated.

The impact on the financial performance and position of the Group from the adoption of this Accounting Standard was negligible. The investment in equity instruments was carried at fair value less impairment in the prior year and as such there was no impact on opening equity on initial application of AASB 9.

1.1.2. Standards and Interpretations in Issue not yet adopted

In the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

1.2. STATEMENT OF COMPLIANCE

The financial report was authorised by the Board of Directors for issue on 24 September 2019.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

1.3. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Blaze International Limited ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Blaze International and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

1.4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Exploration and evaluation costs carried forward

In accordance with accounting policy Note 1.13 management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, various assumptions including the maintenance of title, ongoing expenditure and prospectively are made.

Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model, using the assumptions detailed in Note 23.

1.5. INCOME TAX

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

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited to profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 30 June 2019

1.5 INCOME TAX (CONT'D)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1.6. FINANCIAL INSTRUMENTS

30 June 2019

1.6.1. Financial assets

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

1.6. FINANCIAL INSTRUMENTS (CONT'D)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets
Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

1.6. FINANCIAL INSTRUMENTS (CONT'D)

Equity instruments at fair value through other comprehensive income (Equity FVOCI)
Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI.

Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139.

Any gains or losses recognised in other comprehensive income (OCI) are not recycled upon derecognition of the asset.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)
Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is to "hold to collect" the associated cash flows and sell financial assts; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets
AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.
Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable

1.6. FINANCIAL INSTRUMENTS (CONT'D)

and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:
- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities
The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

1.6. FINANCIAL INSTRUMENTS (CONT'D)

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

30 June 2018

1.6.2. Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

1.6. FINANCIAL INSTRUMENTS (CONT'D)

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is 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 balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

1.6.3. Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

a) *the rights to receive cash flows from the asset have expired;*

b) *the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or*

c) *the Group has transferred its rights to receive cash flows from the asset and either:*

   1. *has transferred substantially all the risks and rewards of the asset, or*

   2. *has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.*

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 30 June 2019

1.6. FINANCIAL INSTRUMENTS (CONT'D)

asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

1.7. IMPAIRMENT OF ASSETS

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to profit or loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8. PROVISIONS

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

1.9. CASH AND CASH EQUIVALENTS

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

1.10. REVENUE

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Other income is stated net of the amount of goods and services tax (GST).

1.11. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.12. COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.13. DEFERRED EXPLORATION EXPENDITURE

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

a) *the rights to tenure of the area of interest are current; and*

b) *at least one of the following conditions is also met:*

    1. *the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or*

    2. *exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.*

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching, sampling and other associated activities including an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

1.13. DEFERRED EXPLORATION EXPENDITURE (CONT'D)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

1.14. ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

1.15. EARNINGS PER SHARE

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

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

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

1.16. BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

1.16. BORROWINGS

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1.17. SHARE-BASED PAYMENT TRANSACTIONS

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-scholes model, further details of which are given in Note 24.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Blaze International Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the

Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 30 June 2019

1.17. SHARE-BASED PAYMENT TRANSACTIONS

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share, refer Note 6.

1.18. PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity, Blaze International, disclosed in Note 14 has been prepared on the same basis as the consolidated financial statements, except as set out below.

1.18.1. Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

1.18.2. Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

1.19. TRADE AND OTHER RECEIVABLES

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

1.20. BUSINESS COMBINATION

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.
Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

1.20. BUSINESS COMBINATION (CONT'D)

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 9, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

1.21. PLANT AND EQUIPMENT

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment	5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Impairment
The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 30 June 2019

1.21. PLANT AND EQUIPMENT (CONT'D)

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Revaluation
Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss.

Any revaluation decrease is recognised in profit or loss, except that a decrease offsetting a previous revaluation increase for the same asset is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.
An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amounts of the assets and depreciation based on the assets' original costs.

Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the balance date.

