RWG MINERALS PTY LTD

ACN: 601 019 112

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2018

Contents

Corporate Directory

Directors
Michael Wilson (Executive Director)
Craig Ferrier (Executive Director)

Company Secretaries
Mark Pitts
Simon Borck

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Facsimile : + 61 8 9315 5475

Principal Place of Business
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West Perth WA 6005
Email: admin@gwrgroup.com.au
Website: www.gwrgroup.com.au

Auditors
Stantons International
Level 2, 1 Walker Avenue
West Perth, WA 6005
Telephone : +61 8 9481 3188
Facsimile : + 61 8 9321 1204

Company Information
The Company was incorporated and registered under the Corporations Act 2001 in Western Australia on 1 August 2014.

The Company is domiciled in Australia.

Directors' Report

The Directors present the financial statements of RWG Minerals Pty Ltd ("RWG" or "Company") for the year ended 30 June 2018.

Directors and officers

Directors

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

- Michael Wilson
- Craig Ferrier

Company Secretaries

- Mark Pitts
- Simon Borck

There were no changes to the management and Board during the year and to date of reporting.

Principal activities

The principal activities of the Company during the course of the year continued to be the exploration and evaluation of its mining projects in Australia.

Results of Operations

The operating result was a loss after income tax of $66,541 (2017: $65,136), the majority of which was exploration and evaluation expenditure expensed as incurred of $66,287 (2017: $64,887).

Review of Operations

The Company conducted exploration activities on its Nardoo Well, Twin Hills, Lake MacLeod, Ted Well and Cookes Creek projects in Western Australia.

Risk management

The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial year under review that is not mentioned elsewhere in this report or listed below.

Significant events after the balance date

In March 2018, the Company's parent, GWR Group Limited ("Parent"), entered into a binding Term Sheet, which is subject to certain conditions precedent, with Corizon Limited ("Corizon") for the sale of 100% of the issued capital in the Company to Corizon. Shareholder approval for the acquisition was obtained by Corizon on 14 September 2018.

Other than as mentioned above, there has not arisen in the interval between the end of the financial year 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 affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial year.

Directors' Report

Likely developments and expected results

The Company intends to continue to undertake mineral exploration and investment activities within the exploration and mining sector.

Environmental regulation and performance

The Company's current development, evaluation and exploration activities have been undertaken under approved Programmes of Work on granted mining tenements in accordance with environmental regulations under both Commonwealth and State legislation.

The Company is committed to environmental sustainability, recognising its obligations to practice good environmental 'stewardship' of the tenements on which it operates. Activities are conducted in a manner that minimises the environmental 'footprint' as much as possible, and are conducted strictly in accordance with all necessary permits and approvals from regulators.

Share options

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.

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Indemnification and insurance of directors and officers

The Company's Parent has made an agreement indemnifying all the directors and officers against all losses or liabilities incurred by each director and officer in their capacity as directors and officers of the Company to the extent permitted under the Corporations Act 2001. During the year the Parent paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

The Company did not receive any non-audit services from the auditor, Stantons International, during the year ended 30 June 2018.

Auditor's independence

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

Signed on behalf of directors and in accordance with a resolution of directors.

Michael Wilson
Director

Dated at Perth, this 5th day of October, 2018

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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Australia

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5 October 2018

Board of Directors
RWG Minerals Pty Limited
97 Outram Street
West Perth WA 6005

Dear Sirs

RE: RWG MINERALS PTY LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of RWG Minerals Pty Limited.

As Audit Director for the audit of the financial statements of RWG Minerals Pty Limited for the year ended 30 June 2018, 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.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik

Martin Michalik
Director

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	2018 $	2017 $
Exploration and evaluation expenditure expensed		(66,287)	(64,887)
Corporate costs		(254)	(249)
Loss before tax		**(66,541)**	**(65,136)**
Income tax expense	6	-	-
Loss for the year after income tax		**(66,541)**	**(65,136)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(66,541)**	**(65,136)**

The above statement should be read in conjunction with the accompanying notes.

