



# **RAIDEN RESOURCES LIMITED**

**ABN 68 009 161 522**

**ANNUAL REPORT  
30 JUNE 2019**

## CONTENTS

Corporate Directory	1
Chairman's Letter	2
Directors' Report	3
Auditor's Independence Declaration	20
Financial Report	21
Directors' Declaration	53
Independent Auditor's Report	54
Corporate Governance Statement	57
Additional Shareholder Information	66

## CORPORATE DIRECTORY

### Directors

Mr Dusko Ljubojevic – Managing Director  
Mr Michael Davy – Non-Executive Chairman  
Mr Martin Pawlitschek – Non-Executive Director

### Company Secretary

Ms Kyla Garic

### Registered Office & Principal Place of Business

108 Outram Street  
West Perth WA 6005

### Auditor

RSM Australia Partners  
Level 32, Exchange Tower, 2 The Esplanade  
Perth WA 6000

### Bankers

NAB  
1232 Hay Street  
West Perth WA 6005

### Share Registry

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

### Securities Exchange Listing

ASX Limited  
20 Bridge Street  
Sydney NSW 2000  
**ASX Code – RDN**

### Website

[www.raidenresources.com.au](http://www.raidenresources.com.au)

## CHAIRMAN'S LETTER

Dear Shareholders,

The financial year ending 30 June 2019 saw the first full year for Raiden Resources completed. Despite continued unfavourable market conditions the company's Balkan's based team have executed the strategy of evaluation and drill testing of its world class exploration portfolio. Field work has delineated drill targets on four of its granted permits in Serbia and drill testing has been completed over three of those.

We are particularly excited about the addition of three large and high-quality permits in Bulgaria, all of which are located over highly prospective geology with many zones of gold and copper mineralisation and alteration identified by historic data and initial field work. Low cost target definition work has commenced on these prospects and is already yielding additional quality drill targets.

Going forward the Company will aim to further build out this portfolio from the current holding of approximately 700Km2 and we expect to continue to add quality targets over the coming months with drill testing to follow throughout 2020.

Given our early mover advantage, particularly with our expanded presence in Bulgaria, we will continue to focus on our strategy of securing and exploring quality permits and targets at a time when very few have the determination to do so. The extremely cyclical nature of our industry is best exploited in a counter-cyclical manner, when a company such as Raiden can establish itself in a tier 1 belt and secure a strategic ground holding.

We have an exciting year of field work and drill testing ahead of us and are continually evaluating the best options to fund the programs.

We are proud of our local teams and continue to work closely with the local communities and administration to ensure that the objectives of the Company, the local communities and the government are aligned.

Most importantly we are also very privileged and thankful to have supportive shareholders that understand the value and potential of our land position and strategy of securing and exploring one of the most prolific copper-gold belts in the world.

Yours faithfully,



Michael Davy

**Non-Executive Chairman**

## DIRECTOR'S REPORT

Your Directors present their report together with the financial statements of Raiden Resources Limited ("the Company" or "RDN") and its subsidiaries ("the Group") for the financial year ended 30 June 2019.

The names and the particulars of the Directors who held office during or since the end of the year and until the date of this report are disclosed below. The Directors were in office for this entire period unless otherwise stated.

### Directors

Mr Dusko Ljubojevic

Mr Michael Davy

Mr Martin Pawlitschek

Mr Nicholas Young (resigned 22 March 2019)

Mr Christopher Hansen (appointed on 22 August 2018, resigned 22 March 2019)

### Company Secretary

Ms Kyla Garic, held the position of Company Secretary at the end of the financial year.

### Principal activities

During the year the principal activities of the Group were mineral exploration.

### Operating and financial review

The consolidated loss for the year amounted to (\$826,404) (FY18: loss of (\$2,520,848)).

### Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2019 (FY18: Nil).

### Significant changes in state of affairs

There were no significant changes to the Company or the state of its affairs during the year.

### Review of Operations

During the year ended 30 June 2019, the Group continued mineral exploration over permits:

#### Stara Planina

- In July 2018 the Company announced the Induced Polarization ('IP') survey results which defined a second significant copper/gold target at Stara Planina Project. The Gradiste IP results defined a large chargeability anomaly, 900 metres in strike length which is correlated with high copper, gold and molybdenum values defined in the historical soil surveys.
- During July 2018 the Company also commenced to drill test the copper-gold soil and IP anomalies. The initial program of 3,000 metre of diamond drilling was designed to test priority geophysics and soil geochemistry surveys.
- In September 2018, the Company announced that it had completed approximately 1,700 metres of diamond drilling on the Gradiste and Aldinac targets with all the drill holes having intersected zones containing sulphide mineralisation and alteration.

## DIRECTOR'S REPORT (CONTINUED)

### Review of Activities (Continued)

#### Stara Planina

- The drilling activities had to be paused until confirmation of licence extension for the project. The Companies' JV partner on the project submitted all the required documentation and completed the required work program to qualify for the extension of the exploration license. The halt in drilling activities provided the Company with the opportunity to receive and interpret the laboratory analysis from the drilling conducted and optimise the locations and orientation of the remainder of the planned drilling program and any possible subsequent activities.
- In November 2018, the Company's JV partner and holder of the Stara Planina exploration licence, Geoconsulting Studio DOO, received written confirmation from the Serbian Ministry of Mining and Energy that the exploration licence had been extended for a further 3 years.
- On 8 November 2018, the Company provided an update on Stara Planina project. It was reported that the Company received the assay results from its maiden drill program which consisted of five diamond drill holes totalling approximately 1,700 metres. The five drill holes intercepted copper and gold mineralisation at the two targets.
- The Company has since undertaken activities to identify high-grade zones for follow up drilling campaign.

#### Donje Nevlje

- In September 2018, the field program on the Donje Nevlje Project, which was subject to Joint Arrangement with Rio Tinto commenced with mapping and sampling of key target areas. The survey was completed, and the samples were sent to an accredited laboratory for analysis.
- On the basis of the results from geochemical surveys, Rio Tinto decided to focus all the joint venture funding on the Majdanpek West Project. Rio Tinto and Raiden agreed that Raiden shall retain 100% interest in the Donje Nevlje Project and have the right to sole fund further activities on the project. Rio Tinto will not retain any further interest or claw backs in relation to the Donje Nevlje Project.
- In March 2019 the Company engaged Terratec Geophysical Services, a German geophysical service provider to execute an eleven line (26.5 line kilometre), IP survey over the target zones on the Donje Nevlje Project. The survey focused on the Donje Nevlje Borovo prospect in the eastern part of Donje Nevlje licence.
- As a result of this survey, several priority targets were identified. The targets consist of coherent and large chargeability highs, which may indicate the presence of sulphide mineralisation. The survey has identified two main targets (Donje Nevlje Upper and Donje Nevlje Lower targets).
- In April 2019 the Company announced the commencement of the maiden drill program. The diamond drilling program was planned for 1,500 metres across two high priority targets.
- During the quarter ended 30 June 2019 the Company completed its maiden drill program at Donje Nevlje. The initial program consisted of 1,144 metres of diamond drilling, which was designed to test geophysical (IP) anomalies defined earlier in the year. The 1,500 metres program was terminated short due to significant ground water, which was encountered and impacted the drilling progress.
- The results from the drilling program indicated that the best mineralisation interval was intercepted in the first drill hole (DNDD001). The drill hole successfully tested the upper parts of the anomaly, however as the drilling had to be terminated early due to excessive ground water flow, the lower parts of the anomaly remain untested.
- In June 2019 the Company submitted a request for the renewal of the licence (which expired in July 2019) to the Serbian Ministry of Mines and Energy.
- The Company can only resume further work on the licence after the Ministry approves the extension.

## DIRECTOR'S REPORT (CONTINUED)

### Review of Activities (Continued)

#### Majdanpek West

- In 2018, Rio Tinto executed a target generation program over the Majdanpek West and Majdanpek Pojas licenses. The program included: soil sampling across the entire project area, outcrop sampling, alteration analysis, U-Pb dating, reconnaissance geological and alteration mapping and an airborne magnetic and VTEM survey across the project area.
- The program was designed to target mineralisation such as the Majdanpek porphyry deposit and the Coka Marin high grade epithermal deposit. Despite the strategic position of the project and the well-known endowment of the Timok Magmatic Complex ('TMC'), this was the first modern geophysical survey conducted over this portion of the TMC.
- As a result of the work done, several VTEM conductors and magnetic anomalies were highlighted on the properties, a number of which were the focus of the immediate work program. Some of the anomalies are also defined by outcropping alteration, which may be indicative of a porphyry or epithermal system at depth.
- Based on work done, Rio Tinto planned to drill test the most promising target and commence with further evaluations of other targets defined to date. The reconnaissance drill program was planned for approximately 1,000 metres of diamond drilling with adjustments made according to results achieved on the initial hole(s).
- In June 2019, Rio Tinto completed the initial round of drilling on the Majdanpek West JV project. As part of the initial drilling campaign Rio Tinto has tested one of the priority targets on the Majdanpek Zapad (West) permit.
- The Company is waiting to receive Rio Tinto's final reports on the drill results.

#### Tilva Njagra

- During June 2019, the Company completed a soil sampling and mapping exercise over its Tilva Njagra Project.

#### Zupa

- The Company received confirmation from the Serbian Ministry of Mines and Energy that the transfer of Velika Zupa Project from Balkan Mineral Corporation DOO to Skarnore Resources DOO, a 100% held subsidiary of the Company had been approved. The transfer was completed, resulting in 100% ownership of the project. The project is considered prospective for polymetallic & intrusion related mineralisation.

#### Vuzel

- On 26 April 2019, the Company announced that it had executed an earn-in joint venture and option to purchase agreement with Ridge Consulting OOD ("Ridge") in regard to the Vuzel project in Bulgaria. Ridge is a private Bulgarian geological consultancy and project generation company and the 100% owner of the Vuzel license. Under the terms of the agreement, the Company has the option to earn into the Vuzel license under the following terms:

On final grant of the project by the Bulgarian Ministry of Energy, the Company has the exclusive right to conduct a legal and technical due diligence on the Vuzel license to determine if it wishes to proceed with the agreement. On satisfactory completion of the due diligence, the parties will form a joint venture company and submit a request to the Ministry to transfer the permit into the joint venture company.

**Stage 1 Earn-in:** Raiden has the option to sole fund AUD\$350k of exploration expenditure within 24 months from the exploration agreement coming into effect, to earn a 51% project level interest

**Stage 2 Earn-in:** Raiden has the option to sole fund an additional AUD\$650k of exploration expenditure within the following 24 months from the completion of Stage 1 to earn a 75% project level interest

## DIRECTOR'S REPORT (CONTINUED)

### Review of Activities (Continued)

#### Vuzel

**Stage 3 Earn-in:** Subject to Raiden completing the Stage 2 Earn-in and having maintained its Participating Interest at 75% or greater, Raiden will have the right to earn up to a total 90% interest in the JV Company by defining a resource reported under the JORC code.

The Company also has the exclusive right, exercisable at the Company's discretion, to purchase 100% of the project from Ridge and the rights to the project under the following terms;

- At any time within the first 12 months of the exploration agreement coming into effect, Raiden can at its election make a AUD\$100k cash payment or AUD\$50k cash payment and a further AUD\$50k equivalent in Raiden shares (at an issue price based on 30 day VWAP) to the vendor;
- At any time during the 12-month period commencing 12 months from the date of signing of the Exploration Agreement, Raiden may acquire a 100% interest in the Vuzel Permit through acquisition of a 100% Participating Interest in the JV Company by either (at the election of Raiden):
  - a) paying AUD\$300,000 to the bank account nominated by Ridge Consultants; or
  - b) paying AUD\$150,000 to the bank account nominated by Ridge Consultants and issuing to Ridge Consultants that number of shares with a total value of AUD\$150,000 based on an issue price per share equivalent to the 30 Day VWAP; and
- If Raiden gives a Stage 2 Earn in Notice, at any time during the 12-month period commencing 24 months after the date of signing of the Exploration Agreement, Raiden may acquire a 100% interest in the Vuzel Permit by either (at the election to Raiden):
  - c) paying AUD\$400,000 to the bank account nominated by Ridge Consultants; or
  - d) paying AUD\$200,000 to the bank account nominated by Ridge Consultants and issuing to Ridge Consultants that number of Shares with a total value of AUD\$200,000 based on an issue price per share equivalent to the 30 Day VWAP.