1.22. TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

2. OTHER INCOME

	CONSOLIDATED	
	2019 $	2018 $
Interest income	2,218	4,863
Profit on sale of plant and equipment	-	10,421
	2,218	15,283

3. INCOME TAX

3.1. INCOME TAX BENEFIT

The major components of tax benefit are:

The prima facie income tax benefit on pre-tax accounting result from operations reconciles to the income tax benefit in the financial statements as follows:

	CONSOLIDATED	
	2019 $	2018 $
Accounting loss before tax from continuing operations	(710,573)	(2,306,071)
Income tax benefit calculated at 30% (2018: 30%)	(213,172)	(691,821)
Non-deductible expenses	5,281	408,684
Unused tax losses and tax offset not recognised as deferred tax assets	252,812	184,667
Other deferred tax assets and tax liabilities not recognised	(44,921)	98,470
Reversal of deferred tax on revaluation of financial assets	-	(144,369)
Income tax expense/(benefit) reported in the statement of profit and other comprehensive income	-	(144,369)

3.2. UNRECOGNISED DEFERRED TAX BALANCES

The following deferred tax assets and (liabilities) have not been brought to account.

Deferred tax assets comprise:

	CONSOLIDATED	
	2019 $	2018 $
Losses available for offset against future taxable income – revenue	3,215,349	3,127,335
Losses available for offset against future taxable income – capital	1,461,342	1,217,565
Depreciation timing differences	1,807	7,851
Other assets	21,840	60,000
Share issue expenses	44,558	101,581
Accrued expenses and liabilities	5,400	4,290
	4,750,296	4,518,622

Deferred tax liabilities comprise:

Exploration Expenditure Capitalised	(867,165)	(9,839)
Other	(2,530)	(3,201)
	(869,695)	(13,040)

Income tax expense recognised direct in equity during the year:

Share issue costs	4,068	73,438
	4,068	73,438

3.3. CURRENT TAX LIABILITY

	CONSOLIDATED	
	2019 $	2018 $
Current tax liability	208,430	208,430

As at 30 June 2019, the Company has a tax liability of $208,430 arising from securities sold during the 2018 Financial Year. The tax liability was paid in full following 30 June 2019.

3.4. EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

During the financial year ended 30 June 2019, there were 10,000,000 director options granted 2,000,000 director options lapsed (2018: Nil). As at 30 June 2019 there were 10,000,000 director options exercisable at 5 cents and expiring 31 March 2022 on issue (2018: 2,000,000). A total of 2,713,404 shares in the Company were held by directors during the period (2018: Nil).

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 30 June 2019

4. RELATED PARTY TRANSACTIONS

4.1. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to key management personnel of the Group is set out below:

	CONSOLIDATED	
	2019 $	2018 $
Short-term employee benefits	139,486	130,727
Post-employment benefits	-	-
Share based payments	10,000	-
	149,486	130,727

4.2. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

As at 30 June 2019, there was the invoices payable to Mr Simon Coxhell ($3,333), Mr Josh Puckridge ($4,400) and Coxsrocks Pty Ltd ($10,000).

The Company has an agreement with Cicero Corporate Services Pty Ltd, a company related to Mrs King, for corporate administration services including financial reporting, company secretarial services, rent and administrative operations. The charges for these services is $10,000 per month (exc. GST). Charges are at commercial terms in accordance with the agreement entered into on 11 December 2015 for an initial 12-month term which rolls annually.

During the financial year ended 30 June 2019, there were 10,000,000 listed director options granted (2018:Nil), 2,000,000 director options that lapsed (2018:Nil), and no director options exercised (2018:Nil). As at 30 June 2019 there were 10,000,000 listed director options exercisable at $0.05 cents and expiring 31 March 2022 on issue (2018: Nil). The fair value of the listed director options was $0.001 per option, determined using the subscription price for the entitlement options and placement options.

5. REMUNERATION OF AUDITORS

Remuneration of the auditor of the parent entity for:

	CONSOLIDATED	
	2019 $	2018 $
Auditing or reviewing the financial report	36,479	25,500
Taxation services	-	-
	36,479	25,500

6. LOSS PER SHARE

6.1. BASIC LOSS PER SHARE

	CONSOLIDATED	
	2019 $	2018 $
Loss used in calculation of basic EPS	(710,573)	(2,161,702)
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	207,583,955	153,314,667

Diluted EPS not disclosed as potential ordinary shares are not dilutive.

7. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2019 $	2018 $
Cash at bank and in hand	2,284,085	3,139,632
Short-term bank deposits	-	19,455
	2,284,085	3,159,087

Cash at bank earns interest at floating rates based on daily bank deposits.

7.1. RECONCILIATION OF CASH

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the statement of financial position as follows:

	CONSOLIDATED	
	2019 $	2018 $
Cash and cash equivalents	2,284,085	3,159,087

7. CASH AND CASH EQUIVALENTS (CONT'D)

7.2. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	CONSOLIDATED	
	2019 $	2018 $
Loss after income tax	(710,573)	(2,161,702)
Non-cash flows in profit or loss		
Profit on disposal of property, plant and equipment	-	(10,421)
Fair value adjustments to other financial assets	76,927	477,102
Share-based payments	10,000	1,352,360
Depreciation	13,016	44,358
(Increase)/decrease in trade and other receivables	18,469	(11,351)
Increase/(decrease) in trade payables and accruals	38,859	6,244
Increase/(decrease) in tax liability	-	(144,369)
Net cash used in operating activities	(553,302)	(447,779)

8. CURRENT TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2019 $	2018 $
Other receivables (i)	37,029	55,498

(i) No receivables are past their contractual terms

9. PLANT AND EQUIPMENT

9.1. CARRYING VALUE

	CONSOLIDATED	
	2019 $	2018 $
Plant and equipment at cost	104,005	104,005
Accumulated depreciation and impairment	(87,568)	(74,552)
Carrying amount at 30 June 2019	16,437	29,453

9. PLANT AND EQUIPMENT (CONT'D)

9.2. RECONCILIATION

	CONSOLIDATED	
	2019 $	2018 $
Carrying amount at 1 July 2018	29,453	89,568
Acquisitions/(disposals)	-	(15,757)
Depreciation expense	(13,016)	(44,358)
Carrying amount at 30 June 2019	16,437	29,453

10. DEFERRED EXPLORATION EXPENDITURE

	CONSOLIDATED	
	2019 $	2018 $
Expenditure brought forward	2,804,995	-
Expenditure incurred during year	510,211	149,462
Share consideration for Leonora Project	56,981	-
Share consideration for Kirkalocka Project (refer to note 16)	-	2,655,533
Expenditure carried forward	3,372,187	2,804,995

The ultimate recoupment of the mining tenements, exploration and evaluation expenditure carried forward is dependent upon the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value.

11. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2019 $	2018 $
Current		
Trade and sundry payables (i)	60,112	21,255

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

12. ISSUED CAPITAL

	CONSOLIDATED	
	2019 $	2018 $
210,000,000 fully paid ordinary shares (2018: 207,286,596)	41,823,329	41,766,347

12. ISSUED CAPITAL (CONT'D)

12.1. FULLY PAID ORDINARY SHARES

	CONSOLIDATED			
	2019		2018	
	No.	$	No.	$
Balance at beginning of year	207,286,596	41,766,347	127,013,264	36,541,893
Shares issued on 2 Feb 2018 (i)			31,753,316	1,587,666
Shares issued on 21 Mar 2018 (ii)			48,520,012	3,881,601
Shares issued on 21 May 2019 (iii)	2,713,404	56,982	-	-
Options converted during the year	-	-	4	-
Share issue costs	-	-	-	(244,813)
Balance at end of year	210,000,000	41,823,329	207,286,596	41,766,347

(i)issue of 31,753,316 shares at an average price of $0.05 per under placement announced 2 February 2018.

(ii)issue of 48,520,012 shares as consideration for the acquisition of Everest Minerals Limited.

(iii)issue of 2,713,404 shares for the acquisition of the Leonora Tenements announced 5 April 2019.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

12.2. SHARE OPTIONS ON ISSUE

The following options were on issue as at 30 June 2019:

No of options	Exercise price	Expiry date
181,936,976[1]	$0.05	31 March 2022

[1] In addition, 28,063,024 options exercisable at $0.05 on or before 31 March 2019 were issued on 3 July 2019.

