

K2O MINERALS PTY LTD

ABN 17 159 782 537

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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Directors' Report

For the year ended 30 June 2019

The directors are pleased to present their report on K2O Minerals Pty Ltd (the **Company** or **K2O Minerals**) for the year ended 30 June 2019.

Directors

The name of the directors in office at any time during or since the end of the year is:

Matthew Wheeler
Keren Paterson – appointed on 30 September 2019
Michael John Ralston – appointed on 30 September 2019
William Brendan Bent – appointed on 30 September 2019

The 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 focused its activities on the identification and evaluation of mineral exploration projects via its joint venture (**JV**) partner, Trigg Mining Limited (**Trigg Mining**). In summary, K2O Minerals:

- agreed to a variance of the terms of the share purchase agreement with Trigg Mining whereby Trigg Mining will acquire 100% of the issued capital of K2O Minerals through the issue of shares and performance shares in Trigg Mining to existing shareholders of K2O Minerals; and
- exploration licences were granted as follows:
 - Lake Throssell - E38/3065 on 01/08/2018
 - East Laverton – E38/3301 E38/3302 on 02/08/18
 - East Laverton – E38/3299 and E38/3300 on 22/08/18
 - Lake Rason Ext – E38/3298 on 27/09/18.

Results

The Company incurred a loss of \$1,181 for the financial year after providing for income tax (2018: profit of \$64,568).

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, via its JV partner, Trigg Mining, which act as manager of the JV on the Laverton Links and Lake Throssell Projects.

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

Events Subsequent to the End of the Reporting Period

Subsequent to balance date:

1. On 30 September 2019, following successful completion Trigg Mining's initial public offer (**IPO**), Trigg Mining completed the acquisition of 100% of the issued capital of K2O Minerals through the issue of 5,262,500 fully paid ordinary shares and 4,235,626 performance shares in Trigg Mining to the shareholders of K2O Minerals.

Other than the matters described above, there has not arisen in the interval between the year end and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial years.

Director's Report (cont'd)

For the year ended 30 June 2019

Likely Developments and Expected Results of Operations

The Company will continue to pursue its main objective of identifying, exploring and evaluating exploration projects, via its JV partner, Trigg Mining, which act as manager of the JV on the Laverton Links and Lake Throssell Projects.

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

Environmental Regulation

The Company's exploration and mining activities are governed by a range of environmental legislation and regulations including the *National Greenhouse and Energy Report Act 2007* and *Mining Act 1978*. As the Company is still in the assessment phase of its interests in exploration projects, K2O Minerals is not yet subject to the public reporting requirements of environmental legislation and regulations. To the best of the directors' knowledge, the Company has adequate systems in place to ensure compliance with the requirements of the applicable environmental legislation and is not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

Dividends

No dividends were paid since the start of the financial year (2018:\$Nil).

Shares under option

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Shares issued on exercise of options

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 and insurance of Officers

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 officer or auditor of the Company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 3.

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

On behalf of the Board:



Keren Paterson
Director

30 September 2019

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF K2O MINERALS PTY LTD

As lead auditor of K2O Minerals Pty Ltd for the year ended 30 June 2019, 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.

This declaration is in respect of K2O Minerals Pty Ltd.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd
Perth, 30 September 2019

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Income			
Interest Income		1	2
Revenue from continuing operations		-	70,000
Total Income		1	70,002
Expenses			
Administrative Expenses		(934)	(585)
ASIC Fees		-	
Exploration Expenditure		-	(1,202)
Legal and Professional Fees		(253)	(935)
Total Expenses		(1,187)	(2,722)
Profit/(Loss) before Taxation		(1,186)	67,280
Income Tax Expense		5	(2,712)
Net Profit/(Loss) After Tax		(1,181)	64,568

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2019

	Notes	30 Jun 2019 \$	30 Jun 2018 \$
Assets			
Current Assets			
Cash and cash equivalents	2	5,681	9,555
Other receivables	3	-	19
Total Current Assets		5,681	9,574
Total Assets		5,681	9,574
Liabilities			
Current Liabilities			
Current tax liabilities		-	2,712
Total Current Liabilities		-	2,712
Total Liabilities		-	2,712
Net Assets		5,681	6,862
Equity			
Accumulated Losses		5,581	6,762
Share Capital	4	100	100
Total Equity		5,681	6,862