#### BG1 Project

- The Company participated in a government exploration license 'contested application' (tender) in Bulgaria in April/May 2019. The contested application was open to all parties that meet the Bulgarian government's requirements for an application of this nature. As part of the application, the Company was required to submit a 3-year work program to the Bulgarian Ministry of Energy ("Ministry"). The license ("BG1") is located on the northern periphery of the Panagurishte District, which is considered to be the centre of the Bulgarian mining industry and which hosts the largest porphyry deposits and operating mines in the country. The BG1 license hosts several porphyry prospects, which the Bulgarian state agencies evaluated (including drilling), in the past, as well as, several untested targets. The results of the application are pending.

#### Corporate

- During the year the Company set up a 100% owned subsidiary, Western Tethyan Exploration Ltd in Bulgaria, with the purpose to pursue opportunities in Bulgaria.
- On 22 August 2018, the Company announced the appointment of Mr Christopher Hansen as a Non-Executive Director of the Company.
- On 8 February 2019, the following securities were released from escrow; 6,450,000 ordinary shares, 17,200,000 performance shares and 32,000,000 options. These securities were subject to 12-month escrow from the date of issue.
- On 22 March 2019, Mr Nicholas Young and Mr Christopher Hansen stepped down from their roles as Non-Executive Directors.

## DIRECTOR'S REPORT (CONTINUED)

### Significant events after reporting date

Subsequent to balance date the following events occurred:

- On 2 July 2019 the Company announced the issue of 10,000,000 Performance Rights to Corporate Advisors of the Company. The Performance Rights are subject to a 20-day VWAP of \$0.02 or higher within 12 months from the date of issue date.
- On 2 July 2019 the Company also announced the results from its maiden drill program at Donje Nevlje.
- On 4 July 2019 the Company announced the transfer of the Zupa project from Balkan Mineral Corporation DOO to Skarnore Resources DOO had been completed following approval from the Serbian Ministry of Mines and Energy.
- On 15 July 2019, the Company announced that it had entered into an Option Agreement with QX Metals Corporation ("QX") over the Kalabak Project in Bulgaria. Under the terms of the agreement the Company has an Option to earn into a 75% position within the Kalabak project under the following terms:
  - **Phase 1 Option:** By spending US\$1 million on project expenditure within a 2-year period, the Company has the option to earn a 51% project level interest. The expenditure requires the completion of a minimum of 3,000 metres of reverse circulation or diamond drilling. The Company is obliged to spend US\$250,000 before 14 December 2019.
  - **Phase 2 Option:** By completing a 43-101 compliant Preliminary Feasibility Study ("PFS"), by the 7th anniversary of the Conditions Precedent Satisfaction Date as well as meeting other conditions, Raiden has the option to earn into a 75% position of the project.

Upon Raiden obtaining a 75% position in the project, QX shall have the option to:

- Maintain its 25% position within the project by financing its proportional share of further expenditure
- Sell its remaining stake in the project, with Raiden having the first right of refusal to purchase the remaining stake
- Dilute its remaining stake to a 2% Net Smelter Royalty ("NSR"), where Raiden will have the option to purchase an initial 0.5% of the total NSR for US\$2.5m and with a further 1% being purchasable for US\$5m, prior to commencement of commercial production

Raiden will be the manager and operator of the work program.

The commencement of the Option agreement is subject to the following conditions being met within the following 45 days (Conditions Precedent Satisfaction Date):

- Raiden providing QX with a notification that it has completed a due diligence on the property and the holding Company (Zelenrok)
- QX obtaining shareholder and Toronto Stock Exchange approval for the transaction
- Raiden making a A\$50,000 payment to QX for reimbursement of project acquisition costs

Subsequently all conditions precedent had been satisfied.



## DIRECTOR'S REPORT (CONTINUED)

### Significant events after reporting date (continued)

- On 15 July 2019, the Company announced that it had entered into an Option Agreement over the Zlatusha Project in Bulgaria. Under the terms of the agreement the Company has an Option to earn into a 75% position within the Zlatusha project under the following terms:
  - **Phase 1 Option:** By spending a total of US\$2.5 million on project expenditure within a 3-year period, the Company has the option to earn into a 51% project level interest in the Zlatusha property. The expenditure requires the completion of a minimum of 6,500 metres of reverse circulation or diamond drilling.
  - **Phase 2 Option:** By completing a 43-101 compliant Preliminary Feasibility Study ("PFS"), by the 7th anniversary from when the Zlatusha Exploration Agreement is signed by the Bulgarian Ministry of Energy, as well as, meeting other conditions, Raiden has the option to earn into a 75% project level interest of the project.

Upon Raiden obtaining a 75% project level interest in the project, QX shall have the option to:

- Maintain its 25% interest within the project by financing its proportional share of further expenditure
- Sell its remaining stake in the project, with Raiden having the first right of refusal
- Dilute its remaining interest to a 2% Net Smelter Royalty ("NSR"), where Raiden will have the option to purchase an initial 0.5% of the total NSR for US\$2.5m and a further 1% being purchasable for US\$5m, prior to commencement of commercial production

Raiden will be the manager and operator of the work program.

The commencement of the Option agreement is subject to following conditions being met within the following 45 days (Conditions Precedent Satisfaction Date):

- Raiden providing QX with a notification that it has completed a due diligence on the property and the holding Company (Zelenrok)
- QX obtaining shareholder and Toronto Stock Exchange approval for the transaction
- Raiden making a A\$50,000 payment to QX for reimbursement of project acquisition costs

The Zlatusha Option Agreement will proceed once Zelenrok enters into the exploration agreement with the Ministry of Energy of the Republic of Bulgaria in respect of the Zlatusha license.

- On 7 August 2019, the Company announced the commencement of maiden work on the Sbor Prospect in the Kalabak project area in Bulgaria. The Company's geologists reviewed geological maps and exploration data from an outcrop sampling program carried out by QX, and conducted a reconnaissance visit of the Kalabak project. The Company is investigating the availability of obtaining further data through historical reports with the Bulgarian Ministry of Energy ("Ministry").
- On 9 August 2019, Raiden announced that it had defined a second prospect "White Cliff" on the Kalabak project.
- On 15 August 2019, the Company announced that it had defined a Geochemical prospect on Zupa Project. The Company executed a detailed soil sampling campaign on the western periphery of the Zupa license. Over 1,200 samples were collected. The program targeted the contacts between the Triassic andesites and limestones. The soil samples were analysed in a controlled field laboratory setting. Based on this analysis, the program has defined a 6.5 Km long geochemical anomaly on the south-western flank of the project area.
- On 26 September 2019, Raiden announced that it had defined a third prospect "Sbor West" on the Kalabak project.

There have been no other material matters or circumstances that have arisen since 30 June 2019.

## DIRECTOR'S REPORT (CONTINUED)

### Information on Directors

<b>Dusko Ljubojevic</b>	<b>Managing Director (Appointed 20-Feb-18)</b>
Qualifications	B. Science - Geology (Honours)
Experience	<p>Mr Ljubojevic served as the Head of Small-Scale Mining and Geology for Barrick Gold Corporation's Asset Development Group. Based between South Africa and Europe, Mr Ljubojevic was responsible for technical evaluations and strategy advisement for all the exploration and development projects within Barrick's Asset Development Groups' portfolio.</p> <p>Mr Ljubojevic has over 13 years of experience as a geologist, with experience in greenfield and brownfield exploration, including positions in open pit and underground environments. He has extensive experience in Africa, Europe, Asia, and North America and notably a significant amount of experience in the Eastern European region.</p> <p>Mr Ljubojevic has previously held positions with a number of ASX listed exploration and development companies in Africa. Mr Ljubojevic has been involved in the formation and running in a number of start-up exploration companies which secured projects and were subsequently funded and sold.</p>
Interest in Shares and Performance Shares	9,625,000 Ordinary Shares 7,812,500 A Class Performance Shares 7,812,500 B Class Performance Shares 9,375,000 C Class Performance Shares
Special Responsibilities	Nil
Directorships held in other listed entities	Nil
<b>Michael Davy</b>	<b>Non-Executive Chairman (Appointed 29-Jun-17)</b>
Qualifications	BCom (Acc)
Experience	<p>Mr Davy is an Australian executive and Accountant with over 16 years' experience across a range of industries. His last major roll was Financial Controller of Songa Offshore (listed Norwegian Oil and Gas drilling company acquired by Transocean Ltd [NYSE: RIG] in January 2018), where Mr Davy managed the finance function and team for the Australian operations. Prior to that Mr Davy had worked in London for other large organisations in the finance department. Mr Davy is currently a director and owner of a number of successful private businesses, which are currently all run under management. During the past five years Mr Davy has held directorships in several ASX listed companies and is currently also a Non-Executive Director of Riversgold Ltd (ASX: RGL).</p>
Interest in Shares	2,850,000 Ordinary Shares
Special Responsibilities	Nil
Directorships held in other listed entities	Riversgold Limited (appointed 28 August 2019) Jadar Lithium Limited (resigned 15 April 2019) Dotz Nano Limited (resigned 31 October 2016)

## DIRECTOR'S REPORT (CONTINUED)

### Information on Directors

<b>Martin Pawlitschek</b>	<b>Non-Executive Director (Appointed 20-Feb-18)</b>
Qualifications	M Science, B. Science - Applied Geology (Honours), Dip. Applied Chemistry
Experience	<p>Mr Pawlitschek currently serves as Senior Vice President of Geology for a mining focused Private Equity fund. Mr Pawlitschek is based in Europe and is responsible for undertaking technical due diligence on mining projects, principally from a geology and resource risk perspective, but also to evaluate exploration upside. He has part taken in over forty detailed due diligence reviews and site visits over the last three years and was a key member in the selection of the fund's projects to date.</p> <p>Mr Pawlitschek has over 21 years of experience primarily in exploration and resource drilling with some exposure to underground and open pit mines. During his 11-year tenure with BHP Billiton, he oversaw numerous exploration programs in Australia, Laos and several countries in Southern and Central Africa. Later in his career with BHPB he was responsible for the technical aspects setting up several new business opportunities in the diamond sector in Botswana, South Africa, Angola and DRC. The Angolan projects resulted in the discovery of several large, diamond-bearing kimberlites.</p> <p>Mr Pawlitschek later joined one of the junior companies set up by BHP Billiton and moved forward an ambitious diamond exploration program in the DRC. From there he continued his career in the junior sector with a move to Senegal where he managed a large portfolio of exploration permits for gold in Eastern Senegal, which resulted in the development of what is now the 10MOz Sabodala gold camp with an annual output in excess of 200KOz of gold. He also had early in put in the evaluation of the Grand Cote Mineral sands project on the coast of Senegal; this is now the world's largest mineral sands dredging operation. Mr Pawlitschek is a Fellow of the Australasian Institute of Geoscientists.</p>
Interest in Shares and Performance Shares	9,625,000 Ordinary Shares 7,812,500 A Class Performance Shares 7,812,500 B Class Performance Shares 9,375,000 C Class Performance Shares
Special Responsibilities	Nil
Directorships held in other listed entities	Jadar Lithium Limited (resigned 6 November 2018)
<b>Nicholas Young</b>	<b>Non-Executive Director (Appointed 29-Jun-17, Resigned 22-Mar-19)</b>
Qualifications	BCom (Acc & Fin), CA
Experience	<p>Mr Young is a Chartered Accountant and has completed the Insolvency Education Program at the Australian Restructuring Insolvency and Turnaround Association. Mr Young commenced his career in the Corporate Restructuring division of an accounting firm and has gained valuable experience in Australia and Southern Africa, across a wide range of industries, including mining and exploration, mining services, renewable energy, professional services, manufacturing and transport. Mr Young has been involved in the recapitalisation of various ASX-listed companies.</p>
Interest in Shares	1,000,000 Ordinary Shares (at resignation date)
Special Responsibilities	Nil

## DIRECTOR'S REPORT (CONTINUED)

### Information on Directors

Directorships held in other listed entities

Bunji Corporation Limited (current)

Vysarn Limited (resigned 29 August 2019)

Calidus Resources Limited (resigned 13 June 2017)

#### Christopher Hansen **Non-Executive Director (Appointed 22-Aug-18, Resigned 22-Mar-19)**

Qualifications

B. Science – Geology, M. Science in Mineral Economics

Experience

Mr Hansen is a multidisciplinary global metal and mining professional combining core technical fundamentals with strong finance and project development mind-set. Having initially focused on building a solid geological foundation with industry majors such as Barrack Gold and Fortescue Metals Group, Chris later joined a mining private equity fund where he developed robust investment skills, financial knowledge and strong industry relations. This has provided Chris the opportunity to work across the globe with a focus on Europe, North America, South America and Australia.

