

TRIGG MINING PTY LTD

ABN 26 168 269 752

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED

30 June 2017

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Directors' Report

For the year ended 30 June 2017

Your directors present their report on Trigg Mining Pty Ltd (the **Company** or **Trigg Mining**) for the year ended 30 June 2017.

Directors

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

Michael Ralston, Non-Executive Chairman, appointed 22 May 2017

Keren Paterson, Managing Director

William Bent, Non-Executive Director, appointed 22 May 2017

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

Review of Operations

During the year the Company focussed its activities on the identification and evaluation of mineral exploration projects.

Results

The loss of the Company for the year after providing for income tax amounted to \$249 (2016: \$208).

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the Company during the financial year consisted of the identification and evaluation of mineral exploration projects.

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

Events Subsequent to the End of the Reporting Period

Other than disclosed in Note 4 to the financial statements, there are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No dividends were paid since the start of the financial year (2016:\$nil).

Options

No options over issued shares or interests in the Company were granted during the financial year.

Subsequent to balance date and as at the date of this report there are 10,000,000 options exercisable at \$0.20 per option expiring on 13 March 2022 on issue.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

During the year the Company paid a premium to insure officers of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Directors' Report (cont'd)

For the year ended 30 June 2017

Proceedings on Behalf of the 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.

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 5.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director



Keren Paterson

Dated this 4th day of April 2018

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN E TO THE DIRECTORS OF TRIGG MINING PTY LTD

As lead auditor of Trigg Mining Pty Ltd for the year ended 30 June 2017 I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Australian Professional Accounting Bodies in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 4 April 2018

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Notes	30 June 2017	30 June 2016
Total Income		-	-
Expenses			
Legal & Professional Fees		249	208
Total Expenses		249	208
Profit/(Loss) before Taxation		(249)	(208)
Income Tax		-	-
Net Profit/(Loss) After Tax		(249)	(208)
Net Profit/(Loss) After Dividends Paid		(249)	(208)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2017

	Notes	30 Jun 2017	30 Jun 2016
Assets			
Current Assets			
Cash on Hand		-	12
Cash and Cash equivalents		2,500	-
Total Current Assets		2,500	12
Liabilities			
Current Liabilities			
Trade and other payables	2	1,652	1,403
Total Current Liabilities		1,652	1,403
Net Assets		848	(1,391)
Equity			
Accumulated Losses		(1,652)	(1,391)
Share Capital	3	2,500	12
Total equity		848	(1,391)

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Note	Contributed Equity	Accumulated Losses	Total
		\$	\$	\$
Balance at 1 July 2015		12	(1,195)	(1,183)
Loss for the year		-	(208)	(208)
Other comprehensive loss for the year		-	-	-
Total comprehensive loss for the year attributable to members of the entity		-	(208)	(208)
Balance at 30 June 2016		12	(1,403)	(1,391)
Balance at 1 July 2016		12	(1,403)	(1,391)
Loss for the year		-	(249)	(249)
Other comprehensive loss for the year		-	-	-
Total comprehensive loss for the year attributable to members of the entity		-	(249)	(249)
Transactions with owners, in their capacity as owners				
Shares issued during the period		2,500	-	2,500
Shares cancelled during the period		(12)	-	(12)
Balance at 30 June 2017		2,500	(1,652)	848

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Note	30/06/2017	30/06/2016
		\$	\$
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital raised through share placement		2,500	-
Share cancellation		(12)	-
Net cash provided by (used in) financing activities		2,488	-
Net (decrease) increase in cash held		2,488	
Cash at beginning of financial year		12	12
Cash at end of financial year		2,500	12

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 1: Summary of Significant Accounting Policies

Basis of Preparation

The directors have determined that the Company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of the following Australian Accounting Standards as appropriate for for-profit oriented entities.

AASB 101: Presentation of Financial Statements

AASB 107: Cash Flow Statements

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 110: Events after the Balance Sheet Date

AASB 1031: Materiality

AASB 1048: Interpretation and Application of Standards

AASB 1054: Australian Additional Disclosures.

Summary of Significant Accounting Policies

a. Income Tax

The income tax expense for the year comprises current income tax expense. The Company does not apply deferred 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 30 June 2017. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

b. Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

c. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2017. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

d. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Notes to the Financial Statements (cont'd)

For the year ended 30 June 2017

e. Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

f. Going Concern

For the year ended 30 June 2017, the Company recorded a loss of \$249 and had net cash outflows from operating activities of \$nil. These conditions indicate a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe that there are sufficient funds to meet the Company's working capital requirements as at the date of this report. The Company has raised \$1.863m in 2017 to continue with exploration activities, whilst the IPO process is underway.

The Company is undertaking an IPO of between \$4m and \$6m in conjunction with applying to be admitted to the official list of the ASX in 2018.

The Company's financial statements have been prepared on the basis that the Company is a going concern. The ability of the Company to continue as a going concern is dependent on securing additional funding through the IPO.

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

NOTE 2. Payables	30/06/17	30/06/16
Current		
Accrued costs	1,652	1,403
Total Payables	1,652	1,403

NOTE 3. Issued Capital	30/06/17	30/06/16
	\$	\$
25,000,000 (2016:12) fully paid ordinary shares	2,500	12

The Company has ordinary shares of no par value and does not have a limited amount of authorised capital.

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

Notes to the Financial Statements (cont'd)

For the year ended 30 June 2017

NOTE 4: Events Subsequent to Balance Date

Subsequent to balance date, the Company:

1. issued 27,625,000 fully paid ordinary shares to raise \$1,862,500;
2. issued 1,500,000 fully paid ordinary shares to the managing director pursuant to the loan funded plan;
3. issued 1,000,000 performance rights to employees pursuant to the performance rights plan;
4. issued 10,000,000 options to directors exercisable at \$0.20 each on or before 13 March 2022 and
5. earned a 44% interest in K2O Minerals Pty Ltd's potash brine mineral exploration projects under the farm-in agreement with K2O having achieved \$330,000 of expenditure.
6. entered into a share sale agreement with K2O Minerals Pty Ltd whereby Trigg Mining will acquire 100% of the issued capital of K2O by issue of shares in Trigg Mining to shareholders of K2O.

The financial effect of the above transactions has not been brought to account in the financial statements for the year.

NOTE 5: Commitments and Contingencies

Trigg Mining Pty Ltd has no commitments or contingent liabilities as at 31 December 2017.

Directors Declaration

For the year ended 30 June 2017

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, present fairly the Company's financial position as at 30 June 2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Keren Paterson
Managing Director



Michael Ralston
Non-Executive Chairman

Date: 4 April 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Trigg Mining Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Trigg Mining Pty Ltd (the Entity), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 1.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Entity in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 (f) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of distribution to members. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial report and our auditor's report thereon.

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

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 on the other information obtained prior to the date of this auditor's report, 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 directors and those charged with governance for the Financial Report

Directors are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the needs of the members and for such internal control as directors determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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 (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd



Glyn O'Brien

Director

Perth, 4 April 2018