Statement of financial position as at 30 June 2018

	Note	2018 $	2017 $
Total assets		-	-
Non-current liabilities			
Related party loan	7	205,618	139,077
Total non-current liabilities		**205,618**	**139,077**
Total liabilities		**205,618**	**139,077**
Net liabilities		**(205,618)**	**(139,077)**
Equity			
Issued capital	8	1	1
Accumulated losses	9	(205,619)	(139,078)
Total equity		**(205,618)**	**(139,077)**

The above statement should be read in conjunction with the accompanying notes.

RWG MINERALS PTY LTD
ACN 601 019 112

Statement of changes in equity For the year ended 30 June 2018

	issued capital	Accumulated losses	Total Equity
	$	$	$
Balance at 1 July 2017	1	(139,078)	(139,077)
Loss for the year	-	(66,541)	(66,541)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(66,541)	(66,541)
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2018	**1**	**(205,619)**	**(205,618)**
Balance at 1 July 2016	1	(73,942)	(73,941)
Loss for the year	-	(65,136)	(65,136)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(65,136)	(65,136)
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2017	**1**	**(139,078)**	**(139,077)**

The above statement should be read in conjunction with the accompanying notes.

Statement of cash flows
For the year ended 30 June 2018

	Note	2018 $	2017 $
Net cash from/(used in) operating activities	10	-	-
Net cash from/(used in) investing activities		-	-
Net cash from/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		-	-
Cash and cash equivalents at the end of the financial year		-	-

The above statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements For the year ended 30 June 2018

Note 1: Corporate information

The financial report of RWG Minerals Pty Ltd ("RWG" or "Company") for the financial year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 5th October 2018.

RWG Minerals Pty Ltd is a proprietary company limited by shares and incorporated in Australia under the Corporations Act 2001. At 30 June 2018, GWR Group Limited ("Parent"), a company incorporated in Australia, is the parent company and the ultimate holding company.

The nature of the operations and principal activities of the Company during the financial year was the exploration and evaluation of its mining projects in Australia.

Note 2: Summary of significant accounting policies

a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

Going concern

These financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At 30 June 2018, the Company had net liabilities of $205,618 (2017: $139,077) due to a loan payable to RWG's parent, GWR Group Limited. The Company is reliant on its parent to fund its operational expenditure.

The ability of the Company to continue as a going concern is dependent on:

- Ongoing financial support from its parent; or
- The successful completion of the acquisition of the Company by Corizon Limited (Note 16)

The Company's Parent has confirmed that should the acquisition of the Company by Corizon Limited not be successful, the Parent will continue to provide financial support to the Company.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

b) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

c) New accounting standards and interpretations

New and amended standards adopted

The Company has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning on or after 1 July 2017 and determined that their application to the financial statements is not relevant or material.

Notes to the Financial Statements For the year ended 30 June 2018

c) New accounting standards and interpretations (continued)

Other standards not yet applicable

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. . Those which may be relevant to the Company are set out below. There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice.

Notes to the Financial Statements
For the year ended 30 June 2018

c) New accounting standards and interpretations (continued)

AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019) (continued).

The main changes introduced by the new Standard are as follows:

- recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
- depreciating the right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lease to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity at the date of initial application.

Although the directors anticipate that the adoption of AASB 16 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

d) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

The Company determines and presents operating segments based on the information internally provided to the executive management team.

e) Revenue

Revenue is recognised as income to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Notes to the Financial Statements For the year ended 30 June 2018

f) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities related to the same taxable entity and the same taxation authority.

g) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the Financial Statements For the year ended 30 June 2018

h) Cash and cash equivalents

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

i) Exploration and evaluation expenditure

Exploration and evaluation costs are expensed in the period they are incurred apart from mineral acquisition costs, which are capitalised and carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated mineral acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and capitalised costs written off to the extent it is deemed that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

j) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

k) Related party loans

Related party loans are carried at cost and represent a liability owing to the Company's Parent for payments made on behalf of the Company for goods and services provided to the Company. The amount is unsecured, non-interest bearing and with no fixed repayment terms.

l) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m) Comparative figures

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

Note 3: Financial Risk Management Objectives and Policies

The Company has limited exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks and the policies and processes for measuring and managing those risks.