12.3. CAPITAL RISK MANAGEMENT

Management controls the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

13. RESERVES

	CONSOLIDATED	
	2019 $	2018 $
Option reserve	2,695,944	2,497,432

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 30 June 2019

13. RESERVES (CONT'D)

13.1. OPTION RESERVE

The option reserve is used to accumulate proceeds received from the issue of options, the value of options issued as consideration for the acquisition of non-current assets and the value of options issued as consideration for services received.

MOVEMENTS IN RESERVE

	CONSOLIDATED	
	2019 $	2018 $
Balance at beginning of year	2,497,432	989,745
Issued during the year	198,512	1,507,687
Unissued during the year	19,074[1]	-
Option expiry	-	-
Balance at end of year	2,695,944	2,497,432

[1] As at 30 June 2019, the Company had received $19,074 from applicants under the shortfall placement announced 14 June 2019. The shortfall placement closed fully subscribed on 3 July 2019.

14. PARENT ENTITY DISCLOSURES

14.1. FINANCIAL POSITION

	COMPANY	
	2019 $	2018 $
Assets		
Current assets	1,384,834	2,270,723
Non-current assets	4,197,471	3,727,791
Total assets	**5,582,305**	**5,998,514**
Liabilities		
Current liabilities	59,909	21,019
Total liabilities	**59,909**	**21,019**
Net assets	**5,522,396**	**5,977,495**
Equity		
Issued capital	41,823,329	41,766,367
Reserves	2,695,944	2,497,432
Accumulated losses	(38,996,877)	(38,286,304)
Total equity	**5,522,396**	**5,977,495**

14. PARENT ENTITY DISCLOSURES (CONT'D)

14.2. FINANCIAL PERFORMANCE

	CONSOLIDATED	
	2019 $	2018 $
Loss for the period	(633,032)	(2,161,702)
Other comprehensive income	-	-
Total comprehensive loss	**(633,032)**	**(2,161,702)**

The parent entity's contingencies and commitments are the same as the Group's.

15. OTHER FINANCIAL ASSETS

	CONSOLIDATED	
	2019 $	2018 $
Equity Instruments held at fair value through profit or loss	81,200	158,127

The company holds 933,333 shares in Black Dragon Gold Corporation which are listed on the ASX. The fair value decrement recognised in profit or loss was $76,927 (2018: $477,102).

16. ACQUISITION OF EVEREST MINERALS LIMITED

On 21 March 2018, Blaze International Limited acquired 100% of the voting shares of Everest Minerals Pty Ltd.

The total cost of the combination was $3,881,601 and comprised an issue of equity instruments. The Group issued 48,520,012 ordinary shares with a fair value of $0.08 each, based on the quoted price of the shares of Blaze International Limited at the date of exchange.

16.1. CONSIDERATION TRANSFERRED

Acquisition date fair value of the consideration transferred

	$
Shares issued, at fair value	3,881,601
Total consideration	3,881,601

16. ACQUISITION OF EVEREST MINERALS LIMITED (CONT'D)

16.2. ASSETS ACQUIRED AND LIABILITIES ASSUMED AT THE DATE OF ACQUISITION

The Group has recognised the fair values of the identifiable assets and liabilities of Everest Minerals Pty Ltd at acquisition date.

	$
Fair value at acquisition date	
Cash and cash equivalents	942,880
Other financial assets (Note 15)	635,229
Current Tax Liability (Note 3.3)	(208,430)
Deferred tax liability	(144,369)
Trade other receivables	758
	1,226,068
Excess consideration over net assets recognised as exploration and evaluation expenditure (refer to Note 10)	2,655,533
Total consideration	3,881,601

17. SUBSIDIARIES

Entity	Incorporation	2019 Ownership	2018 Ownership
Everest Minerals Pty Ltd	Australia	100%	100%
Yeelirrie Minerals Pty Ltd	Australia	100%	100%

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and not disclosed in this note.

18. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities or contingent assets as at 30 June 2019 (2018: Nil).

19. CAPITAL AND LEASING COMMITMENTS

The Company has an agreement with Cicero Corporate Services Pty Ltd (CCS), a company related to Mrs King for corporate administration services including financial reporting, company secretarial services, rent and administrative operations at $10,000 per month (exc. GST). Charges are at commercial terms in accordance with the agreement entered into on 11 December 2015 for an initial 12-month term which rolls annually.