Interest in Shares, Performance Shares and Options

Nil (at resignation date)

Special Responsibilities

Nil

Directorships held in other listed entities

Nil

#### Kyla Garic **Company Secretary (Appointed 29 June 2017)**

Qualifications

BCom, MAcc, CA

Experience

Ms Garic was appointed as Company Secretary on 27 June 2017. Ms Garic is a Chartered Accountant and Director of Onyx Corporate. Onyx Corporate provides financial reporting, accounting, company secretarial and other services primarily to ASX listed companies. Ms Garic has acted as a Non-Executive Director and Company Secretary for a number of ASX listed companies.

### Meetings of directors

During the financial year seven meetings of Directors were held. Attendances by each Director during the year are stated in the following table.

	Director's Meetings	
	Number eligible to attend	Number attended
Mr Dusko Ljubojevic	7	7
Mr Michael Davy	7	7
Mr Martin Pawlitschek	7	5
Mr Nicholas Young	4	4
Mr Christopher Hansen	4	4

**DIRECTOR'S REPORT (CONTINUED)****Share options**

At the date of this report, the un-issued ordinary shares of Raiden Resources Limited under option are as follows:

Grant Date	Expiry Date	Exercise Price	Number
08/02/2018	08/02/2021	\$0.02	50,000,000
			<u>50,000,000</u>

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

No options were exercised during the year (2018: Nil).

**Performance Rights**

At the date of this report, the performance rights in Raiden Resources Limited are as follows:

Grant Date	Expiry Date	Performance Condition	Number
02/07/2019	01/07/2020	20-day VWAP of \$0.02	10,000,000
			<u>10,000,000</u>

**Performance Shares**

At the date of this report, the performance shares of Raiden Resources Limited are as follows:

Grant Date	Expiry Date	Class	Number
08/02/2018	07/02/2022	Class A	62,500,000
08/02/2018	08/08/2022	Class B	62,500,000
08/02/2018	07/02/2023	Class C	75,000,000
			<u>200,000,000</u>

The Milestones for each Class of Performance Shares is summarised below:

Class	Expiry	Milestones
Class A	07-Feb-22 (48 months from issue date)	62,500,000 Performance Shares (Class A Performance Shares) will convert upon the announcement by the Company to ASX of the delineation of a Mineral Resource on the Company Licences of at least 100Kt of contained copper equivalent (reported in accordance with clause 50 of the JORC Code) at or above 0.2% copper equivalent and which is prepared and reported in accordance with the JORC Code;
Class B	08-Aug-22 (54 months from issue date)	62,500,000 Performance Shares (Class B Performance Shares) will convert upon the announcement by the Company to ASX of the results of a Scoping Study and that the Board has resolved to undertake a Pre-Feasibility Study on all or part of the Company Licences;
Class C	07-Feb-23 (60 months from issue date)	75,000,000 Performance Shares (Class C Performance Shares) will convert upon the announcement of a Positive Pre-Feasibility Study in respect of a Company Project (or Company Projects).

No value has been allocated to the Performance Shares due to the significant uncertainty of meeting the performance milestones which are based on future events. To date, none of the Milestones have been met.

## **DIRECTOR'S REPORT (CONTINUED)**

### **Non-audit services**

During the year RSM Australia Partners, the Company's auditor did not provide any services other than statutory audit. Other RSM Firms, provided other non-audit services totalling to \$12,158. Details of their remuneration can be found in Note 7 Auditor's Remuneration.

### **Auditor's independence declaration**

The auditor's independence declaration for the year ended 30 June 2019 can be found after the Directors report.

## DIRECTOR'S REPORT (CONTINUED)

### Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2019 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (Cth), as amended (**Act**) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Non-executive Director fee arrangements
5. Details of remuneration
6. Additional disclosures relating to equity instruments
7. Loans to key management personnel (KMP) and their related parties
8. Other transactions and balances with KMP and their related parties
9. Voting of shareholders at last year's annual general meeting

#### 1. Introduction

Key Management Personnel (**KMP**) has authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprise the directors of the Company and identified key management personnel.

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

#### 2. Remuneration governance

The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committee. Accordingly, all matters are considered by the full Board of Directors, in accordance with a remuneration committee charter. During the financial year, the Company did not engage any remuneration consultants.

#### 3. Executive remuneration arrangements

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds. Shares and options may only be issued subject to approval by shareholders in a general meeting.

At the date of this report the Company has one executive appointed, being the appointment of Mr Dusko Ljubojevic as the Managing Director. The terms of Mr Ljubojevic's Executive Employment Agreement with Raiden Resources Limited is summarised in the following table.

Executive Name	Remuneration
Mr Dusko Ljubojevic	<ul style="list-style-type: none"> <li>Executive salary of \$147,000 per annum (inclusive of superannuation)</li> <li>Reimbursement of reasonable business expenses incurred in ordinary course of the businesses in accordance with Group's remuneration policies</li> </ul>

**DIRECTOR'S REPORT (CONTINUED)****Remuneration Report (Audited)**

At this stage the Board does not consider the Group's earnings or earning related measures to be an appropriate key performance indicator (KPI). In considering the relationship between the Group's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed as well as measures such as successful completion of business development and corporate activities.

**4. Non-Executive Director fee arrangements**

The Board policy is to remunerate Non-Executive Directors at a level to comparable Companies for time, commitment, and responsibilities. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Non-executive Directors.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is presently limited to an aggregate of AU\$225,000 per annum and any change is subject to approval by shareholders at the General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

Total fees for the Non-Executive Directors for the financial year were \$119,138 (2018: \$92,665) and cover main Board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Group.

The key terms of the Non-Executive Director service agreements existing at reporting date are as follows:

**Non-Executive Chairman – Michael Davy**

The Company has entered into an agreement with Mr Michael Davy in respect of his appointment as a Non-Executive Chairman of the Company.

Mr Davy will be paid a fee of \$3,000 per month for his services as Non-Executive Chairman from commencement and will be reimbursed for all reasonable expenses incurred in performing his duties.

The agreement has no set term and may be terminated with immediate effect by either Mr Davy or the Company. There are no termination benefits payable under the agreement.

The appointment of Mr Davy as Non-Executive Chairman is otherwise on terms that are customary for an appointment of this nature.

**Non-Executive Director – Martin Pawlitschek**

The Company has entered into an agreement with Mr Martin Pawlitschek in respect of his appointment as a Non-Executive Director of the Company.

Mr Pawlitschek will be paid a fee of \$3,000 per month for his services as Non-Executive Director from commencement and will be reimbursed for all reasonable expenses incurred in performing his duties.

The agreement has no set term and may be terminated with immediate effect by either Mr Pawlitschek or the Company. There are no termination benefits payable under the agreement.



**DIRECTOR'S REPORT (CONTINUED)****Remuneration Report (Audited)****5. Details of remuneration**

The Key Management Personnel of Raiden Resources Limited includes the Directors of the Company. Other than is set out below there are no other Key Management Personnel at 30 June 2019.

30-Jun-19	Short Term Salary, Fees & Commissions \$	Post- Employment Superannuation \$	Other / Bonus \$	Share-based payments \$	Total \$	Performance based remuneration %
D Ljubojevic*	174,750	-	-	-	174,750	0%
M Davy	36,000	-	-	-	36,000	0%
M Pawlitschek**	66,361	-	-	-	66,361	0%
N Young	26,129	-	-	-	26,129	0%
C Hansen	21,009	-	-	-	21,009	0%
<b>Total</b>	<b>324,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>324,249</b>	

\* The remuneration for Mr Ljubojevic includes \$147,000 relating to his salary and \$27,750 relating to geological consulting services through consulting agreement with Horizon Capital Management LLC.

\*\* The remuneration of Mr Pawlitschek includes \$36,000 for Non-Executive Director fees and \$30,361 for consulting services provided to the Group.

**Details of remuneration**

30-Jun-18	Short Term Salary, Fees & Commissions \$	Post- Employment Superannuation \$	Other / Bonus \$	Share-based payments \$	Total \$	Performance based remuneration %
D Ljubojevic	89,000	-	-	-	89,000	-
M Davy	24,440	-	-	-	24,440	-
N Young	24,440	-	-	-	24,440	-
M Pawlitschek	32,106	-	-	-	32,106	-
K Garic	11,679	-	-	-	11,679	-
<b>Total</b>	<b>181,665</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181,665</b>	<b>-</b>

\* The remuneration for Mr Ljubojevic includes \$49,000 relating to his salary and \$40,000 relating to geological consulting services through consulting agreement with Horizon Capital Management LLC.

\*\* The remuneration of Mr Pawlitschek includes \$12,761 for Non-Executive Director fees and \$19,345 for consulting services provided to the Group.

**DIRECTOR'S REPORT (CONTINUED)****Remuneration Report (Audited)****6. Additional disclosures relating to equity instruments****Options issued as part of remuneration**

No options were issued as part of remuneration (2018: Nil).

**KMP options and rights holdings**

There were no options or rights held over the ordinary shares by KMP (2018: Nil)

**KMP ordinary shareholdings**

The number of ordinary shares in Raiden Resources Limited held by each Director of the Group during the financial year was as follows:

30-Jun-19	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of Year
D Ljubojevic	9,625,000	-	-	-	9,625,000
M Davy	850,000	-	-	2,000,000	2,850,000
M Pawlitschek	9,625,000	-	-	-	9,625,000
N Young*	1,000,000	-	-	-	1,000,000
C Hansen*	-	-	-	-	-
<b>Total</b>	<b>21,100,000</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>23,100,000</b>

\* Balance shown for N Young and C Hansen is as at resignation date on 22 March 2019.

**KMP performance shareholding**

The number of performance shares in Raiden Resources Limited held by each Director of the Group during the financial year was as follows:

30-Jun-19	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of Year
D Ljubojevic	25,000,000	-	-	-	25,000,000
M Davy	-	-	-	-	-
M Pawlitschek	25,000,000	-	-	-	25,000,000
N Young	-	-	-	-	-
C Hansen	-	-	-	-	-
<b>Total</b>	<b>50,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000,000</b>

**7. Loans to Key Management Personnel and their related parties**

There were no loans to Key Management Personnel and their related parties during the financial year (2018: Nil).

**DIRECTOR'S REPORT (CONTINUED)****Remuneration Report (Audited)****8. Other transactions and balances with KMP and their related parties**

The Group acquired services from entities that are controlled by members of the Group's KMP. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity	Nature of transactions	Key Management Personnel	Total Revenue / (Expense)		Payable Balance	
			2019	2018	2019	2018
			\$	\$	\$	\$
Horizon Capital Management LLC*	Geological Consulting	Dusko Ljubojevic	(60,000)	(61,500)	-	(10,000)
Onyx Corporate Pty Ltd	Accounting and Company Secretary Services	Nicholas Young	(81,000)	(77,250)	-	(6,750)
Discovery Capital	Corporate Advisor Fees	Christopher Hansen	(45,000)	(20,000)	-	(5,000)
Otsana Capital	Corporate Advisor Fees	Nicholas Young	(25,000)	(10,492)	-	(2,500)

\* The amount \$60,000 includes \$27,750 relating directly to Mr Ljubojevic as disclosed in the director's remuneration table.

During the year transactions of \$60,000 (2018: \$61,500) were made with Horizon Capital Management LLC ("Horizon") of which Mr Dusko Ljubojevic is a director. The transactions included the provision of geological, legal and administrative consulting services undertaken by four consultants, including Mr Ljubojevic. Under the Horizon agreement each consultant was paid directly by the Company.

At 30 June 2019 the outstanding balance relating to Horizon totalled to \$Nil (FY18: \$10,000).

During the year transactions of \$81,000 (2018: \$77,250) were made with Onyx Corporate Pty Ltd ("Onyx") of which Mr Nicholas Young is a director. The transactions included the provision of accounting and company secretarial services.

At 30 June 2019 the outstanding balance relating to Onyx totalled to \$Nil (FY18: \$6,750).

During the year transactions of \$45,000 (2018: \$20,000) were made with Discovery Capital ("Discovery") of which Mr Christopher Hansen is a director. The transactions included the provision of corporate advisor services.

At 30 June 2019 the outstanding balance relating to Discovery totalled to \$Nil (FY18: \$5,000).

During the year transactions of \$25,000 (2018: \$10,492) were made with Otsana Capital ("Otsana") of which Mr Nicholas Young has an indirect minority shareholding and is an authorised representative. The transactions included the provision of corporate advisor services.

At 30 June 2019 the outstanding balance relating to Otsana totalled to \$Nil (FY18: \$2,500).

There were no other related party transactions during the year.