The Board reviews and agrees procedures for managing each of these risks. Primary responsibility for identification and control of financial risks rests with management under the procedures approved by the Board. The Board reviews management's processes for managing each of the risks identified below including future cash flow forecast projections.

Notes to the Financial Statements For the year ended 30 June 2018

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

As the Company has no income streams, at this time there is no exposure to credit risk.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

The Company has no exposure to market interest rate risk as the loan payable to its Parent (as disclosed in note 7) is non-interest bearing.

Liquidity risk

Liquidity risk arises from the financial liabilities of the Company and its subsequent ability to meet its obligations to repay financial liabilities as and when they fall due. Other than the loan to its Parent which has no fixed repayment schedule, the Company does not have any significant financial liabilities.

Fair value

The fair values of financial assets and liabilities are approximately their carrying values.

Price risk

Price risk relates to the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities. The Company is exposed to gold, tungsten, and various other metals commodity price risk. These commodity prices can be volatile and influenced by factors beyond the Company's control. As the Company is engaged in exploration and development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

Note 4: Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Impairment of capitalised acquisition costs on exploration and evaluation projects

Acquisition costs incurred in acquiring exploration assets 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 balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The future recoverability of these costs is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent these capitalised costs are determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

Notes to the Financial Statements For the year ended 30 June 2018

Note 5: Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company is primarily employed in exploration and evaluation activities relating to minerals in Australia. The decision to allocate the resources to individual projects is predominantly based on available cash reserves, technical data and the expectation of future metal price. Accordingly, the Company has identified only one reportable segment, being mineral exploration activities undertaken in Australia. The reportable segment is represented by the primary statements forming these financial statements.

Note 6: Income tax

	2018	2017
	$	$
A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate is as follows:		
Accounting loss before income tax	(66,541)	(65,136)
At the statutory income tax rate of 27.5% (2017: 27.5%)	(18,299)	(17,912)
Temporary differences not brought to account as a deferred tax asset and transferred to Parent	18,299	17,912
At the effective income tax rate of 0% (2017: 0%)	-	-

Tax consolidation

The Company has entered into a tax sharing agreement and a tax funding agreement and is a member of a tax consolidated group. As such, any tax losses in the Company will be transferred to its Parent, GWR Group Limited, which is the head entity of the tax consolidated group. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach with is consistent with the principle of AASB 112 Income Taxes.

Notes to the Financial Statements For the year ended 30 June 2018

Note 7: Related party loan

	2018	2017
	$	$
Loan from GWR Group Limited	205,618	139,077

The Company is a wholly owned subsidiary of GWR Group Limited. Exploration expenditure, corporate and other operating costs incurred by the Company are paid by the Parent on behalf of the Company giving rise to an unsecured, interest free loan which has no fixed repayment terms.

As referred to in Note 16, GWR Group Limited has entered into a binding Term Sheet with Corizon Limited ("Corizon"). Should the acquisition of RWG by Corizon be successful, the loan between RWG and its Parent will be forgiven.

Note 8: Issued capital

	2018	2017
	$	$
(a) Issued capital		
100 Ordinary fully paid shares (2017: 100)	1	1
	Number	*Number*
Movement in ordinary shares on issue		
Opening balance	100	100
Shares issued during the year	-	-
Closing balance	100	100

Notes to the Financial Statements
For the year ended 30 June 2018

Note 9: Accumulated losses

	2018	2017
	$	$
Opening balance	(139,078)	(73,942)
Loss for the year	(66,541)	(65,136)
Closing balance	(205,619)	(139,078)

Note 10: Cash flow statement reconciliation

	2018	2017
	$	$
Reconciliation of net cash and cash equivalents used in operating activities to loss after income tax:		
Loss after income tax	(66,541)	(65,136)
Movements in assets and liabilities		
Decrease in trade and other receivables	-	-
Decrease in trade and other payables	-	-
Increase in related party loan	66,541	65,136
Net cash from/(used in) operating activities	-	-

Note 11: Related party disclosure

a) Ultimate parent

GWR Group Limited is the ultimate parent of the Company.

(b) Key management personnel

The following persons were considered key management personnel of the Company during the financial year:

- Michael Wilson
- Craig Ferrier

No transactions with key management personnel occurred during the financial year or in the previous financial year.

