



TRIGG MINING LIMITED

ABN 26 168 269 752

Interim Financial Report

For the half year ended 31 December 2018



CORPORATE DIRECTORY

DIRECTORS

Non-Executive Chairperson
Managing Director & CEO
Non-Executive Director

Michael Ralston
Keren Paterson
William Bent

COMPANY SECRETARY

Ms Karen Logan

REGISTERED OFFICE

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PRINCIPAL PLACE OF BUSINESS

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Perth WA 6000

BANKER

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DIRECTORS' REPORT

The directors are pleased to present their interim financial report of Trigg Mining Limited (**Trigg Mining** or the **Company**) for the half year ended 31 December 2018 and the auditor's review report thereon.

DIRECTORS AND COMPANY SECRETARY

The directors of the Company at any time during or since the end of the interim period and until the date of this report are:

Keren Paterson, Managing Director

Michael Ralston, Non-Executive Chairperson

William Bent, Non-Executive Director

The following person held the office of company secretary of the Company during the interim period:

Karen Logan

RESULTS

The Company has incurred a loss from ordinary activities of \$495,766 (2017: \$639,692) after income tax for the half-year ended 31 December 2018.

During the period, the Company received a research and development tax incentive rebate of \$306,536 (2017: nil).

At 31 December 2018, Trigg Mining had net assets of \$401,101 (30 June 2018: \$157,609), including cash and cash equivalents of \$561,867 (30 June 2018: \$149,654).

REVIEW OF ACTIVITIES

Introduction

Trigg Mining is exploring for the essential mineral fertiliser, sulphate of potash (**SOP**) in the Goldfields of Western Australia. The Company has an 80% beneficial interest in a 2,640 km² tenement package encompassing some 400 km² of salt lakes and 300 km of palaeochannels, all prospective for brine hosted SOP mineralisation.

SOP or potassium sulphate (K₂SO₄) is an essential mineral for global food security. It provides the necessary nutrients of potassium and sulphur for food production and human health. It is particularly important for chloride sensitive crops such as fruits and vegetables, avocados, berries (such as blueberries and grapes), coffee, cocoa, flowers and all crops under glass as they have little tolerance for the alternative chloride containing source of potassium, muriate of potash. It is also known to be the preferred source of potassium in arid and acidic soils and can improve drought and frost resistance of crops.

The Laverton Links and Lake Throssell Potash Projects are located approximately 200 km east of Laverton nearby existing energy and transport infrastructure. The Eastern Goldfields and the Yarmana gas pipelines pass through the Laverton Links tenements and Lake Throssell lies adjacent to the Great Central Road of which the first 100 km is planned to be sealed during 2019.

During the six months to 31 December 2018, the Company achieved the following:

- grant of the Lake Throssell Potash Project after the successful conclusion of the native title agreement for exploration access with the Ngaanyatjarra people;
- grant of the East Laverton tenements;
- receipt of \$0.3 million in R&D tax rebate; and
- raising of \$0.4 million in seed capital.

Location

Laverton Links Potash Project and Lake Throssell Potash Project cover a combined area of 2,640 km² in the Goldfields of Western Australia (Figure 1). The tenure contains more than 400 km² of playa lakes and 300 km of interpreted palaeochannels where potassium and other minerals have concentrated in the ancient drainage systems from the dissolution of potassium rich weathered basement rocks. With a high net evaporation environment of approximately 3 metres per year these systems are highly prospective for brine-hosted sulphate of potash (Figure 2).

DIRECTORS' REPORT

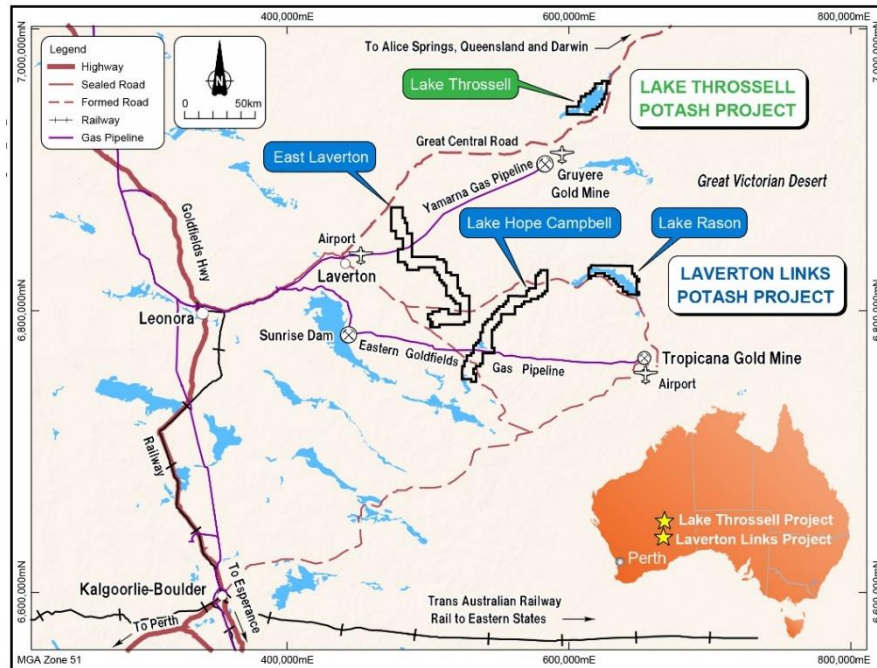


Figure 1: Project locations and existing infrastructure

Trigg Mining's Potash Projects are well endowed with established energy and transport infrastructure. At Laverton Links, the Prospects are accessible by numerous roads and tracks including the Rason Lake Road which connects Laverton to the Tropicana Gold Mine, some 60 km to the south of Lake Rason. The Eastern Goldfields and Yamarna gas pipelines pass directly through the Prospects and the terminus of the Yamarna gas pipeline at the Gruyere Gold Mine is approximately 60 km to the south west of Lake Throssell Potash Project.