## **DIRECTOR'S REPORT (CONTINUED)**

### **Remuneration Report (Audited)**

#### **9. Voting of shareholders at last year's annual general meeting**

At the 2018 AGM, 99.7% of votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

### **REMUNERATION REPORT (END)**

#### **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.

#### **Indemnifying officers**

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

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

#### **Insurance premiums**

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

#### **Environmental regulations**

The Group's operations are subject to the environmental risks inherent in the mining industry.

#### **Future developments, prospects and business strategies**

The Company's principal continuing activity is mineral exploration. The Company's future developments, prospects and business strategies are to continue mineral exploration.

#### **Indemnification of auditors**

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

Signed in accordance with a resolution of the Board of Directors.



**Mr Michael Davy**

**Non-Executive Chairman**

Dated: 27 September 2019

**RSM Australia Partners**

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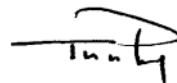
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Raiden Resources 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:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 27 September 2019

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**AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019**

		30 June 2019	30 June 2018
		\$	\$
Interest income	4	54,312	5,946
Accounting and other professional fees	4	(144,647)	(45,436)
Administrative costs	4	(117,142)	(42,802)
Corporate advisor fees	4	(136,691)	(30,492)
Corporate expenses	4	(66,041)	(22,451)
Depreciation	11	(11,813)	(636)
Director fees	4	(192,388)	(52,132)
Legal fees	4	(153,386)	(8,338)
Listing fee expense	4	-	(1,133,894)
Marketing and investor relations	4	(58,608)	(3,575)
Share based payments	16	-	(963,200)
Transaction costs	4	-	(223,838)
<b>Loss before income tax</b>		<b>(826,404)</b>	<b>(2,520,848)</b>
Income tax expense	5	-	-
<b>Loss for the period</b>		<b>(826,404)</b>	<b>(2,520,848)</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		25,155	(1,740)
<b>Total comprehensive loss for the year</b>		<b>(801,249)</b>	<b>(2,522,588)</b>
<b>Basic and diluted loss per share (cents per share)</b>	<b>8</b>	<b>(0.20)</b>	<b>(0.95)</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	30 June 2019 \$	30 June 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9a	1,744,775	3,742,468
Trade and other receivables	10	52,480	69,783
Other current assets		17,852	12,725
<b>TOTAL CURRENT ASSETS</b>		<b>1,815,107</b>	<b>3,824,976</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	11	100,226	22,578
Exploration and evaluation expenditure	12	1,384,455	284,939
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,484,681</b>	<b>307,517</b>
<b>TOTAL ASSETS</b>		<b>3,299,788</b>	<b>4,132,493</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	59,677	91,133
<b>TOTAL CURRENT LIABILITIES</b>		<b>59,677</b>	<b>91,133</b>
<b>TOTAL LIABILITIES</b>		<b>59,677</b>	<b>91,133</b>
<b>NET ASSETS</b>		<b>3,240,111</b>	<b>4,041,360</b>
<b>EQUITY</b>			
Issued capital	14	6,400,748	6,400,748
Reserves	15	186,615	161,460
Accumulated losses		(3,347,252)	(2,520,848)
<b>TOTAL EQUITY</b>		<b>3,240,111</b>	<b>4,041,360</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2019

	Issued Capital	Reserves	FX Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2018	6,400,748	163,200	(1,740)	(2,520,848)	4,041,360
Loss for the period	-	-	-	(826,404)	(826,404)
Other comprehensive loss	-	-	25,155	-	25,155
Total comprehensive loss for the period	-	-	25,155	(826,404)	(801,249)
<b>Transactions with owners, recognised directly in equity</b>					
Issue of shares	-	-	-	-	-
Issue of options	-	-	-	-	-
Balance at 30 June 2019	6,400,748	163,200	23,415	(3,347,252)	3,240,111

	Issued Capital	Reserves	FX Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 9 November 2017	-	-	-	-	-
Loss for the period	-	-	-	(2,520,848)	(2,520,848)
Other comprehensive loss	-	-	(1,740)	-	(1,740)
Total comprehensive loss for the period	-	-	(1,740)	(2,520,848)	(2,522,588)
<b>Transactions with owners, recognised directly in equity</b>					
Issue of shares in Timok	750	-	-	-	750
Acquisition of Timok	808,616	-	-	-	808,616
Issue of shares under the public offer (net of costs)	4,691,382	-	-	-	4,691,382
Issue of shares to the facilitators	800,000	-	-	-	800,000
Issue of shares under the conversation offer	100,000	-	-	-	100,000
Issue of options to facilitators	-	163,200	-	-	163,200
Balance at 30 June 2018	6,400,748	163,200	(1,740)	(2,520,848)	4,041,360

The accompanying notes form part of these financial statements.



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

		30 June 2019	30 June 2018
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(785,947)	(779,480)
Interest received		54,312	5,946
<b>Net cash used in operating activities</b>	9b	<b>(731,635)</b>	<b>(773,534)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation		(1,161,426)	(249,634)
Cash acquired on reverse takeover		-	142,858
Purchase of plant and equipment		(85,573)	(23,214)
<b>Net cash used in investing activities</b>		<b>(1,246,999)</b>	<b>(129,990)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	5,000,750
Capital raising costs		-	(353,018)
<b>Net cash from financing activities</b>		<b>-</b>	<b>4,647,732</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,978,634)</b>	<b>3,744,208</b>
Cash and cash equivalents at beginning of period		3,742,468	-
Foreign exchange		(19,059)	(1,740)
<b>Cash and cash equivalents at end of period</b>	9a	<b>1,744,775</b>	<b>3,742,468</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

These consolidated financial statements cover Raiden Resources Limited ("the Company") and its controlled entities as a consolidated entity (also referred to as "the Group"). The Company is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity. The financial statements are presented in Australian dollars, unless otherwise stated, which is also the Parent's functional currency.

The following is a summary of the material accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation of the financial report****Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (including Australian interpretations) adopted by the Australian Accounting Standard Board (**AASB**) and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards adopted by the International Accounting Standards Board. The financial statements have been prepared on an accruals basis and are based on historical costs.

**b) Reverse Acquisition**

On 8 February 2018 Raiden Resources Limited (Raiden) completed the acquisition of the Timok Resources Pty Ltd (Timok). Under the Australian Accounting Standards Timok was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share-based payment by which Timok acquires the net assets and listing status of Raiden Resources Limited.

Accordingly, the consolidated financial statements of Raiden Resources Limited have been prepared as a continuation of the business and operations of Timok. As the deemed acquirer, Timok has accounted for the acquisition of Raiden Resources Limited from 8 February 2018. Refer to note 2 for further details.

The implications of the acquisition by Timok on the financial statements are as follows:

- i) Statement of Profit or Loss and Other Comprehensive Income
  - The statement of profit or loss and other comprehensive income comprises the total comprehensive income from incorporation to the year ended 30 June 2018 for Timok and the period from 8 February 2018 for Raiden.
- ii) Statement of Financial Position
  - The statement of financial position as at 30 June 2018 represents the combination of Timok and Raiden.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### b) Reverse Acquisition (Continued)

#### iii) Statement of Changes in Equity

- The Statement of Changes in Equity comprises:
  - The equity balance of Timok at incorporation date (9 November 2017).
  - The total comprehensive income for the financial year and transactions with equity holders, being 8 months from Timok for the year ended 30 June 2018 and the period from 8 February 2018 until 30 June 2018 for Raiden.
  - The equity balance of the combined Timok and Raiden for at the year ended 30 June 2018.

#### iv) Statement of Cash Flows

- The Statement of Cash Flows comprises:
  - The cash balance of Timok at the incorporation date (9 November 2017).
  - The transactions for the financial year for the 8 months from Timok for the year ended 30 June 2018 and the period from 8 February 2018 to 30 June 2018 for Raiden.
  - The cash balance of the combined Timok and Raiden for the year ended 30 June 2018.

#### v) Equity Structure

The equity structure (the number and type of equity instruments issued) in the financial statements reflects the consolidated equity structure of Timok and Raiden.

#### vi) Earnings Per Share

The weighted average number of shares outstanding for the year ended 30 June 2019 is based on the combined weighted average number of shares of Raiden outstanding in the period following the acquisition and the weighted average number of ordinary shares in Timok prior to the acquisition. The weighted average number of shares in Timok is based on the accounting subsidiary's (Timok's) weighted average share multiplied by the exchange ratio.

### c) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019****c) Principles of Consolidation (Continued)**

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

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

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

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

**d) Interest Income**

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset. If not received at the end of reporting period, it is reflected in the statement of financial position as a receivable.

**e) Goods and Services Tax (GST)/ Value Added Tax (VAT)**

Revenues, expenses, and assets are recognised net of the amount of GST/ VAT, except where the amount of GST/VAT incurred is not recoverable from the Australian Tax Office (ATO) or Ministry of Finance – Republic of Serbia (MFIN).

Receivable and payables are stated inclusive of the amount of GST/VAT receivable or payable. The net amount of the GST/VAT recoverable from, or payable to, the ATO or MFIN is included with other receivables and payables in the statement of financial position.

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

**f) Income Tax**

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

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

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019****f) Income Tax (Continued)**

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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

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

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

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

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

**g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks with original maturity of three months or less.

**h) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**i) Financial Instruments****Initial recognition and measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019****i) Financial Instruments (Continued)****Classification and subsequent measurement**

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

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

**(i) Loans and receivables**

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

**(ii) Financial assets at fair value through profit and loss**

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by Key Management Personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

**(iii) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

**Derivative instruments**

The Group does not trade or hold derivatives.

**Financial guarantees**

The Group has bank guarantees for contract performance.

**Impairment**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019****j) Impairment of Non-Financial Assets**

At the end of each reporting period, the Directors assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits.

If any such indication exists, an impairment test is carried out on the asset by comparing the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. 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.

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

**k) Property, Plant and Equipment**

Property, plant and equipment are stated at historical costs less depreciation. Historical costs include expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the costs of the items can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the period in which there are incurred.

Depreciation is calculated using the diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives of, in the case vehicles as follows:

Plant and Equipment and Vehicles      3 to 15 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

**l) Exploration and Evaluation Expenditure***Recognition and measurement*

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation costs are recognised as an asset if the rights of the area of interest are current and either:

- The expenditures are expected to be recouped through successful development and exploitation of the areas of interest; or
- 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.

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019****l) Exploration and Evaluation Expenditure (Continued)***Subsequent measurement*

Exploration and evaluation assets are assessment for impairment if:

- Sufficient data exists to determine technical feasibility and commercial viability; and
- Facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of the impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation assets to mine properties within property, plant and equipment.

The value of the Group's interest in exploration expenditure is dependent upon:

- The continuance of the Group's right to tenure of the areas of interest;
- The result of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

**m) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**n) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowing 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, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

**o) Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**p) Employee Benefits***Short-term obligations*

Liabilities for wages, salaries and annual leave, including non-monetary benefits expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Short-term employee benefit obligations are presented as payables.



**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019****p) Employee Benefits (Continued)**

The obligations are presented as current liabilities if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

*Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination at the earliest of the following dates; (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring what is within the scope of AASB137 and involved the payments of termination benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

*Profit sharing and bonus plans*

The Group recognised a liability and an expense for bonuses and profit-sharing case on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision when contractually obliged or when it is past practice that has created a constructing obligation.

**q) Foreign currency transactions and balances****Functional and presentation currency**

The functional currency of each entity within the Group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

**Transaction and balances**

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

Exchange differences arising on the translation of monetary items are recognised in the profit or loss.

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

**r) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

**s) Critical Accounting estimates and judgements**

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### s) Critical Accounting estimates and judgements (Continued)

#### Key Estimates and judgements

##### *Share based payments*

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes valuation model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

##### *Exploration and evaluation expenditure*

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to accounting policy stated in Note 12.

The ultimate recoupment of the value of the exploration and evaluation assets and mine properties is dependent on successful development and commercial exploitation or alternatively, sale, of the underlying mineral exploration properties. The Group undertakes at least at each reporting period a comprehensive review for indicators of impairment of these assets. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

### t) New or Amended Accounting Standards and Interpretations Adopted

The following Australian Accounting Standards have been issued or amended and are applicable to the financial statements for the year ended 30 June 2019:

AASB No.	Title	Application for annual reporting period beginning	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2014
AASB 15	Revenues from Contracts with Customers	1 January 2018	October 2015

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There has been no significant impact on the application of those standards. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the Group makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the Group'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 Group. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures.

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019****t) New or Amended Accounting Standards and Interpretations Adopted (Continued)****AASB 9 Financial Instruments (continued)***Impact of Adoption*

The Group's financial assets subject to AASB 9's new expected credit loss model are cash and other receivables, which arise from the provision of services. The impact of the impairment requirements of AASB 9 on cash and cash equivalents has not resulted in a material impact to the financial statements.