	CONSOLIDATED	
	2019 $	2018 $
Within 12 months to June 2019	120,000	120,000
Within 2 <5 years	-	-
Total	120,000	120,000

20. SEGMENT REPORTING

The Group has adopted AASB 8 "Operating Segments" which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker (considered to be Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Group reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period, the Group operated predominantly in one segment being the mineral exploration sector in Western Australia. Accordingly, under the "management approach" outlined above only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

21. EVENTS AFTER BALANCE DATE

On 3 July 2019, the Company announced the closure of its shortfall placement by issue of 28,063,024 options exercisable at $0.05 per option on or before 31 March 2022.

22. FINANCIAL INSTRUMENTS

22.1. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries and other financial assets.

22.1.1. Financial risk

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

22. FINANCIAL INSTRUMENTS (CONT'D)

22.1.2. Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any allowances for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not have any material credit risk exposure to any single receivable or Group of receivables under financial instruments entered into by the Group

22.1.3. Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Fixed interest rate maturing			
	Weighted average effective interest rate	Floating interest rate	Non-interest bearing	Total
	%	$	$	$
2019				
Financial assets:				
Cash at bank	2.50%	2,284,085	-	**2,284,085**
Receivables	N/A	-	37,029	**37,029**
Other financial assets	N/A	-	81,200	**81,200**
Total financial assets		**2,284,085**	**118,229**	**2,402,314**
Financial liabilities:				
Trade and other payables	N/A	-	60,122	60,122
Total financial liabilities		**-**	**60,112**	**60,112**
2018				
Financial assets:				
Cash at bank	2.50%	3,159,087	-	**3,159,087**
Receivables	N/A	-	55,498	**55,498**
Other financial assets	-	-	158,127	**158,127**
Total financial assets	**-**	**3,159,087**	**213,625**	**3,372,712**
Financial liabilities:				
Trade and other payables	N/A	-	21,254	**21,254**
Total financial liabilities		**-**	**21,254**	**21,254**

22. FINANCIAL INSTRUMENTS (CONT'D)

22.1.4. Interest rate sensitivity analysis

The sensitivity analyses has been determined based on those assets and liabilities with an exposure to interest rate risk at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates. At reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant there would not be a material change to the Group's net loss or equity.

22.1.5. Liquidity risk

The following table details the Group's and the Company's expected maturity for its financial liabilities:

	CONSOLIDATED	
	2019 $	2018 $
Non-Interest bearing		
< 1 month	60,112	21,254
1 – 3 months	-	-
3 – 12 months	-	-
1 – 5 years	-	-
	60,112	21,254

22.1.6. Liquidity risk

The Group is not materially exposed to liquidity risk.

22.1.7. Equity price risk

The Group is not materially exposed to equity price risk.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 30 June 2019

22. FINANCIAL INSTRUMENTS (CONT'D)

22.1.8. Net fair values

For all financial assets and financial liabilities, their net fair value approximates their carrying values.

Fair value measurements are classified under accounting standards. Level of the following fair value measurement hierarchy:

- Quoted prices in active markets for identical assets or liabilities (**level 1**);
- Inputs other than quoted prices included within level 1 that that are observable for the asset or liability either directly or indirectly (**level 2**); and
- Inputs for the asset or liability that are not based on observable data (**level 3**).

The Group has financial assets at fair value through profit or loss at level 1 in the fair value hierarchy (2018: $Nil in level 1).

23. SHARE BASED PAYMENTS

The following share-based payment arrangements were in place during the current and prior periods.

A. Unlisted options

No of Options	Approved Grant Date	Fair Value at Grant Date	Share Price at Grant Date	Expected Volatility	Option Life (years)	Expected Dividends	Risk-Free Interest Rate
77,741,038[1]	21-Mar-18	$0.0193	$0.07	90%	0.95	0%	2.5%

[1]The options have an exercise price of $0.08 per share and expired 1 March 2019. There was no alteration of the terms and conditions of the above share based payment arrangements since grant date. The fair value of 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.