The Great Central Road from Laverton through to Alice Springs and Queensland via the Outback Highway runs parallel to Lake Throssell. It is a well-formed gravel road with the first 100 km from Laverton planned to be sealed during 2019 and the remainder to be sealed in coming years by the WA government. The Malcom railhead at Leonora is approximately 105 km from Laverton and provides access to the deep water port of Esperance for shipping to international markets.

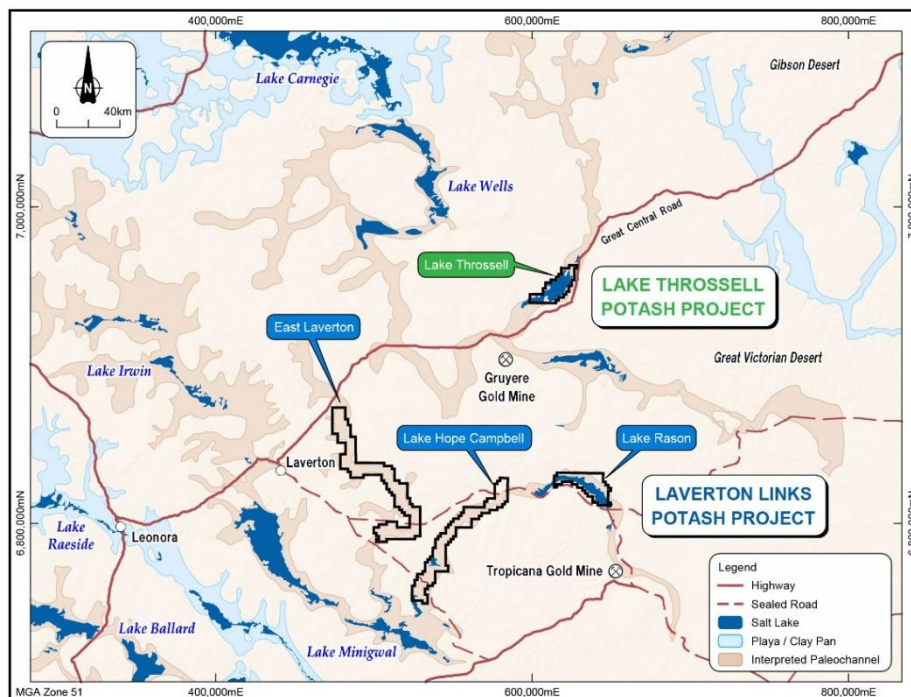


Figure 2: Palaeodrainage systems of the Eastern Goldfields region of Western Australia showing location of the Projects.

DIRECTORS' REPORT

The Projects

Laverton Links Potash Project (80%, acquiring 100% on IPO)

The Laverton Links Project is located from 35 km to 190 km east of Laverton and comprises the Lake Rason, Lake Hope Campbell and East Laverton Prospects. The tenements are accessible from Laverton via the Rason Lake Road, Mt Senton Road, Great Central Road and the Tropicana Gold Mine Access Road from Kalgoorlie.

Lake Rason Prospect

E38/3089, E38/3298

The Company's exploration work has focussed on the Laverton Links Potash Project with in-field work carried out at the Lake Rason and Lake Hope Campbell Prospects. Work at Lake Rason has included geophysical surveys including ground gravity and passive seismic to determine the geometry of the underlying palaeochannel, shallow pit sampling to obtain sample grades of the surface brine water, a 1,050 m aircore drilling program and a preliminary in-lab evaporation trial.

This work led the establishment of an Exploration Target¹ for the Lake Rason Prospect of 2.5 - 9.0 Mt of drainable SOP with a weighted average grade of 4.3 - 6.3 kg/m³ SOP (Table 1). It should be noted that the Exploration Target is conceptual in nature and there is insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Table 1: Lake Rason Exploration Target

| Unit | Aquifer Volume | Specific Yield (%) | | Potentially Drainable Brine (Mm ³) | | SOP Grade (kg/m ³) | | | SOP (Mt) | |
|--------------------|--------------------|--------------------|-----|--|-----|--------------------------------|-----------|------|----------|-----|
| | (Mm ³) | Min | Max | Min | Max | -1 δ | \bar{x} | +1 δ | Min | Max |
| Surficial Aquifer | 2,000 | 8 | 12 | 200 | 300 | 4.35 | 5.34 | 6.33 | 0.8 | 1.8 |
| Mixed Aquitard | 5,000 | 2 | 10 | 100 | 500 | | | | 0.5 | 3.5 |
| Silcrete Aquifer | 300 | 5 | 15 | 20 | 50 | | | | 0.1 | 0.3 |
| Basal Sand Aquifer | 1,000 | 15 | 25 | 200 | 300 | | | | 0.8 | 1.9 |
| Saprolite Aquifer | 4,000 | 1 | 2 | 40 | 80 | 2.05 | 3.72 | 5.38 | 0.1 | 0.5 |
| Saprock Aquifer | 7,000 | 2 | 3 | 100 | 200 | | | | 0.3 | 1.1 |
| | | | | | | | | | 2.5 | 9.0 |