Under AASB 9, the Group was required to revise the impairment methodology used in the calculation of its provision for doubtful debts to the expected credit loss model. This change in methodology has not had a material impact on the financial statements. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all other receivables. Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure or a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

*Accounting Policies Applied*

From 1 July 2018, the Group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through OCI, or through profit or loss), and those to be measured at amortised cost. The classification depends on how the Group manages the financial assets and the contractual terms of the cash flows. At year end, all of the Group's financial assets have been classified as those to be measured at amortised cost.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

From 1 July 2018, the Group assesses expected credit losses associated on a forward-looking basis. For other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**AASB 15 Revenue from Contracts with Customers**

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The core principle of the standard is that a Group will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, a Group would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

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

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### t) New or Amended Accounting Standards and Interpretations Adopted (Continued)

#### AASB 15 Revenue from Contracts with Customers (continued)

##### *Impact of Adoption*

The Group has made an assessment and determined that this standard does not have significant impact on the Group as it currently does not earn revenue.

### u) New Accounting Standards and Interpretations not yet mandatory or early adopted

#### AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company have assessed that there is no expected material impact of the above standard.

## NOTE 2: REVERSE ACQUISITION

On 8 February 2018, Raiden Resources Limited (Raiden) (formerly A.C.N 009 161 522 Limited) completed the acquisition of Timok Resources Pty Ltd (Timok). Under the Australian Accounting Standards Timok was deemed the accounting acquirer in this transaction. The acquisition has been accounted for as a share-based payment under the guidance of AASB2 Share Based Payments by which Timok acquirers the net assets and listing status of Raiden.

### Deemed Consideration

Raiden made a takeover offer of all securities of Timok. The takeover offer was affected through an off-market takeover bid for all of the ordinary shares in Timok on the basis of 539 Raiden shares for every 1 Timok share.

Under the acquisition, Raiden acquired all the shares of Timok by issuing 75,000,000 shares and 200,000,000 performance shares (Note 14) in Raiden to Timok shareholders, giving Timok (accounting parent) a controlling interest in Raiden (accounting subsidiary) and equating to a controlling interest in the combined entity. Timok was deemed the acquirer for accounting purpose as it owned 64.97% of the Group. The acquisition of Timok by Raiden is not deemed to be a business combination, as Raiden is not considered to be a business under AASB 3 Business Combination.

The value of the Raiden shares provided was determined as the notional number of equity instruments that the shareholders of Timok would have had to give the owners of Raiden, the same percentage ownership in the combined entity. It has been deemed to be \$808,616. The pre-acquisition equity balances of Raiden, (\$325,278), are eliminated against the increase in share capital of \$808,616 on consolidation and the balance is deemed to be the amount paid for the listing status, being \$1,133,894 (recognised in the consolidated statement of profit or loss and other comprehensive income).

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## NOTE 2: REVERSE ACQUISITION (CONTINUED)

	Ref	\$
<b>(a) Deemed Raiden Resources Limited Share Capital</b>		
Historical issued capital balance at acquisition date		18,978,600
Elimination of Raiden Resources Limited issued capital		(18,978,600)
Deemed consideration on acquisition	2(d)	808,616
Acquired share capital of Timok Resources Pty Ltd		750
Total Raiden Resources Limited share capital on completion		809,366
<b>(b) Raiden Resources Limited Accumulated Losses Pre-Completion</b>		
Raiden Resources Limited accumulated losses at acquisition date		(19,303,878)
Elimination of Raiden Resources Limited accumulated losses		19,303,878
Total Raiden Resources Limited accumulated losses on completion		-
<b>(c) Assets and Liabilities Acquired</b>		
Cash and cash equivalents	(i)	5,141,445
Trade and other receivables		20,427
Prepayments		103,500
Trade and other payables		(590,650)
Other liabilities	(ii)	(5,000,000)
Net assets of Raiden Resources Limited at acquisition date	2(d)	(325,278)
<b>(d) Listing Expenses</b>		
Deemed consideration	2(a)	808,616
Net liabilities of Raiden Resources Limited	2(c)	(325,278)
Total Raiden Resources Limited listing expenses		1,133,894
(i) The cash acquired of \$5,141,445 includes the capital raised of \$5,000,000 under the Public Offer less any associated capital raising costs which occurred prior to the acquisition date.		
(ii) Unissued shares for which cash was received prior to the acquisition date.		

## NOTE 3: ACQUISITION OF SUBSIDIARIES

## Acquisition of Skarnore Resources d.o.o. Belgrade

On 8 February 2018, Timok Resources Pty Ltd acquired 100% of the ordinary shares of Skarnore Resources d.o.o ("Skarnore") for a total consideration of \$1.

	Fair Value
	\$
<b>Purchase consideration:</b>	
Cash consideration	1
	1

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

**NOTE 3: ACQUISITION OF SUBSIDIARIES (CONTINUED)****Net assets acquired:**

Cash and cash equivalents	209
Trade and other receivables	1,670
Trade and other payables	(13,041)
Net liabilities acquired	(11,162)
Loss on acquisition	11,163
Acquisition date fair value of the total consideration	1

Cash used to acquire business; net of cash acquired:

Acquisition-date fair value of the total consideration transferred	1
Less: cash and cash equivalents	209
Net cash from acquisition	208

*Acquisition of Kingstown Resources d.o.o. Belgrade*

On 8 February 2018, Timok Resources Pty Ltd acquired 100% of the ordinary shares of Kingstown Resources d.o.o ("Kingstown") for a total consideration of \$1.

**Fair Value**  
**\$**

**Purchase consideration:**

Cash consideration	1
	1

**Net assets acquired:**

Cash and cash equivalents	1,204
Trade and other receivables	436
Exploration and evaluation expenditure	3,303
Trade and other payables	(1,969)
Net assets acquired	2,974
Profit on acquisition	(2,973)
Acquisition date fair value of the total consideration	1

Cash used to acquire business; net of cash acquired:

Acquisition-date fair value of the total consideration transferred	1
Less: cash and cash equivalents	1,204
Net cash from acquisition	1,203

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 4: LOSS FOR THE YEAR	30 June 2019	30 June 2018
	\$	\$
Interest Income	54,312	5,946
Accounting and other professional fees	(144,647)	(45,436)
Administrative costs	(117,142)	(42,802)
Corporate advisor fees	(136,691)	(30,492)
Corporate expenses	(66,041)	(22,451)
Depreciation	(11,813)	(636)
Directors fees	(192,388)	(52,132)
Legal fees	(153,386)	(8,338)
Listing fee expense	-	(1,133,894)
Marketing and investor relations	(58,608)	(3,575)
Share based payments	-	(963,200)
Transaction costs	-	(223,838)

NOTE 5: INCOME TAX	30 June 2019	30 June 2018
	\$	\$

The financial accounts for the year ended 30 June 2019 comprise the results of the Group. The legal parent is incorporated and domiciled in Australia where the applicable tax rate is 27.5%. Two of the Group's subsidiaries are incorporated in the Republic of Serbia where the applicable tax rate is 15%. One subsidiary is incorporated in Bulgaria where the applicable tax rate is 10%.

(a) Income tax expense	-	-
Current tax	-	-
Deferred tax	-	-

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

Prima facie tax on operating loss at 27.5% (2018: 27.5%)	(227,261)	(693,233)
Non-deductable items		
Non-deductible expenditure	40,073	602,492
Adjustments for differences in tax rates	13,890	3,268
Benefits from tax loss not brought to account	173,298	87,473
Income tax attributable to operating loss	-	-

(c) Deferred tax assets

Tax losses	173,298	87,473
Blackhole expenditure	58,124	77,499
Unrecognised deferred tax asset	231,422	164,972

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5: INCOME TAX (CONTINUED)	30 June 2019 \$	30 June 2018 \$
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## (d) Tax losses

Unused tax losses and temporary differences for which no deferred tax asset has been recognised	841,535	599,900
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The Group has the following tax losses arising in entities in Australia and the Republic of Serbia and Republic of Bulgaria that are available indefinitely to be offset against the future taxable profits of the Group.

*Tax loss carried forward*

Australia	780,923	585,638
Republic of Serbia	60,611	14,262
Republic of Bulgaria	-	-
	<u>841,534</u>	<u>599,900</u>

*Unrecognised deferred tax asset*

Australia	214,754	161,050
Republic of Serbia	16,668	3,922
Republic of Bulgaria	-	-
	<u>231,422</u>	<u>164,972</u>

**Carry forward losses**

Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 30 June 2019, because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable.

**NOTE 6: KEY MANAGEMENT PERSONNEL**

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2019.

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

	30 June 2019 \$	30 June 2018 \$
Short-term employee benefits	324,249	154,366
Total KMP Compensation	<u>324,249</u>	<u>154,366</u>

**Loans to Key Management Personnel**

To the best of the Directors' knowledge, they are not aware of any loans to Key Management Personnel during the financial year.

**Other KMP Transactions**

To the best of the Directors' knowledge, they are not aware of other transactions with Key Management Personnel. For transactions with other related parties refer to Note 19.



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7: AUDITOR'S REMUNERATION	30 June 2019	30 June 2018
	\$	\$
Remuneration of the auditor of the Group for:		
- audit of the financial report	39,315	25,308
- other services (IAR report)	-	10,000
- other services (Serbia)	12,158	-
	<b>51,473</b>	<b>35,308</b>

NOTE 8: LOSS PER SHARE	30 June 2019	30 June 2018
	\$	\$
Earnings per share (in cents)	(0.20)	(0.95)
Profit (Loss) used in calculation of basic EPS	(826,404)	(2,520,848)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share	410,430,796	265,924,358

Anti-dilutive options have not been used in the EPS calculation. As at 30 June 2019 there were 50,000,000 options on issue.

NOTE 9 a: CASH AND CASH EQUIVALENTS	30 June 2019	30 June 2018
	\$	\$
Cash at bank	1,744,775	3,742,468
Total cash and cash equivalents	<b>1,744,775</b>	<b>3,742,468</b>

NOTE 9 b: CASH FLOW INFORMATION	30 June 2019	30 June 2018
	\$	\$
Loss after income tax	(826,404)	(2,520,848)
<b>Non-cash flows in loss after income tax</b>		
Share based payments	-	963,200
Transaction costs	-	108,188
Listing fee expense	-	1,133,894
Foreign exchange loss	2,930	-
Depreciation	11,813	636
<b>Changes in assets and liabilities</b>		
- trade and other receivables	17,303	(48,057)
- prepayments	(5,126)	90,775
- payables	67,849	(501,322)
Cash flow used in operations	<b>(731,635)</b>	<b>(773,534)</b>

**Credit Standby Facilities**

The Group does not have any credit standby facilities.

**Non-Cash investing and financing activities**

There were nil non-cash investing and financing activities for the year.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 10: TRADE AND OTHER RECEIVABLES	30 June 2019	30 June 2018
	\$	\$

**CURRENT**

Other receivables (a)	52,480	69,783
<b>Total other receivables</b>	<b>52,480</b>	<b>69,783</b>

(a) Other receivables are non-interest bearing and have payment terms between 30 and 60 days.

NOTE 11: PLANT AND EQUIPMENT	30 June 2019	30 June 2018
	\$	\$

**Plant and equipment at cost**

Opening balance at 1 July	23,214	-
Additions	89,461	23,214
<b>Closing balance at 30 June</b>	<b>112,675</b>	<b>23,214</b>

**Accumulated depreciation**

Opening balance at 1 July	636	-
Depreciation expense	11,813	636
<b>Closing balance at 30 June</b>	<b>12,449</b>	<b>636</b>
<b>Net book value at 30 June</b>	<b>100,226</b>	<b>22,578</b>

NOTE 12: EXPLORATION AND EVALUATION EXPENDITURE	30 June 2019	30 June 2018
	\$	\$

**(a) Non-current**

Exploration expenditure capitalised:

Exploration and evaluation at cost	1,384,455	284,939
<b>Net carrying value</b>	<b>1,384,455</b>	<b>284,939</b>

**(b) Movement in carrying amounts**

<b>Carrying amount at the beginning</b>	284,939	-
Additions through acquisition of subsidiary	-	3,303
Expenditure during the period	1,099,516	281,636
<b>Carrying amount at the end</b>	<b>1,384,455</b>	<b>284,939</b>

**Stara Planina Project**

The Group and Geo Consulting Studio D.O.O, Belgrade ("Geo") entered into a joint agreement over Geo's 100% owned Stara Planina licence. Under the terms of the agreement, the Group can earn up to 90% interest in the Stara Planina licence, by predominately sole-funding exploration and development expenditure across several stages. Raiden Resources Limited is the manager of the Stara Planina project.