The following table illustrates the number and weighted average exercise price of and movements in unlisted share options issued during the year.

23. SHARE BASED PAYMENTS (CONT'D)

	No of Options	Weighted average exercise price $
Outstanding at the beginning of the year	184,999,996	$0.08
Granted during the year	-	-
Exercised during the year	-	-
Lapsed during the year	(184,999,996)	$0.08
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-

At the end of the financial year ending 30 June 2019, there were no unlisted options outstanding.

B. Listed options

No of Options	Approved Grant Date	Fair Value at Grant Date
10,000,000[1]	18-May-19	$0.001
2,500,002	18-May-19	$0.001

[1] The options have an exercise price of $0.05 per share and expired unexercised 31 March 2022. There was no alteration of the terms and conditions of the above share based payment arrangements since grant date. The fair value of equity settled share options granted was determined using the subscription price for the entitlement options and placement options.

The following table illustrates the number and weighted average exercise price of and movements in share options issued during the year.

	No of Options	Weighted average exercise price $
Outstanding at the beginning of the year	-	-
Granted during the year	12,500,002	$0.05
Exercised during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	12,500,002	$0.05
Exercisable at the end of the year	12,500,002	$0.05

The listed share options outstanding at the end of the year had an exercise price of $0.05 (2018: $0.08) and a weighted average remaining contractual life of 1,017 days (2018: 244 days). The weighted average fair value of options granted during the year was $0.001 (2018: $0.13).

24. EXPLORATION EXPENDITURE COMMITMENTS

In order to maintain rights of tenure of its Australian located mineral tenements, the Company is required to outlay certain amounts in respect of rent and minimum expenditure requirements set by the Western Australian State Government Mines Department. The Group's commitments to meet this minimum level of expenditure are approximately $314,960 (2018: $81,960) annually.

Exemption from incurring this annual level of expenditure may be granted where access to the tenement are is restricted for reasons beyond the Company's control such as where native title issues restrict the Company's ability to explore in the project area. The Company is not aware of any such restrictions to exploration in the coming year it does not anticipate seeking any exemption to reduce this annual requirement.

ADDITIONAL SHAREHOLDERS' INFORMATION

Blaze International Limited's issued capital is as follows:

ORDINARY FULLY PAID SHARES

At the date of this report there are the following number of Ordinary fully paid shares

	Number of shares
Balance at the beginning of the year	207,286,596
Movements of share options during the year and to the date of this report	2,713,404
Total number of shares at the date of this report	**210,000,000**

SHARES UNDER OPTION

At the date of this report there are 210,000,000 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	184,999,996
Movement in Options exercisable at $0.08 on or before 1 March 2019	(184,999,996)
Movement in Options exercisable at $0.05 on or before 31 March 2022	210,000,000
Total number of options outstanding at the date of this report	**210,000,000**

The balance is comprised of the following:

Number of options	Expiry date	Exercise price	Listed/Unlisted
210,000,000	31 March 2022	$0.05	Listed

No person entitled to exercise any option referred to above has had, by virtue of the option, a right to participate in any share issue of any other body corporate.

SUBSTANTIAL SHAREHOLDERS

Blaze International Limited has the following substantial shareholders as at 24 September 2019:

Name	Number of shares	Issued Capital %
GREAT SOUTHERN FLOUR MILLS PTY LTD	20,000,000	9.52%
MCNEIL NOMINEES PTY LIMITED	13,433,787	6.40%

ADDITIONAL SHAREHOLDERS' INFORMATION (CONTINUED)

RANGE OF SHARES AS AT 24 SEPTEMBER 2019

Range	Total Holders	Number of shares	Issued Capital %
1 - 1,000	131	34,225	0.02%
1,001 - 5,000	155	539,936	0.26%
5,001 - 10,000	86	648,109	0.31%
10,001 - 100,000	217	9,096,017	4.33%
100,001 - > 100,001	177	199,681,713	95.09%
Total	**766**	**210,000,000**	**100.00%**