The Exploration Target range is derived from:

- Aquifer volume for each hydrostratigraphic unit from Leapfrog® model.
- Min and max specific yield (from estimates, peers and published work).
- Min grade based on 1 standard deviation lower than mean.
- Max grade based on 1 standard deviation above mean.
- Grade statistics calculated for transported material and basement material respectively and based on all hydrostratigraphic units within each type (following review of grade distribution with depth).
- Conversion to SOP based on potassium (K mg/L) x 2.23.

Lake Hope Campbell Prospect

E39/2047, E38/3259

At the Lake Hope Campbell Prospect reconnaissance and shallow pit sampling have been carried out across the playa surfaces with results of up to 6.7 kg/m³ K₂SO₄ (SOP), indicating strong potential for mineralisation of the hypersaline brine in the palaeochannel. Historical Airborne Electromagnetic Surveys indicate very high electromagnetic conductance of the palaeochannel reinforcing the significant prospectively of these tenements.

The Company successfully applied for a grant under the Western Australian Government's Exploration Incentive Scheme (EIS) with the grant to co-fund up to \$150,000 of the Company's initial drilling program.

¹ An Exploration Target is conceptual and there has been insufficient exploration to estimate a Mineral Resources. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

DIRECTORS' REPORT

East Laverton Prospect

E38/3299 – 3302

The East Laverton Prospect covers approximately 130 km of prospective palaeochannel. The Prospect is located approximately 35 km to 95 km east of Laverton and access may be gained via the Rason Lake Road that connects Laverton to Lake Rason, a further 100 km to the east.

Lake Throssell Potash Project

E38/3065

The Lake Throssell Potash Project is located approximately 200 km northeast of Laverton on the Great Central Road through to Alice Springs and Queensland via the Outback Highway and 60 km northeast of the newly established Gruyere Gold Mine. The Project comprises one tenement application covering 323 km² of predominantly the Lake Throssell playa and underlying palaeochannel.

Tenement Schedule

(at 31 December 2018)

| Prospect | Tenement | Area (Block) | Area (km ²) | Status | Grant Date | Expiry date |
|--------------------|-----------|--------------|-------------------------|--------|------------|-------------|
| Lake Rason | E 38/3089 | 105 | 316 | Live | 04-May-16 | 03-May-21 |
| | E 38/3298 | 25 | 75 | Live | 27-Sep-18 | 26-Sep-23 |
| East Laverton | E 38/3299 | 68 | 203 | Live | 22-Aug-18 | 21-Aug-23 |
| | E 38/3300 | 67 | 202 | Live | 22-Aug-18 | 21-Aug-23 |
| | E 38/3301 | 64 | 193 | Live | 02-Aug-18 | 01-Aug-23 |
| | E 38/3302 | 172 | 517 | Live | 02-Aug-18 | 01-Aug-23 |
| Lake Hope Campbell | E 39/2047 | 200 | 600 | Live | 26-Feb-18 | 25-Feb-23 |
| | E 38/3259 | 71 | 214 | Live | 09-Feb-18 | 08-Feb-23 |
| Lake Throssell | E 38/3065 | 106 | 322 | Live | 01-Aug-18 | 31-Jul-23 |

Competent Person's Statement

The information in this report that relates to the Exploration Target at the Lake Rason Prospect is based on information compiled by Mr Duncan Gareth Storey of AQ2 Pty Ltd (**AQ2**). The reporting is consistent with the guidelines of the JORC Code. Mr Storey is a Director and Consulting Hydrogeologist with AQ2 and has almost 30 years of international experience. He is a Chartered Geologist with, and Fellow of the Geological Society of London (a Recognised Professional Organisation under the JORC Code). Mr Storey has experience in the assessment and development of paleochannel aquifers, including the development of hypersaline brines in Western Australia. His experience and expertise are such that he qualifies as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves". Mr Storey consents to the inclusion of matter related to information for the AQ2 studies in the form and context as it appears in this Report.

DIVIDENDS

No dividend has been declared or paid by the Company to the date of this report (2017: nil).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes to the state of affairs during the half year ended 31 December 2018 were as follows:

- On 20 July 2018, the Company agreed to a variance of the terms of the share purchase agreement with K2O Minerals Pty Ltd (**K2O Minerals**) whereby Trigg Mining will acquire 100% of the issued capital of K2O Minerals by issue of shares in Trigg Mining to shareholders of K2O Minerals.
- On 30 August 2018, the Company cancelled 10,000,000 options exercisable at \$0.20 each on or before 13 March 2022 held by directors of Trigg Mining.
- On 30 August 2018, a total of 1,000,000 performance rights were cancelled and forfeited in accordance with the terms and conditions of the performance rights plan.