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2019

	Notes	Contributed Equity	Accumulated Losses	Total
		\$	\$	\$
Balance at 1 July 2017		100	(57,806)	(57,706)
Profit/ (loss) for the year		-	64,568	64,568
Other comprehensive loss for the year		-	-	-
Total comprehensive loss for the year attributable to members of the entity		-	64,568	64,568
<i>Transactions with owners, in their capacity as owners</i>				
Shares issued during the period		-	-	-
Balance at 30 June 2018		100	6,762	6,862
 Balance at 1 July 2018		 100	 6,762	 6,862
Loss for the year		-	(1,181)	(1,181)
Other comprehensive loss for the year		-	-	-
Total comprehensive loss for the year attributable to members of the entity		-	(1,181)	(1,181)
<i>Transactions with owners, in their capacity as owners</i>				
Shares issued during the period		-	-	-
Balance at 30 June 2019		100	5,581	5,681

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2019

	Notes	30 Jun 2019	30 Jun 2018
		\$	\$
Cash flows from operating activities			
Receipts from joint venture partner		-	70,000
Interest received		1	2
Income tax paid		(2,707)	
Payments to suppliers and employees		(1,168)	(2,722)
Net cash from/ (used in) operating activities		(3,874)	67,280
Cash flows from financing activities			
Repayment of borrowings		-	(58,467)
Advancement of borrowings		-	(19)
Net cash provided by financing activities		-	(58,486)
Net increase/ (decrease) in cash held		(3,874)	8,794
Cash at beginning of financial year		9,555	761
Cash at end of financial year		5,681	9,555

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2019

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.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

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 2019. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

b. Exploration and evaluation expenditure

Exploration and evaluation costs, comprising net direct costs (including the costs of acquiring licences) and an appropriate portion of related overhead expenditure directly attributable to the exploration property, relating to current areas of interest.

Expenditure on exploration and evaluation activities in relation to areas of interest which have not yet reached a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves are expensed as incurred in accordance with the Company's policy on accounting for exploration and evaluation expenditure.

c. Commitments

i) Exploration Expenditure Commitments

The Company has certain obligations to perform minimum exploration work on tenements held. 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 \$186,100 (2018: \$75,200) for the subsequent 12 months.

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 2019

e. 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 when the directors sign the annual report without the need to raise money from issuing shares or increasing the current level of its borrowings. The annual financial report has been prepared on a going concern basis.

For the year ended 30 June 2019, the Company recorded a loss of \$1,181 (2018: profit of \$64,568) and had a net current asset position of \$5,681 (2018: net asset of \$6,862) and net cash outflows from operating activities of \$3,874 (2018: cash inflows of \$67,280). The ability of the entity to continue as a going concern is dependent on funding from Trigg Mining Limited (**Trigg Mining**). The Company was acquired by Trigg Mining following successful completion of the IPO. 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.

The directors have made an assessment of whether it is reasonable to assume that the Company will be able to continue its normal operations based on the following factors and judgements:

- Trigg Mining raised \$400,000 via a seed capital raising during the year; and
- subsequent to year end, Trigg Mining:
 - was able to secure a loan from a director of \$250,000 (which was subsequently repaid); and
 - raised \$4,500,000, before costs, following the successful completion of 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.

Notes to the Financial Statements (cont'd)

For the year ended 30 June 2019

	30 June 2019	30 June 2018
NOTE 2. Cash & Cash Equivalents		
Cash & Cash Equivalents		
Cash on Hand	100	100
K2O Minerals Bank Account	5,581	9,455
Total Cash & Cash Equivalents	5,681	9,555
NOTE 3. Receivables		
Current		
Director Loan	-	19
Total Payables	-	19
NOTE 4. Issued Capital		
	\$	\$
100 (30 June 2018: 100) fully paid ordinary shares	100	100

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.

NOTE 5: Events Subsequent to Balance Date

Subsequent to balance date:

- On 30 September 2019, following successful completion Trigg Mining's initial public offer (**IPO**) Trigg Mining completed the acquisition of 100% of the issued capital of K2O Minerals through the issue of 5,262,500 fully paid ordinary shares and 4,235,626 performance shares to the shareholders of K2O Minerals.

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

NOTE 6: General Information

Registered Office

Level 1, Office F
1139 Hay Street
West Perth WA 6005

Principal Place of Business

Level 3, 216 St Georges Terrace
Perth WA 6000

Directors' Declaration

For the year ended 30 June 2019

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.

In accordance with a resolution of the directors of K2O Minerals Pty Ltd, I state that:

In the opinion of the directors of K2O Minerals Pty Ltd:

- (a) the financial statements and notes, present fairly the Company's financial position as at 30 June 2019 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
- (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.

On behalf of the Board:



Keren Paterson
Director

30 September 2019

INDEPENDENT AUDITOR'S REPORT

To the members of K2O Minerals Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of K2O Minerals Pty Ltd (the Entity), which comprises the statement of financial position as at 30 June 2019, 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 the director's declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2019 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 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 intends 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

A handwritten signature in dark ink, appearing to read 'J Prue', is written over the printed name 'Jarrad Prue'. The signature is stylized and cursive.

Jarrad Prue

Director

Perth, 30 September 2019