UNMARKETABLE PARCELS AS AT 24 SEPTEMBER 2019

	Minimum parcel size	Number of Holders	Units
Minimum $500.00 parcel at $0.028 per unit	17,857	433	2,019,799

TOP 20 HOLDERS OF ORDINARY SHARES AS AT 24 SEPTEMBER 2019

#	Holder Name	Number of shares	Issued Capital %
1	GREAT SOUTHERN FLOUR MILLS PTY LTD	20,000,000	9.52%
2	MCNEIL NOMINEES PTY LIMITED	13,433,787	6.40%
3	MR GAVIN JEREMY DUNHILL	10,450,000	4.98%
4	KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	10,000,000	4.76%
5	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	9,734,541	4.64%
6	VIENNA HOLDINGS PTY LTD <RONJEN SUPER FUND A/C>	8,000,000	3.81%
7	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	7,812,381	3.72%
8	KINGSLANE PTY LTD <CRANSTON SUPER PENSION A/C>	7,496,417	3.57%
9	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	5,000,000	2.38%
10	RIMOYNE PTY LTD	4,476,831	2.13%
11	MS NICOLE GALLIN &MR KYLE HAYNES <GH SUPER FUND A/C>	4,000,000	1.90%
12	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	3,692,673	1.76%
13	MR MARK EDWARD GREENAWAY <ANNEXX A/C>	3,670,942	1.75%
14	JKR SUPER PTY LTD <JPR SUPER FUND A/C>	3,500,000	1.67%
15	PAYZONE PTY LTD <ST BARNABAS SUPER A/C>	3,488,000	1.66%
16	MR SCOTT LAWRENCE KITCHELL	3,416,790	1.63%
17	AVELA ASSET MANAGEMENT PTE LTD	3,375,000	1.61%
18	COXSROCKS PTY LTD	2,713,404	1.29%
19	MR STUART HECTOR MACLEAN	2,500,000	1.19%
20	BNP PARIBAS NOMS PTY LTD <DRP>	2,000,500	0.95%
	Total	**128,761,266**	**61.31%**

ADDITIONAL SHAREHOLDERS' INFORMATION (CONTINUED)

TOP 20 HOLDERS OF QUOTED OPTIONS AS AT 24 SEPTEMBER 2019

#	Holder Name	Number of Options	Issued Capital %
1	GREAT SOUTHERN FLOUR MILLS PTY LTD	47,000,000	22.38%
2	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	22,481,045	10.71%
3	CORPORATE & RESOURCE CONSULTANTS PTY LTD	12,500,000	5.95%
4	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	11,846,336	5.64%
5	COXSROCKS PTY LTD	11,356,702	5.41%
6	MR KLAUS ECKHOF	10,000,000	4.76%
7	RIMOYNE PTY LTD	8,115,862	3.86%
8	MR GAVIN JEREMY DUNHILL	6,735,000	3.21%
9	MCNEIL NOMINEES PTY LIMITED	6,716,893	3.20%
10	SABRELINE PTY LTD <JPR INVESTMENT A/C>	5,000,000	2.38%
10	KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	5,000,000	2.38%
10	KONKERA PTY LTD <KONKERA FAMILY A/C>	5,000,000	2.38%
11	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	4,867,270	2.32%
12	VIENNA HOLDINGS PTY LTD <WESTGOLD A/C>	4,000,000	1.90%
12	KINGSLANE PTY LTD <ECKHOF FAMILY A/C>	4,000,000	1.90%
13	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	3,906,190	1.86%
14	KINGSLANE PTY LTD <CRANSTON SUPER PENSION A/C>	3,748,208	1.78%
15	PAYZONE PTY LTD <ST BARNABAS SUPER A/C>	2,594,000	1.24%
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,482,818	1.18%
17	JKR SUPER PTY LTD <JPR SUPER FUND A/C>	1,750,000	0.83%
18	MR MARK EDWARD GREENAWAY <ANNEXX A/C>	1,743,566	0.83%
19	AVELA ASSET MANAGEMENT PTE LTD	1,687,500	0.80%
20	MR SCOTT LAWRENCE KITCHELL	1,674,708	0.80%
	Total	**184,206,098**	**87.72%**