DIRECTORS' REPORT

4. Pursuant to shareholder approval obtained at an extraordinary general meeting held on 30 August 2018, the Company:
 - (a) cancelled and forfeited 750,000 Shares (on a pre-Consolidation basis) issued to the Managing Director pursuant to the loan funded plan in accordance with the terms and conditions of the plan;
 - (b) completed a consolidation of capital on the basis of every 5 securities being consolidated into 3 securities (**Consolidation**);
 - (c) completed a buy-back of 6,000,000 Shares (on a post-Consolidation basis) for total cost of \$600; and
 - (d) amended the constitution of Trigg Mining.
5. On 20 November 2018, the Company completed a seed capital raising through the issue of 3,200,000 Shares at \$0.125 each to raise \$400,000.
6. Subject to the completion of the IPO and prior to admission to the ASX, the Company agreed to issue a total of 8,387,500 free attaching options with an exercise price of \$0.20 each on or before 31 October 2021 (**Options**) for nil consideration to certain existing shareholders of the Company.

There were a total of 29,225,000 Shares on issue as at 31 December 2018.

ENVIRONMENTAL REGULATION

The Company's operations are subject to environmental regulations under the Commonwealth and State legislations. The directors believe that the Company has adequate systems in place for the management of the requirements under those regulations and are not aware of any breach of such requirements as they apply to the Company.

LIKELY DEVELOPMENTS

The Company will continue to pursue its main objective of developing interests in exploration projects.

Further information about likely developments in the operations of the Company and the expected results of those operations in future financial periods have not been included in this report because disclosures of such information would likely result in unreasonable prejudice to the Company.

OPTIONS

No options over unissued shares or interests in the Company were granted during the half year.

The following options were cancelled during the period:

| Class | Expiry Date | Exercise Price | Number of Options |
|------------------|---------------|----------------|-------------------|
| Director Options | 13 March 2022 | \$0.20 | 10,000,000 |

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

There were no options to acquire ordinary shares on issue as at 31 December 2018.

A total of 5,000,000 options were granted subsequent to the end of the period (refer to Note 11).

EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date, pursuant to shareholder approval obtained at an extraordinary general meeting held on 30 August 2018, the Company:

1. issued 1,000,000 Shares to the Managing Director under the loan funded plan; and
2. issued 5,00,000 options to the Managing Director, of which
 - (a) 3,000,000 options are exercisable at \$0.20 each on or before 31 October 2021;
 - (b) 2,000,000 options exercisable at \$0.25 each on 7 January 2023.

DIRECTORS' REPORT

The financial effect of the above transactions have been accounted for in the financial statements for the period.

AUDITOR'S INDEPENDENCE DECLARATION

Section 370C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Auditor's Independence Declaration is set out on page 10 and forms part of this Directors' Report for the period.

Signed in accordance with a resolution of the directors.



Keren Paterson
Managing Director

Dated at Perth, Western Australia this 24th day of April 2019.

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TRIGG MINING LIMITED

As lead auditor for the review of Trigg Mining Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

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



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 24 April 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 for the half year ended 31 December 2018

| | Notes | December 2018 \$ | December 2017 \$ |
|---|--------------|---------------------------------|---------------------------------|
| Finance income | | 1,682 | 4,626 |
| Research & Development tax rebate | | 306,536 | - |
| Corporate and administrative expenses | 3 | (623,880) | (141,165) |
| Exploration and evaluation expenses | | (106,198) | (500,335) |
| Other expenses | | (73,906) | (2,818) |
| Loss from ordinary activities before income tax | | <u>(495,766)</u> | <u>(639,692)</u> |
| Income tax | | - | - |
| Net loss from ordinary activities for the period | | <u>(495,766)</u> | <u>(639,692)</u> |
| Basic and diluted loss per share (cents) | | <u>(1.60)</u> | <u>(3.69)</u> |

This Statement of Profit and Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.



STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

| | Notes | December 2018 \$ | June 2018 \$ |
|------------------------------|-------|------------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 561,867 | 149,654 |
| Trade and other receivables | 5 | 17,922 | 117,902 |
| Other financial assets | 6 | 4,219 | 12,657 |
| Total Current Assets | | 584,008 | 280,213 |
| TOTAL ASSETS | | 584,008 | 280,213 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 161,230 | 108,196 |
| Employee benefits obligation | 8 | 21,677 | 14,408 |
| Total Current Liabilities | | 182,907 | 122,604 |
| TOTAL LIABILITIES | | 182,907 | 122,604 |
| NET ASSETS | | 401,101 | 157,609 |
| EQUITY | | | |
| Issued capital | 10 | 2,168,437 | 1,781,037 |
| Reserves | | 486,858 | 1,631,000 |
| Accumulated losses | | (2,254,194) | (3,254,428) |
| TOTAL EQUITY | | 401,101 | 157,609 |

This Statement of Financial Position is to be read in conjunction with the accompanying notes.