As at 30 June 2019 the Group has spent \$756,634 (2018: \$188,605) on the Stara Planina project.

As at 30 June 2019 the Group has earned the right to 25% of the licence, this has not converted to a right in the JV Company.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 13: TRADE AND OTHER PAYABLES	30 June 2019	30 June 2018
	\$	\$
<b>CURRENT</b>		
Trade payables	40,767	39,194
Other payables	18,910	51,939
	<u>59,677</u>	<u>91,133</u>

**(a) Fair value**

Due to short term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTE 14: ISSUED CAPITAL	30 June 2019	30 June 2018
	\$	\$
<b>(a) Issued Capital:</b>		
Ordinary shares fully paid	<u>6,400,748</u>	<u>6,400,748</u>

**(b) Movement in ordinary share capital of the Company during the period was as follows:**

	Number	\$
Opening balance at 1 July 2017	-	-
Issue of shares in Timok Resources Pty Ltd	75,000	750
Elimination of shares on acquisition of Timok Resources Pty Ltd	(75,000)	-
Deemed consideration on acquisition of Timok Resources Pty Ltd	75,000,000	808,616
Existing shares in Raiden Resources Limited	40,430,796	-
Issue of shares under the Public Offer (net of costs)	250,000,000	4,691,382
Issue of shares under the Facilitator Offer	40,000,000	800,000
Issue of shares under the Conversion Offer	5,000,000	100,000
<b>Closing balance at 30 June 2018</b>	<b>410,430,796</b>	<b>6,400,748</b>
Opening balance at 1 July 2018	410,430,796	6,400,748
<b>Closing balance at 30 June 2019</b>	<b>410,430,796</b>	<b>6,400,748</b>

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Shares have no par value.

**(c) Capital Management**

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet research and development programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

**Performance Shares**

In addition to the number of shares disclosed above there are also 200,000,000 performance shares which have been issued as part of the consideration on the reverse takeover transaction. The performance shares will convert to ordinary shares on 1:1 basis subject to the performance milestones being met prior to expiry date.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## NOTE 14: ISSUED CAPITAL (CONTINUED)

## Performance Shares (Continued)

Class	Expiry	Milestones
Class A	07-Feb-22 (48 months from issue date)	62,500,000 Performance Shares (Class A Performance Shares) will convert upon the announcement by the Company to ASX of the delineation of a Mineral Resource on the Company Licences of at least 100Kt of contained copper equivalent (reported in accordance with clause 50 of the JORC Code) at or above 0.2% copper equivalent and which is prepared and reported in accordance with the JORC Code;
Class B	08-Aug-22 (54 months from issue date)	62,500,000 Performance Shares (Class B Performance Shares) will convert upon the announcement by the Company to ASX of the results of a Scoping Study and that the Board has resolved to undertake a Pre-Feasibility Study on all or part of the Company Licences;
Class C	07-Feb-23 (60 months from issue date)	75,000,000 Performance Shares (Class C Performance Shares) will convert upon the announcement of a Positive Pre-Feasibility Study in respect of a Company Project (or Company Projects).

No value has been allocated to the Performance Shares due to the significant uncertainty of meeting the performance milestones which are based on future events. To date, none of the Milestones have been met.

## NOTE 15: RESERVES

	30 June 2019	30 June 2018
	\$	\$
<b>(a) Reserves</b>		
Option reserve	163,200	163,200
Foreign currency reserve	23,415	(1,740)
<b>Total reserves</b>	<b>186,615</b>	<b>161,460</b>
<b>(b) Option Reserve</b>	<b>No.</b>	<b>\$</b>
<b>Opening balance at 1 July 2017</b>	-	-
Issue of free attaching placement options	32,000,000	-
Issue of free attaching conversion options	5,000,000	-
Issue of facilitator options	13,000,000	163,200
<b>Balance at 30 June 2018</b>	<b>50,000,000</b>	<b>163,200</b>
<b>Opening balance at 1 July 2018</b>	50,000,000	163,200
<b>Balance at 30 June 2019</b>	<b>50,000,000</b>	<b>163,200</b>
<b>(c) Foreign currency reserve</b>		<b>\$</b>
<b>Opening balance at 1 July 2017</b>		-
Difference arising on translation		(1,740)
<b>Balance at 30 June 2018</b>		<b>(1,740)</b>
<b>Opening balance at 1 July 2018</b>		(1,740)
Difference arising on translation		25,155
<b>Balance at 30 June 2019</b>		<b>23,415</b>

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiaries.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

**NOTE 16: SHARE BASED PAYMENTS**

The following share-based payment arrangements existed at 30 June 2018:

**Facilitator Shares**

40,000,000 Facilitator Shares were issued on 8 February 2018 with issue price of \$0.20 per share.

**Facilitator Options**

13,000,000 Facilitator Options were issued on 8 February 2018 with exercise price of \$0.02 each expiring on 8 February 2021. These options have been valued using the Black and Scholes valuation methodology taking into account the terms and conditions upon which the options were granted.

A summary of the inputs used in the valuation of the options and shares is as follows:

	Facilitator Shares	Facilitator Options
Exercise price	\$Nil	\$0.02
Share price at date of issue	\$0.02	\$0.02
Issue date	08-Feb-18	08-Feb-18
Expected volatility	n/a	100%
Expiry date	n/a	08-Feb-21
Expected dividends	Nil	Nil
Risk free interest rate	n/a	2.09%
Value per option or share	\$0.02	\$0.0126
Number of shares/ options	40,000,000	13,000,000
<b>Total value of share-based payment</b>	<b>\$800,000</b>	<b>\$163,200</b>

**NOTE 17: OPERATING SEGMENTS****Segment Information****Identification of reportable segments**

The Group has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The Group's sole operating segment is consistent with the presentation of these consolidated financial statements.

**NOTE 18: FINANCIAL INSTRUMENTS****Financial Risk Management Policies**

The Group's financial instruments consist mainly of deposits with banks, other debtors and accounts payable. The main purpose of non-derivative financial instruments is to raise finance for Group's operations.

**Specific Financial Risk Exposures and Management**

The main risk the Group is exposed to through its financial instruments are market risk (including fair value and interest rate risk) and cash flow interest rate risk, credit risk and liquidity risk.

**(a) Interest Rate Risk**

From time to time the Group has significant interest-bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

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 below:

	Floating Interest Rate	Non- interest bearing	2019 Total	Floating Interest Rate	Non- interest bearing	2018 Total
	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>						
- Within one year						
Cash and cash equivalents	1,744,775	-	1,744,775	3,742,468	-	3,742,468
Other receivables	-	52,480	52,480	-	69,783	69,783
<b>Total financial assets</b>	<b>1,744,775</b>	<b>52,480</b>	<b>1,797,255</b>	<b>3,742,468</b>	<b>69,783</b>	<b>3,812,251</b>
Weighted average interest rate	3.11%			0.16%		
<b>Financial Liabilities</b>						
- Within one year						
Trade and other Payables	-	59,677	59,677	-	39,194	39,194
Other liabilities	-	-	-	-	51,939	51,939
<b>Total financial liabilities</b>	<b>-</b>	<b>59,677</b>	<b>59,677</b>	<b>-</b>	<b>91,133</b>	<b>91,133</b>
Weighted average interest rate				-		
<b>Net financial assets</b>	<b>1,744,775</b>	<b>(7,197)</b>	<b>1,737,578</b>	<b>3,742,468</b>	<b>(21,350)</b>	<b>3,721,118</b>

## Sensitivity Analysis

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

		Movement in Profit (\$)	Movement in Equity (\$)
<b>30 June 2019</b>	+/-1% in interest rates	27,436	27,436
<b>30 June 2018</b>	+/-1% in interest rates	18,712	18,712

## (b) Credit risk

The maximum exposure to credit risk is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2019	2018
Cash and cash equivalents (\$) - AA Rated	9a	1,744,775	3,742,468

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

## (c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by routinely monitoring forecast and actual cash flows.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place. The financial liabilities of the Group are confined to trade and other payables as disclosed in the Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

2019	Interest rate	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount assets/(liabilities)
		\$	\$	\$	\$	\$	\$	\$
Financial liabilities at amortised cost								
Trade and other payables	-	(59,677)	-	-	-	-	(59,677)	(59,677)
		(59,677)	-	-	-	-	(59,677)	(59,677)

2018	Interest rate	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount assets/(liabilities)
		\$	\$	\$	\$	\$	\$	\$
Financial liabilities at amortised cost								
Trade and other payables	-	(91,133)	-	-	-	-	(91,133)	(91,133)
		(91,133)	-	-	-	-	(91,133)	(91,133)

## (d) Net fair Value of financial assets and liabilities

*Fair value estimation*

Due to the short-term nature of the receivables and payables the carrying value approximates fair value.

## (e) Financial arrangements

The Group had no other financial arrangements in place at 30 June 2019 (FY18: Nil) based on the information available to the current board.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

## (f) Currency risk

The currency risk is the risk that the value of financial instruments will fluctuate due to change in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Australian Dollar (AUD), the Group's functional currency. The Group's policy is not to enter into any currency hedging transactions.

Cash and cash equivalents	2019		2018	
	Foreign Currency	Equivalent AUD	Foreign Currency	Equivalent AUD
Euro (EUR)	-	-	4,636	7,308
Serbian Dinar (RDS)	148,446	2,040	6,247,482	83,102

## NOTE 19: RELATED PARTY TRANSACTIONS

## (a) Key management personnel compensation

For key management personnel compensation details refer to Note 6.

## (b) Other transactions and balance with KMP and their related parties

The Group acquired services from entities that are controlled by members of the Group's KMP. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity	Nature of transactions	Key Management Personnel	Total Revenue / (Expense)		Payable Balance	
			2019 \$	2018 \$	2019 \$	2018 \$
Horizon Capital Management LLC*	Geological Consulting	Dusko Ljubojevic	(60,000)	(61,500)	-	(10,000)
Onyx Corporate Pty Ltd	Accounting and Company Secretary Services	Nicholas Young	(81,000)	(77,250)	-	(6,750)
Discovery Capital	Corporate Advisor Fees	Christopher Hansen	(45,000)	(20,000)	-	(5,000)
Otsana Capital	Corporate Advisor Fees	Nicholas Young	(25,000)	(10,492)	-	(2,500)

\* The amount \$60,000 includes \$32,375 relating directly to Mr Ljubojevic as disclosed in the director's remuneration table.

During the year transactions of \$60,000 (2018: \$61,500) were made with Horizon Capital Management LLC ("Horizon") of which Mr Dusko Ljubojevic is a director. The transactions included the provision of geological, legal and administrative consulting services undertaken by four consultants, including Mr Ljubojevic. Under the Horizon agreement each consultant was paid directly by the Company.

At 30 June 2019 the outstanding balance relating to Horizon totalled to \$Nil (FY18: \$10,000).



**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 19: RELATED PARTY TRANSACTIONS (CONTINUED)**

During the year transactions of \$81,000 (2018: \$77,250) were made with Onyx Corporate Pty Ltd ("Onyx") of which Mr Nicholas Young is a director. The transactions included the provision of accounting services and company secretarial services.

At 30 June 2019 the outstanding balance relating to Onyx totalled to \$Nil (FY18: \$6,750).

During the year transactions of \$45,000 (2018: \$20,000) were made with Discovery Capital ("Discovery") of which Mr Christopher Hansen is a director. The transactions included the provision of corporate advisor services.

At 30 June 2019 the outstanding balance relating to Discovery totalled to \$Nil (FY18: \$5,000).

During the year transactions of \$25,000 (2018: \$10,492) were made with Otsana Capital ("Otsana") of which Mr Nicholas Young has an indirect minority shareholding and is an authorised representative. The transactions included the provision of corporate advisor services.

At 30 June 2019 the outstanding balance relating to Otsana totalled to \$Nil (FY18: \$2,500).

There were no other related party transactions during the year

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## NOTE 20: PARENT ENTITY DISCLOSURES

The following information has been extracted from the books and records of the legal parent Raiden Resources Limited and has been prepared in accordance with Australian Accounting Standards and the accounting policies as outlined in Note 1.

Raiden Resources Limited was suspended from 11 February 2016, being the date of the appointment of the Voluntary Administrators and Receivers and Mangers and remained so during the term of the Deed of Company Arrangement (from 5 December 2016 to 24 October 2017). As such the current Directors have had limited access over the financial records of the company pertaining to that period, which affects the comparative year ended 30 June 2018.