STATEMENT OF CASH FLOWS
for the half year ended 31 December 2018

| | Notes | December 2018 \$ | December 2017 \$ |
|---|-------|------------------------|------------------------|
| Cash flows from operating activities | | | |
| Interest received | | 1,803 | 4,626 |
| Payments to suppliers and employees | | (283,526) | (613,205) |
| Proceeds from R&D tax incentive refund | | 306,536 | - |
| Net cash used in operating activities | | 24,813 | (608,579) |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital (net) | | 388,000 | 1,778,537 |
| Payment for share buy-back | | (600) | - |
| Proceeds from borrowings | | - | 100,000 |
| Repayment of borrowings | | - | (100,000) |
| Net cash provided by financing activities | | 387,400 | 1,778,537 |
| Net increase in cash held | | 412,213 | 1,169,958 |
| Cash and cash equivalents at the beginning of the period | | 149,654 | 2,500 |
| Cash and cash equivalents at the end of the period | | 561,867 | 1,172,458 |

This Statement of Cash Flows is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
 for the half year ended 31 December 2018

| | Issued Capital \$ | Reserves \$ | Accumulated Losses \$ | Total Equity \$ |
|-------------------------------------|----------------------------------|------------------------|--------------------------------------|--------------------------------|
| At 1 July 2018 | 1,781,037 | 1,631,000 | (3,254,428) | 157,609 |
| Loss for the period | - | - | (495,766) | (495,766) |
| Issue of share capital | 400,000 | - | - | 400,000 |
| Share issue costs | (12,000) | - | - | (12,000) |
| Shares bought back | (600) | - | - | (600) |
| Equity-settled share-based payments | - | 351,858 | - | 351,858 |
| Transfer from reserves | - | (1,496,000) | 1,496,000 | - |
| At 31 December 2018 | 2,168,437 | 486,858 | (2,254,194) | 401,101 |
| Balance at 1 July 2017 | 2,500 | - | (1,652) | 848 |
| Loss for the period | - | - | (639,692) | (639,692) |
| Issue of share capital | 1,860,000 | - | - | 1,860,000 |
| Share issue costs | (81,463) | - | - | (81,463) |
| At 31 December 2017 | 1,781,037 | - | (641,344) | 1,139,693 |

This Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial statements of Trigg Mining Limited (**Trigg Mining** or the **Company**) for the period ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 23 April 2019. Trigg Mining is a public company limited by shares incorporated and domiciled in Australia.

2. BASIS OF PREPARATION

(a) Statement of compliance

This interim financial report for the half year reporting period ended 31 December 2018 has been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

(b) Basis of measurement

The interim financial report has been prepared on a historical cost basis. The interim financial report is presented in Australian dollars and all values rounded to their nearest dollar unless otherwise stated.

The financial statements provide comparative information in respect of the previous period.

(c) Going Concern

The going concern concept relates to the assessment of the Company's ability to continue its operations (and pay its debts when they fall due) for the next 12 months from the date the directors sign the interim financial report without need to raise money from issuing shares or increasing current level of its borrowings. The interim financial report has been prepared on a going concern basis.

For the half year ended 31 December 2018, the Company recorded a loss of \$495,766 (2017: \$639,692) and had net cash from operating activities of \$24,813 (2017: net cash outflows of \$608,576). 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 believes that there are sufficient funds to meet the Company's working capital requirements as at the date of this report. The Company raised \$0.4 million during the half year ended 31 December 2018 to continue with exploration activities.

The Company is planning to undertake an IPO of \$4.5 million in conjunction with applying to be admitted to the official list of the ASX.

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 a seed capital raising and subsequently 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 amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

(d) Significant accounting policies

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(e) Government Grants / Research & Development

Government grants are assistance by the government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to the operating activities of the entity. AASB 120 requires that income earned from grants in relation to expenditure on intangible assets is offset

NOTES TO THE FINANCIAL STATEMENTS

against the value of those assets. Income earned from grants relating to costs that are recognised in the statement of profit or loss and other comprehensive income is recognised as income over the period necessary to match it with the costs to which it relates to. Where income is earned from grants that is related to costs recognised in the statement of profit or loss and other comprehensive income in a prior period, that grant income is recognised as other income during the current period. Research & Development tax offsets relate to the same accounting policy treatment as Government grants.

(f) Accounting estimates and judgements

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2018.

(g) Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2018

In the half year ended 31 December 2018, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to the Company's accounting policies.

Standards and Interpretations in issue not yet adopted

The directors have also reviewed all Standards and Interpretations on issue not yet adopted for the half year ended 31 December 2018. As a result of this review the directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted on the Company and, therefore, no change is necessary to the Company's accounting policies.

| 3. EXPENSES | December 2018 \$ | December 2017 \$ |
|---|------------------------|------------------------|
| Corporate and administrative expenses | | |
| Accounting, audit, company secretarial and tax fees | 50,340 | 21,232 |
| Insurance costs | 20,736 | 12,216 |
| Legal fees | 29,431 | 3,970 |
| Marketing and public relations expenses | 20,066 | 3,053 |
| Operating lease expenses | 5,167 | 6,953 |
| Personnel expenses | 133,201 | 82,025 |
| Share-based payments expense | 351,858 | - |
| Other expenses | 13,081 | 11,716 |
| Total corporate and administrative expenses | 623,880 | 141,165 |
| 4. CASH AND CASH EQUIVALENTS | | |
| Cash at bank and on hand | 536,867 | 124,654 |
| Term deposit | 25,000 | 25,000 |
| | 561,867 | 149,654 |

NOTES TO THE FINANCIAL STATEMENTS

| | December 2018 \$ | June 2018 \$ |
|---|-----------------------------|--------------------|
| 5. TRADE AND OTHER RECEIVABLES | | |
| Sundry debtors | 17,922 | 117,902 |
| 6. OTHER FINANCIAL ASSETS | | |
| Prepaid insurance | 4,219 | 12,657 |
| 7. TRADE AND OTHER PAYABLES | | |
| Trade payables | 82 | 25,198 |
| Other creditors and accruals | 161,148 | 82,998 |
| | 161,230 | 108,196 |
| 8. EMPLOYEE BENEFITS OBLIGATION | | |
| Annual leave - current | 21,677 | 14,408 |
| Reconciliation | | |
| Balance brought forward | 14,408 | - |
| Movement during the period | 21,677 | 14,408 |
| Balance carried forward | 21,677 | 14,408 |
| 10. ISSUED CAPITAL | | |
| 29,225,000 (30 June 2018: 54,125,000) fully paid ordinary shares | 2,168,437 | 1,781,037 |
| | Number of Shares | \$ |
| Opening balance 1 July 2017 | 25,000,000 | 2,500 |
| Shares issued on 25 July 2017 | 4,187,500 | 335,000 |
| Shares issued on 8 September 2017 | 4,687,500 | 375,000 |
| Shares issued on 1 November 2017 | 750,000 | 60,000 |
| Shares issued on 21 December 2017 | 13,000,000 | 1,040,000 |
| Shares issued on 21 December 2017 | 5,000,000 | 400,000 |
| Shares issued on 22 March 2018 under loan funded plan | 1,500,000 | - |
| Less: Transaction costs arising on share issue | - | (431,463) |
| Balance at 30 June 2018 | 54,125,000 | 1,781,037 |
| Shares cancelled on 30 August 2018 pursuant to forfeiture | (750,000) | - |
| Shares cancelled on 4 September 2018 pursuant to consolidation of capital | (21,350,000) | - |
| Shares cancelled on 19 September 2018 pursuant to selective buy-back | (6,000,000) | (600) |
| Shares issued on 20 November 2018 | 3,200,000 | 400,000 |
| Less: Transaction costs arising on share issue | - | (12,000) |
| Balance at 31 December 2018 | 29,225,000 | 2,168,437 |

A total of 1,000,000 shares were issued subsequent to the end of the period (refer to Note 11 for further information).

NOTES TO THE FINANCIAL STATEMENTS

Options

On 30 August 2018, the Company cancelled the following options over unissued ordinary shares held by directors of Trigg Mining:

| Class | Expiry Date | Exercise Price | Grant Date | Number of Options |
|------------------|---------------|----------------|---------------|-------------------|
| Director Options | 13 March 2022 | \$0.20 | 13 March 2018 | 10,000,000 |

At 31 December 2018, there were no unissued ordinary shares of the Company under option.

A total of 5,000,000 options were granted subsequent to the end of the period (refer to Note 11 for further information).

Performance rights

On 30 August 2018, the following performance rights were cancelled and forfeited in accordance with the terms and conditions of the performance rights plan:

| Class | Grant date | Date Vested | Expiration date | Number issued |
|-------|------------------|---------------|------------------|---------------|
| A | 23 February 2018 | 13 March 2018 | 23 February 2025 | 500,000 |
| B | 23 February 2018 | - | 23 February 2025 | 500,000 |

11. RESERVES

| | December 2018 \$ | June 2018 \$ |
|---|------------------------|--------------------|
| Share based payments reserve | 486,858 | 1,631,000 |
| Reconciliation | | |
| Balance at beginning of the period | 1,631,000 | - |
| Transfer to Accumulated Losses (cancellation of options and performance rights) | (1,496,000) | - |
| Options issued | 343,545 | 1,400,000 |
| Shares issued | 8,313 | 135,000 |
| Performance rights issued | - | 96,000 |
| Balance at end of the period | 486,858 | 1,631,000 |

Share-based payments reserve

This reserve is used to record the value of equity-settled share-based payments provided to employees and directors as part of their remuneration.

12. SHARE BASED PAYMENTS

The following share-based payment arrangements existed as at 31 December 2018:

Loan Shares

The Company agreed, subject to Shareholder approval, to issue a total of 1,000,000 Shares to the Managing Director, Ms Keren Paterson, under the Company's Loan Funded Plan (**Loan Shares**). Following receipt of shareholder approval at the general meeting held on 30 August 2018, the Loan Shares were issued to the Managing Director at an issue price of \$0.125 per Share. An offer letter was issued to Ms Paterson on 27 November 2018. The Loan Shares were issued on 7 January 2019.

The Loan Shares also have a limited recourse loan attached to them dated 13 December 2018 (**Loan**). The Loan is for \$125,000 on an interest (and fee) free basis with a mortgage given to the Company over the

NOTES TO THE FINANCIAL STATEMENTS

Loan Shares (and to which the limited recourse applies). The Loan repayment date is 13 December 2025 (i.e. a 7-year term) and the Loan must be repaid in full prior to any disposal of the Loan Shares.

The fair value of the Loan Shares was calculated at the date of grant using a Black-Scholes valuation model and the vested portion of Loan Shares were fully expensed in the reporting period. The following table gives the assumptions made in determining the fair value of Loan Shares on the date of grant:

| Grant date | Life of the Loan Shares | Fair value per Loan Share | Value of Loan Shares | Underlying Share price | Estimated volatility | Risk free interest rate | Dividend yield |
|-------------|-------------------------|---------------------------|----------------------|------------------------|----------------------|-------------------------|----------------|
| 27 Nov 2018 | 7 years | \$0.1734 | \$173,389 | \$0.20 | 100% | 2.32% | Nil |

Total expense recognised in corporate and administrative expenses during the period was \$8,313 (2017: nil) in respect of the Loan Shares granted and vested to the Managing Director.