## (a) Financial Position of Raiden Resources Limited

	Note	30 June 2019 \$	30 June 2018 \$
<b>ASSETS</b>			
Current assets		1,613,459	3,662,907
Non-current assets		1,654,830	447,302
Total assets		<b>3,268,289</b>	<b>4,110,209</b>
<b>LIABILITIES</b>			
Current liabilities		28,178	68,849
Total liabilities		28,178	68,849
<b>NET ASSETS</b>		<b>3,240,111</b>	<b>4,041,360</b>
<b>SHAREHOLDERS EQUITY</b>			
Issued capital		24,569,982	24,569,982
Reserves		163,200	163,200
Accumulated Losses		(21,493,071)	(20,691,822)
<b>SHAREHOLDERS EQUITY</b>		<b>3,240,111</b>	<b>4,041,360</b>

## (b) Financial Performance of Raiden Resources Limited

	Note	30 June 2019 \$	30 June 2018 \$
Profit/(loss) for the year		(801,249)	29,021,178
<b>Total comprehensive profit/(loss)</b>		<b>(801,249)</b>	<b>29,021,178</b>

## (c) Guarantees entered into by Raiden Resources Limited for the debts of its subsidiary

There are no known guarantees entered into by Raiden Resources Limited for the debts of its subsidiaries as at 30 June 2019 (2018: Nil).

## (d) Contingent liabilities of Raiden Resources Limited

There were no known contingent liabilities as at 30 June 2019 (2018: Nil).

## (e) Commitments by Raiden Resources Limited

There were no known commitments as at 30 June 2019 (2018: Nil).

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## NOTE 20: PARENT ENTITY DISCLOSURES (CONTINUED)

## (f) Significant accounting policies

Raiden Resources Limited accounting policies do not differ from the Group as disclosed in Note 1.

## NOTE 21: CONTROLLED ENTITIES CONSOLIDATED

## Raiden Resources Limited (Parent)

Controlled entities	Country of Incorporation	Percentage Owned	
		2019	2018
Timok Resources Pty Ltd	Australia	100%	100%
Skarnore Resources d.o.o., Belgrade	Republic of Serbia	100%	100%
Kingstown Resources d.o.o, Belgrade	Republic of Serbia	100%	100%
Western Tethyan Exploration Ltd	Republic of Bulgaria	100%	Nil%

NOTE 22: COMMITMENTS	30 June 2019	30 June 2018
	\$	\$
<b>Exploration expenditure commitments:</b>		
No longer than 1 year	598,747	660,811
Longer than 1 year and not longer than 5 years	769,303	915,750
Longer than 5 years	-	-
	<u>1,368,050</u>	<u>1,576,561</u>

## NOTE 23: CONTINGENT LIABILITIES

The Group has no known contingent liabilities as at 30 June 2019 (2018: Nil).

## NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to balance date the following events occurred:

- On 2 July 2019 the Company announced the issue of 10,000,000 Performance Rights to Corporate Advisors of the Company. The Performance Rights are subject to a 20-day VWAP of \$0.02 or higher within 12 months from the date of issue date.
- On 2 July 2019 the Company also announced the results from its maiden drill program at Donje Nevlje.
- On 4 July 2019 the Company announced the transfer of the Zupa project from Balkan Mineral Corporation DOO to Skarnore Resources DOO had been completed following approval from the Serbian Ministry of Mines and Energy.
- On 15 July 2019, the Company announced that it had entered into an Option Agreement with QX Metals Corporation Limited ("QX") over the Kalabak Project in Bulgaria. Under the terms of the agreement the Company has an Option to earn into a 75% position within the Kalabak project under the following terms:
  - Phase 1 Option:** By spending US\$1 million on project expenditure within a 2-year period, the Company has the option to earn a 51% project level interest. The expenditure requires the completion of a minimum of 3,000 metres of reverse circulation or diamond drilling. The Company is obliged to spend US\$250,000 before 14 December 2019.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

- **Phase 2 Option:** By completing a 43-101 compliant Preliminary Feasibility Study (“PFS”), by the 7th anniversary of the Conditions Precedent Satisfaction Date as well as meeting other conditions, Raiden has the option to earn into a 75% position of the project.

Upon Raiden obtaining a 75% position in the project, QX shall have the option to:

- Maintain its 25% position within the project by financing its proportional share of further expenditure
- Sell its remaining stake in the project, with Raiden having the first right of refusal to purchase the remaining stake
- Dilute its remaining stake to a 2% Net Smelter Royalty (“NSR”), where Raiden will have the option to purchase an initial 0.5% of the total NSR for US\$2.5m and with a further 1% being purchasable for US\$5m, prior to commencement of commercial production

Raiden will be the manager and operator of the work program.

The commencement of the Option agreement is subject to the following conditions being met within the following 45 days (Conditions Precedent Satisfaction Date):

- Raiden providing QX with a notification that it has completed a due diligence on the property and the holding Company (Zelenrok)
- QX obtaining shareholder and Toronto Stock Exchange approval for the transaction
- Raiden making a A\$50,000 payment to QX for reimbursement of project acquisition costs

- On 15 July 2019, the Company announced that it had entered into an Option Agreement over the Zlatusha Project in Bulgaria. Under the terms of the agreement the Company has an Option to earn into a 75% position within the Zlatusha project under the following terms:

- **Phase 1 Option:** By spending a total of US\$2.5 million on project expenditure within a 3-year period, the Company has the option to earn into a 51% project level interest in the Zlatusha property. The expenditure requires the completion of a minimum of 6,500 metres of reverse circulation or diamond drilling.
- **Phase 2 Option:** By completing a 43-101 compliant Preliminary Feasibility Study (“PFS”), by the 7th anniversary from when the Zlatusha Exploration Agreement is signed by the Bulgarian Ministry of Energy, as well as, meeting other conditions, Raiden has the option to earn into a 75% project level interest of the project.

Upon Raiden obtaining a 75% project level interest in the project, QX Metals Ltd (“QX”) shall have the option to:

- Maintain its 25% interest within the project by financing its proportional share of further expenditure
- Sell its remaining stake in the project, with Raiden having the first right of refusal
- Dilute its remaining interest to a 2% Net Smelter Royalty (“NSR”), where Raiden will have the option to purchase an initial 0.5% of the total NSR for US\$2.5m and a further 1% being purchasable for US\$5m, prior to commencement of commercial production

Raiden will be the manager and operator of the work program.

The commencement of the Option agreement is subject to following conditions being met within the following 45 days (Conditions Precedent Satisfaction Date):

- Raiden providing QX with a notification that it has completed a due diligence on the property and the holding Company (Zelenrok)
- QX obtaining shareholder and Toronto Stock Exchange approval for the transaction
- Raiden making a A\$50,000 payment to QX for reimbursement of project acquisition costs

The Zlatusha Option Agreement will proceed once Zelenrok enters into the exploration agreement with the Ministry of Energy of the Republic of Bulgaria in respect of the Zlatusha license.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

- On 7 August 2019, the Company announced the commencement of maiden work on the Sbor Prospect in the Kalabak project area in Bulgaria. The Company's geologists reviewed geological maps and exploration data from an outcrop sampling program carried out by QX, and conducted a reconnaissance visit of the Kalabak project. The Company is investigating the availability of obtaining further data through historical reports with the Bulgarian Ministry of Energy ("Ministry").
- On 9 August 2019, Raiden announced that it had defined a second prospect ("White Cliff") on the Kalabak project.
- On 15 August 2019, the Company announced that it had defined a Geochemical prospect on Zupa Project. The Company executed a detailed soil sampling campaign on the western periphery of the Zupa license. Over 1,200 samples were collected. The program targeted the contacts between the Triassic andesites and limestones. The soil samples were analysed in a controlled field laboratory setting. Based on this analysis, the program has defined a 6.5 Km long geochemical anomaly on the south-western flank of the project area.
- On 26 September 2019, Raiden announced that it had defined a third prospect "Sbor West" on the Kalabak project.

There have been no other material matters or circumstances that have arisen since 30 June 2019.

**DIRECTOR'S DECLARATION**

In the Director's opinion:

1. The consolidated financial statements and notes within the financial report are in accordance with the Corporations Act 2001, including:
  - a) complying with Australian Accounting Standards and Corporations Regulations 2001;
  - b) giving a true and fair view, the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date;
  - c) complying with International Financial Reporting Standards; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declaration 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 made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



**Mr Michael Davy**  
**Non-Executive Chairman**

Dated: 27 September 2019

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
RAIDEN RESOURCES LIMITED**

**Opinion**

We have audited the financial report of Raiden Resources Limited (the Company) and its subsidiaries (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:

- (i) 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
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the 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.

**THE POWER OF BEING UNDERSTOOD**  
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## Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
<b>Exploration and Evaluation Expenditure</b> Refer to Note 12 in the financial statements	
<p>The Group has capitalised exploration and evaluation expenditure with a carrying value of \$1,384,455 as at 30 June 2019.</p> <p>We determined this to be a key audit matter due to the significant management judgments involved in assessing the carrying value in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, including:</p> <ul style="list-style-type: none"> <li>• Determination of whether the expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest;</li> <li>• Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and</li> <li>• Assessing whether any indicators of impairment are present and, if so, judgments applied to determine and quantify any impairment loss.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Obtaining evidence that the Group has valid rights to explore in the specific area of interest;</li> <li>• Agreeing a sample of additions to capitalised exploration and evaluation expenditure to supporting documentation and ensuring that the amounts were capital in nature and relate to the area of interest;</li> <li>• Reviewing and enquiring with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves;</li> <li>• Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; and</li> <li>• Critically assessing and evaluating management's assessment that no indicators of impairment existed at the reporting date.</li> </ul>

## Other Information

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 the auditor's report thereon.

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

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

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



## **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporation 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

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

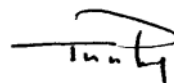
In our opinion, the Remuneration Report of Raiden Resources Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

### *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.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 27 September 2019

## CORPORATE GOVERNANCE STATEMENT

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition)' (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

In February 2019, the ASX Corporate Governance Council introduced the 4<sup>th</sup> edition of the ASX Corporate Governance Principles, which will apply to the Company for its financial year commencing 1 July 2020. The Company will review its corporate governance practices against the 4<sup>th</sup> Edition of the ASX Corporate Governance Principles, and report against these as part of its annual reporting for FY2021.

The Company has adopted the following suite of corporate governance policies and procedures (together, the **Corporate Governance Policies**):

- Board Charter;
- Code of Conduct;
- Audit and Risk Management Committee Charter;
- Remuneration and Nomination Committee Charter;
- Performance Evaluation Policy;
- Continuous Disclosure Policy;
- Risk Management Policy;
- Securities Trading Policy;
- Appointment and Rotation of External Auditors; and
- Shareholder Communications Policy.

This Corporate Governance Statement has been approved by the Raiden board and summarises the Corporate Governance practices and procedures that were in place throughout the financial year commencing 1 July 2018 and to the date of this Corporate Governance Statement. The Company's Corporate Governance Policies are available on the Company's website at [www.raidenresources.com.au](http://www.raidenresources.com.au)

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

Recommendations	Comply	Explanation
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<b>Recommendation 1.1</b> A listed entity should have and disclose a charter which:		
(a) sets out the respective roles and responsibilities of the board, the chair and management; and	Yes	The Company has adopted a Board Charter that sets out the specific responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.
(b) includes a description of those matters expressly reserved to the board and those delegated to management.	Yes	The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman, Managing Director and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.
		A copy of the Company's Board Charter is available on the Company's website.

58

Recommendations	Comply	Explanation
<b>Recommendation 1.6</b> A listed entity should: <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>(a) The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for arranging a performance evaluation of the Board, its Committees (if any) and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Remuneration and Nomination Committee Charter, and Performance Evaluation Policy, which is available on the Company's website.</p> <p>(b) The Company's Performance Evaluation Policy requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Board conducts an annual performance assessment of the Managing Director. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors annually in accordance with the review process outlined in the Board Charter, Remuneration and Nomination Committee Charter, and Performance Evaluation Policy.</p>
<b>Recommendation 1.7</b> A listed entity should: <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>(a) The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for arranging a performance evaluation of senior executives on an annual basis. To assist in this process an independent advisor may be used. The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The applicable process for these evaluations can be found in the Company's Remuneration and Nomination Committee Charter, and Performance Evaluation Policy, which are available on the Company's website.</p> <p>(b) The Company's Performance Evaluation Policy requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company was reinstated to official quotation on 23 February 2018. The Company intends to complete performance evaluations in respect of the senior executives (if any) annually in accordance with the review process outlined in the Board Charter, Remuneration and Nomination Committee Charter, and Performance Evaluation Policy.</p>

Recommendations	Comply	Explanation
Principle 2: Structure the board to add value		
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	<p>-</p> <p>Yes</p>	<p>(a) The Company has not established a Nomination Committee.</p> <p>(b) The Company’s Remuneration and Nomination Committee Charter provides for the creation of a Remuneration and Nomination Committee (if it considered it will benefit the Company), a majority of whom are to be independent Directors, and which must be chaired by an independent Director.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of a such complexity to justify having a separate nomination committee. Nominations of new Directors are considered by the full Board, all directors are involved in the search and recruitment of a replacement. The Board has taken the view that the full Board will hold special meetings as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to Shareholders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the Annual Report and on the Company’s website.</p>
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	No	The details of the current skill set of the current Directors are set out in the description of each Director in the Annual Report. The Board believes that the current skill mix is appropriate given the Company’s size and the stage of the entity’s life as a publicly listed exploration Company.
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>(a) The following directors are considered independent;</p> <ul style="list-style-type: none"><li>Mr Michael Davy Non-Executive Chairman</li></ul> <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports.</p> <p>(c) The Company’s Annual Report discloses the length of service of</p>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	No	The Board Charter requires that, where practical, the majority of the Board should be independent. Currently the majority of the Board acts in a management capacity and therefore are not independent directors. The Details of each Director’s independence are provided in the Annual Reports.