Options

Following receipt of shareholder approval at the general meeting held on 30 August 2018, the Company also issued to Ms Paterson the following share-based payments:

| Name | Class of Share Based Payment | Quantity | Grant date Fair Value | Value recognised during the year | Value to be recognised in future years |
|---------------|------------------------------|-----------|-----------------------|----------------------------------|--|
| Ms K Paterson | Unlisted Tranche 1 options | 2,000,000 | \$0.0723 | \$144,586 | - |
| Ms K Paterson | Unlisted Tranche 2 options | 3,000,000 | \$0.0663 | \$198,859 | - |

Each option is convertible to one ordinary share. Tranche 1 options are exercisable at \$0.25 each on or before 7 January 2023. Tranche 2 options are exercisable at \$0.20 each on or before 31 October 2021. All options vested immediately. There are no voting or dividend rights attaching to the options.

The fair value of the options was calculated at the date of grant using a Black-Scholes valuation model and fully expensed in the reporting period. The following table gives the assumptions made in determining the fair value of options:

| Grant date | Expiry Date | Fair value per option | Exercise price | Price of shares on grant date | Estimated volatility | Risk free interest rate | Dividend yield |
|-------------|-------------|-----------------------|----------------|-------------------------------|----------------------|-------------------------|----------------|
| 27 Nov 2018 | 7 Jan 2023 | \$0.0723 | \$0.25 | \$0.125 | 100% | 1.86% | Nil |
| 27 Nov 2018 | 31 Oct 2021 | \$0.0663 | \$0.20 | \$0.125 | 100% | 1.78% | Nil |

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Total expense recognised in corporate and administrative expenses during the period was \$343,545 (2017: nil) in respect of the options granted to directors.

The number and weighted average exercise prices of share options are as follows:

| | Weighted average exercise price 2018 | Number of Options 2018 |
|------------------------------|--------------------------------------|------------------------|
| Outstanding at incorporation | - | - |
| Forfeited during the period | - | - |
| Exercised during the period | - | - |
| Expired during the period | - | - |
| Granted during the period | \$0.22 | 5,000,000 |
| Issued during the period | - | - |
| Outstanding at 31 December | \$0.22 | 5,000,000 |
| Exercisable at 31 December | - | - |

NOTES TO THE FINANCIAL STATEMENTS

13. COMMITMENTS AND CONTINGENCIES

Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to meet the minimum expenditure requirements specified by the State Government. These obligations may vary over time, depending on the Company's exploration program and priorities, and are also subject to variations by negotiation, joint venturing and relinquishing some of the tenements.

At balance date, total exploration expenditure commitments of the Company which have not been provided for in the financial statements are estimated at \$702,400 for the subsequent 12 months. These obligations are expected to be fulfilled in the normal course of operations. Commitments beyond 31 December 2019 are dependent on whether existing rights of tenure are renewed or new rights of tenure are acquired.

Equity commitments

Farm-In Agreement

Pursuant to a Farm-In Agreement dated 12 July 2017, the vendors of K2O Minerals Pty Ltd are entitled to receive two tranches of Vendor Performance Shares to the equivalent of 3.75% of the Shares on issue in the capital of Trigg Mining immediately prior to the Company listing on ASX. The Vendor Performance Shares will convert in two tranches into Shares upon satisfaction of each of the following milestones (each, a **Milestone**):

- (i) **(Milestone 1):** Vendor Performance Shares will convert into Shares (**Milestone 1 Vendor Performance Shares**) upon completion of a Scoping Study (as defined in the JORC Code (2012 Edition)) (**JORC Code**) relating to one or more of the Tenements by 12 July 2020, which demonstrates at the time of reporting that progress to a Pre-feasibility Study can be reasonably justified; and
- (ii) **(Milestone 2):** Vendor Performance Shares will convert into Shares (**Milestone 2 Vendor Performance Shares**) upon completion of a Prefeasibility Study (as defined in the JORC Code) relating to one or more of the Tenements by 12 July 2021, which demonstrates that all or part of the related Mineral Resources (as defined in the JORC Code) may be converted into an Ore Reserve (as defined in the JORC Code) at the time of reporting.

For the purposes of these Milestones, "**Tenements**" means Exploration Licences E38/3089, E39/2047 and E38/3259 granted under the Mining Act 1978 (WA), Exploration Licence applications E38/3065, E38/3298, E38/3299, E38/3300, E38/3301 and E38/3302 under the Mining Act 1978 (WA), and any grant, extension, renewal, conversion or substitution of any of the foregoing.