61

62



Recommendations	Comply	Explanation
<b>Recommendation 6.4</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company's Share Registrar to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.  Shareholders queries should be referred to the Company Secretary at first instance.
<b>Principle 7: Recognise and manage risk</b>		
<b>Recommendation 7.1</b> The board of a listed entity should:		(a) The Company does not currently have a separate Risk Committee.  (b) The Board has adopted an Audit and Risk Committee Charter. The Board is ultimately responsible for risk oversight and risk management. As a whole the Board fulfills the functions detailed in the Audit and Risk Committee Charter that would normally be delegated to the Risk Committee.
(a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul>		
(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	Yes	
<b>Recommendation 7.2</b> The board or a committee of the board should:		(a) The Audit and Risk Management Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least bi-annually, satisfy itself that the Company's risk management framework continues to be sound. The Company's process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems.
(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and	Yes	
(b) disclose in relation to each reporting period, whether such a review has taken place.	Yes	(b) The Board continues to review the risk profile of the Company and monitors risk throughout the year.



Recommendations	Comply	Explanation
<b>Recommendation 7.3</b> A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</li> </ul>	Yes	<ul style="list-style-type: none"> <li>(a) The Audit and Risk Committee Charter provides for the internal audit function of the Company and outlines the monitoring, review and assessment of a range of internal audit functions and procedures.</li> <li>(b) The Company does not have an internal audit function. As the Company grows the Board will consider whether the appointment of a contract internal auditor would be beneficial in assisting them in discharging their responsibilities under the Audit and Risk Management Committee Charter. Currently the transactions within the Company are minimal and within the assigned budgets that are provided to the Board on a regular basis.</li> </ul>
<b>Recommendation 7.4</b> A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	<p>The Company has no material exposure to economic, environmental and social sustainability risks.</p> <p>As detailed above more about the Company's management of risk can be found in the prospectus released 13 December 2017.</p>
<b>Principle 8: Remunerate fairly and responsibly</b>		
<b>Recommendation 8.1</b> The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a remuneration committee which: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</li> </ul>	Yes	<ul style="list-style-type: none"> <li>(a) The Company does not currently have a separate Remuneration Committee.</li> <li>(b) The Board has adopted a Remuneration and Nomination Committee Charter. The Board as a whole performs the function of the Remuneration committee, which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board. The Board considers that the Company is not currently of a size, nor are its affairs of a such complexity to justify having a separate remuneration committee.</li> </ul>
<b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	Yes	<p>The Company's Remuneration and Nomination Committee Charter requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executive to be disclosed in the Company's Annual Report.</p>

Recommendations	Comply	Explanation
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>(a) The Company's Remuneration and Nomination Committee Charter (in the Company's Corporate Governance Plan) states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity based plans.</p> <p>(b) The Company does not currently have an equity-based remuneration scheme. Therefore, a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, was not required for the reporting period.</p>

## ADDITIONAL SHAREHOLDER INFORMATION

The following information is current as at 23 September 2019.

### Ordinary Share Capital

410,430,796 shares are held by 620 individual holders.

### Voting Rights

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

- **Ordinary shares:** Each ordinary share is entitled to vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Unlisted Options, Performance Shares and Performance Rights:** Unlisted Options and Performance Shares do not carry any voting rights.

### Twenty Largest Shareholders

Rank	Name	Holding	%
1	DISCOVERY SERVICES PTY LTD <DISCOVERY CAP INV UNIT	15,000,000	3.65
2	ATTOLLO INVESTMENTS PTY LTD <ATTOLLO INVESTMENT A/C>	13,436,276	3.27
3	BUZZ CAPITAL PTY LTD <ZI VESTMENT>	12,850,000	3.13
4	SRDJAN VLAJKOVIC	10,875,000	2.65
5	MS ELAINE YOUNG FORTMANN	10,625,000	2.59
6	REBO NOMINEES PTY LTD	10,586,470	2.58
7	MICJUD PTY LTD <CHESTER SUPER FUND AC>	10,250,000	2.50
8	MR PAUL GREGORY BROWN & MRS JESSICA ORIWIA BROWN <BROWN SUPER FUND>	10,000,000	2.44
9	OAK TRUST (GUERNSEY) LIMITED	10,000,000	2.44
10	BENEFICO PTY LTD	10,000,000	2.44
11	SUNSET TIDAL PTY LTD <SUNSET TIDAL INVESTMENT>	9,690,000	2.36
12	MARTIN PAWLITSCHK	9,375,000	2.28
13	MARKO CURIC	9,375,000	2.28
14	HORIZON CAPITAL MANAGEMENT LLC	9,375,000	2.28
15	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	9,080,600	2.21
16	AH SUPER PTY LTD <THE AH SUPER FUND NO 3 A/C>	7,704,400	1.88
17	BOND STREET CUSTODIANS LIMITED <VVALLE - D42570 A/C>	7,000,000	1.71
18	ELITE SKY INVESTMENT LIMITED	6,000,000	1.46
19	KOJIN PTY LTD	4,250,000	1.04
20	RISTOVSKI NOMINEES PTY LTD	4,000,000	0.97
<b>Total</b>		<b>189,472,746</b>	<b>46.16</b>

### Substantial Shareholders

There are no substantial holders as at 23 September 2019.

### Distribution of Holders of Equity Securities

Range	Fully Paid Ordinary Shares		%
	No. Holders	Total Units	
1 - 1,000	67	15,986	0.00
1,001 - 5,000	29	65,607	0.02
5,001 - 10,000	6	43,637	0.01
10,001 - 100,000	188	11,727,049	2.86
100,001 and Over	330	398,578,517	97.11
<b>Total</b>	<b>620</b>	<b>410,430,796</b>	<b>100</b>

### Restricted Securities

As at 23 September 2019 the following securities are subject to escrow.

- 108,550,000 Ordinary Fully Paid Shares escrowed for a period of 24 months from the recommencement of official quotation;
- 57,125,000 Class A Performance Shares escrowed for a period of 24 months from the recommencement of official quotation;
- 57,125,000 Class B Performance Shares escrowed for a period of 24 months from the recommencement of official quotation;
- 68,550,000 Class C Performance Shares escrowed for a period of 24 months from the recommencement of official quotation;
- 18,000,000 Unquoted options exercisable at \$0.02 each escrowed for a period of 24 months from the recommencement of official quotation.

### Unquoted Securities

As at 23 September 2019, the following unquoted securities are on issue:

200,000,000 Performance Shares<sup>1</sup> escrowed – 13 holders

Range	Class A Performance Shares		
	No. Holders	Total Units	%
1 – 1,000	0	0	0.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	0	0	0.00
10,001 – 100,000	0	0	0.00
100,001 and Over	13	62,500,000 <sup>2</sup>	100.00
<b>Total</b>	<b>13</b>	<b>62,500,000</b>	<b>100.00</b>

Range	Class B Performance Shares		
	No. Holders	Total Units	%
1 – 1,000	0	0	0.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	0	0	0.00
10,001 – 100,000	0	0	0.00
100,001 and Over	13	62,500,000 <sup>3</sup>	100.00
<b>Total</b>	<b>13</b>	<b>62,500,000</b>	<b>100.00</b>

Range	Class C Performance Shares		
	No. Holders	Total Units	%
1 – 1,000	0	0	0.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	0	0	0.00
10,001 – 100,000	0	0	0.00
100,001 and Over	13	75,000,000 <sup>4</sup>	100.00
<b>Total</b>	<b>13</b>	<b>75,000,000</b>	<b>100.00</b>

<sup>1</sup> Details on the performance conditions surrounding the performance shares are contained within the Directors' Report.

<sup>2</sup> Discovery Services Pty Ltd <Discovery Capital Inv Unit> holds 12,500,000 Class A performance shares comprising of 20% of this class.

<sup>3</sup> Discovery Services Pty Ltd <Discovery Capital Inv Unit> holds 12,500,000 Class B performance shares comprising of 20% of this class.

<sup>4</sup> Discovery Services Pty Ltd <Discovery Capital Inv Unit> holds 15,000,000 Class C performance shares comprising of 20% of this class.

10,000,000 Performance Rights – 6 holders

Range	Performance Rights		%
	No. Holders	Total Units	
1 – 1,000	0	0	0.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	0	0	0.00
10,001 – 100,000	0	0	0.00
100,001 and Over	6	10,000,000 <sup>5</sup>	100.00
<b>Total</b>	<b>6</b>	<b>10,000,000</b>	<b>100.00</b>

32,000,000 Unquoted options expiring 08/02/2021 at \$0.02 escrowed until 08/02/2019 – 25 holders

Range	Unlisted Options exercisable at \$0.02 each on or before 3 September 2021		%
	No. Holders	Total Units	
1 – 1,000	0	0	0.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	0	0	0.00
10,001 – 100,000	0	0	0.00
100,001 and Over	25	32,000,000	100.00
<b>Total</b>	<b>25</b>	<b>32,000,000</b>	<b>100.00</b>

18,000,000 Unquoted options expiring 08/02/2021 at \$0.02 escrowed until 23/02/2020 – 10 holders

Range	Unlisted Options exercisable at \$0.02 each on or before 3 September 2021		%
	No. Holders	Total Units	
1 – 1,000	0	0	0.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	0	0	0.00
10,001 – 100,000	0	0	0.00
100,001 and Over	10	18,000,000	100.00
<b>Total</b>	<b>10</b>	<b>18,000,000</b>	<b>100.00</b>

#### Unmarketable Parcels

Holdings of less than a marketable parcel of ordinary shares:

Holders: 202

Units: 3,752,982

#### On-market Buy Back

There is currently no on-market buy-back program.

#### ASX Listing Rule 4.10.19

The Company has used cash and assets in a form readily convertible to cash that it had at the time of reinstatement of the Company's securities to quotation in a way consistent with its business objectives.

<sup>5</sup> Romfal Sifat Pty Ltd <The Fizmail Family A/C> holds 2,700,000 performance rights comprising of 27% of this class, Buzz Capital Pty Ltd <Zi Vestment A/C> holds 2,250,000 performance rights comprising of 22.5% of this class and Attollo Investments Pty Ltd <Attollo Investment A/C> holds 2,250,000 performance rights comprising of 22.5% of this class.

## Schedule of Tenements

Tenement reference and location	Nature	Status	Interest
Donje Nevlje – 310-02-1547/2015-02	Direct	Permit extension request pending	100%
Stara Planina* – 310-02-495/2015-02	Joint Venture	Granted	-
Velika Zupa – 310-02-1656/2016-02	Direct	Granted	100%
Zapadni Majdanpek** – 310-02-1096/2016-02	Direct	Granted	100%
Majdanpek Pojas** – 310-02-1510/2016-02	Direct	Granted	100%
Tilva Njagra Istok – 310-02-1584/2016-02	Direct	Granted	100%
Kalabak*** – Licence No. 405	Joint Venture	Granted	-
Zlatusha*** – Licence No. 486	Joint Venture	Application	-
Vuzel****	Joint Venture	Application	-

\* The Company has an agreement to earn-in up to a 90% interest and an option to purchase up to a 100% interest. At the end of the quarter the Company had earned the right to 25%, this has yet to be converted to a right in the Company.

\*\* Earn-In Joint Venture Agreement with Rio Tinto Mining & Exploration Limited.

\*\*\* The Company has an agreement to earn-in up to a 75% position within the project.

\*\*\*\* The Company has an agreement to earn-in up to 90% position within the project and an option to purchase 100% of the project.