During the half year ended 31 December 2018, the Company agreed to a variance of the terms of the Vendor Performance Shares such that they will convert into Shares upon satisfaction of the following Milestones:

- (i) **(Milestone 1):** 2,117,813 Vendor Performance Shares will convert into Shares (**Milestone 1 Vendor Performance Shares**) upon completion of a Scoping Study (as defined in the JORC Code (2012 Edition)) (**JORC Code**) relating to one or more of the Tenements by the date falling two years from the date of the Company's admission to the official list of the ASX, which demonstrates at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified; and
- (ii) **(Milestone 2):** 4,235,626 Vendor Performance Shares less the number of Vendor Performance Shares (if any) previously converted under item (i)(i) above will convert into Shares (**Milestone 2 Vendor Performance Shares**) upon completion, by the date falling three years from the date of the Company's admission to the official list of the ASX, of:
 - (A) a Pre-Feasibility Study (as defined in the JORC Code) relating to one or more of the Tenements, which demonstrates that all or part of the related Mineral Resources (as defined in the JORC Code) may be converted into an Ore Reserve (as defined in the JORC Code) at the time of reporting; or
 - (B) a Feasibility Study (as defined in the JORC Code) relating to one or more of the Tenements, which demonstrates that extraction is reasonably justified (economically mineable) at the time of reporting.

NOTES TO THE FINANCIAL STATEMENTS

New Options to Seed Capital Investors

Subject to the completion of the IPO and prior to admission to the ASX, the Company agreed to issue a total of 8,387,500 free attaching options with an exercise price of \$0.20 each on or before 31 October 2021 (**Options**) for nil consideration to certain existing shareholders of the Company.

The Company has no other no commitments or contingent liabilities as at 31 December 2018.

14. SEGMENT INFORMATION

| 31 December 2018 | Mineral Exploration \$ | Corporate Administration \$ | Company \$ |
|--|---------------------------------------|--|-----------------------|
| Segment Revenue | 306,536 | 1,682 | 308,218 |
| Significant expenses within the loss | | | |
| Depreciation and amortisation | - | - | - |
| Exploration and evaluation expenses | (106,199) | - | (106,199) |
| Share-based payment expenses | - | 351,858 | 351,858 |
| Segment net operating profit/(loss) after tax | 200,337 | 353,540 | 553,877 |
| 31 December 2017 | | | |
| Segment Revenue | - | 4,626 | 4,626 |
| Significant expenses within the loss | | | |
| Depreciation and amortisation | - | (4,360) | (4,360) |
| Exploration and evaluation expenses | (500,336) | - | (500,336) |
| Segment net operating profit/(loss) after tax | (500,336) | 266 | (500,070) |
| Segment assets | | | |
| At 31 December 2018 | - | 584,008 | 584,008 |
| At 30 June 2018 | - | 280,213 | 280,213 |
| Segment liabilities | | | |
| At 31 December 2018 | - | (182,907) | (182,907) |
| At 30 June 2018 | - | (122,604) | (122,604) |

15. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date, pursuant to shareholder approval obtained at an extraordinary general meeting held on 30 August 2018, the Company:

- issued 1,000,000 Shares to the Managing Director under the loan funded plan; and
- issued 5,000,000 options to the Managing Director, of which
 - 3,000,000 options are exercisable at \$0.20 each on or before 31 October 2021;
 - 2,000,000 options exercisable at \$0.25 each on 7 January 2023.

The financial effect of the above transactions have been accounted for in the financial statements for the period.

NOTES TO THE FINANCIAL STATEMENTS

16. RELATED PARTY TRANSACTIONS

(a) Related party transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

Other transactions with key management personnel

| Transaction | | Transactions value year | | Balance outstanding | |
|------------------------------|---------------------|---------------------------|------|---------------------------|------|
| | | ended 31 December 2018 | 2017 | as at 31 December 2018 | 2017 |
| Mr William Bent ¹ | Sub-lease agreement | 5,095 | - | - | - |

1. The Company sub-leased office space from Mainsheet Capital WA Pty Ltd, a company associated with Mr Bent, at a cost of \$500 per desk per month. The sublease commenced on 1 August 2017 and allows for the on-charge of disbursements at cost.
2. The Company sub-leases its new office space from Mainsheet Capital WA Pty Ltd, a company associated with Mr Bent, at a cost of \$650 per desk per month. The new sublease commenced on 1 December 2018 and allows for the on-charge of disbursements at cost.

Transactions with the Managing Director

- Managing Director received shares in consideration for the completion of the performance milestones outlined in Note 12.

There were no other key management personnel transactions during the 2017 or 2018 periods.



DIRECTORS' DECLARATION

In the opinion of the directors of Trigg Mining Limited:

- (a) the financial statements and notes set out on pages 11 to 22 present fairly:
 - (i) the Company's financial position as at 31 December 2018 and its performance for the period ended on that date; and
 - (ii) complying with Accounting Standards *AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the board

A handwritten signature in blue ink, appearing to read "K. Paterson", is positioned above the printed name and title.

Keren Paterson
Managing Director

Dated at Perth, Western Australia this 24th day of April 2019.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Trigg Mining Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Trigg Mining Limited (the Entity), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year period then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Entity does not present fairly, in all material respects, the financial position of the Entity as at 31 December 2018, and of its financial performance and its cash flows for the period ended on that date, in accordance with the Australian Accounting Standards to the extent described in Note 2.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 2 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 conclusion is not modified in respect of this matter.

Directors' responsibility for the Financial Report

The directors of the Entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards to the extent described in Note 2 and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not presented fairly, in all material respects, in accordance with the Australian Accounting Standards to the extent described in Note 2. As the auditor of the Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'J Prue', written over the printed name 'Jarrad Prue'.

Jarrad Prue

Director

Perth, 24 April 2019