Notes to the Financial Statements For the year ended 30 June 2018

Note 11: Related party disclosure (continued)

(c) Transactions with related parties

GWR Group Limited

All exploration and other expenditure incurred by the Company is paid for by the Parent on behalf of the Company. Such expenditure is recognised in the Company via an intercompany loan. Outstanding loan balances are unsecured and interest free with no fixed repayment terms. At balance date, the amount outstanding is $205,618 (2017: $139,077). Refer to Note 7.

Note 12: Remuneration of auditors

The auditors did not receive any benefit during the year for audit or other services. Any services provided to the Company by Stantons International was recognised in and paid for by the Company's Parent.

Note 13: Dividends

No dividends were paid or proposed during the financial years ended 30 June 2018 and 30 June 2017.

Note 14 Commitments for expenditure

Annual Tenement expenditure commitments

In order to maintain current rights of tenure to mining tenements, the Company has discretionary minimum annual tenement expenditure requirements and lease rentals of $97,000 (2017: $129,950). This discretionary expenditure is capable of being varied from time to time in order to maintain these rights of tenure to mining tenements.

Note 15: Contingencies

The Company is not aware of any significant contingencies as at the end of the financial year.

Note 16: Events after balance date

In March 2018, the Company's parent, GWR Group Limited, entered into a binding Term Sheet, which is subject to certain conditions precedent, with Corizon Limited ("Corizon") for the sale of 100% of the issued capital in the Company to Corizon. Shareholder approval for the acquisition was obtained by Corizon on 14 September 2018.

Other than as mentioned above, there has not arisen in the interval between the end of the financial year 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 affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial year.

Directors' Declaration

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

1. In the opinion of the directors:

   (a) The financial statements and notes of RWG Minerals Pty Ltd for the financial year ended 30 June 2018 are in accordance with the Corporations Act 2001, including:

      (i) Giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year then ended; and

      (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

   (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b).

   (c) 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 Directors,

Michael Wilson
Director

Dated at Perth, this 5th day of October, 2018

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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Australia

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
RWG MINERALS PTY LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RWG Minerals Pty Limited ("the Company"), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the 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 Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2018 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 Company 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 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 2(a) of the financial report which states that the financial report has been prepared on a going concern basis.

The ability of the Company to continue as a going concern and meet its exploration and other commitments is dependent upon the Company raising working capital, the continued support of the Company's ultimate parent company, GWR Group Limited or the successful completion of the proposed sale of the Company to Corizon Limited. In the event the Company is unable to raise working capital and continue to rely on the support of GWR Limited or the proposed sale of the Company to Corizon Limited is not successfully completed, the Company may not be able to meet its liabilities as they fall due, or to realise its assets at their stated values.

Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year 30 June 2018 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or has 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
5 October 2018

RWG MINERALS PTY LTD

ACN: 601 019 112

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2019

Contents

Corporate Directory

Directors
Michael Wilson (Executive Director)
Kong Leng Lee (Non-Executive Director)

Company Secretaries
Mark Pitts
Simon Borck

Registered Office
Suite 8, 7 The Esplanade
Mt Pleasant WA 6153
Telephone : +61 8 9316 9100
Facsimile : + 61 8 9315 5475

Principal Place of Business
97 Outram Street
West Perth WA 6005
Email: admin@gwrgroup.com.au
Website: www.gwrgroup.com.au

Auditors
Stantons International
Level 2, 1 Walker Avenue
West Perth, WA 6005
Telephone : +61 8 9481 3188
Facsimile : + 61 8 9321 1204

Company Information
The Company was incorporated and registered under the Corporations Act 2001 in Western Australia on 1 August 2014.

The Company is domiciled in Australia.

Directors' Report

The Directors present the financial statements of RWG Minerals Pty Ltd ("RWG" or "Company") for the year ended 30 June 2019.

Directors and officers

Directors

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

- Michael Wilson
- Kong Leng Lee (appointed 30 July 2019)
- Craig Ferrier (resigned 30 July 2019)

Company Secretaries

- Mark Pitts
- Simon Borck

Other than mention above, there were no other changes to the management and Board during the year and to date of reporting.

Principal activities

The principal activities of the Company during the course of the year continued to be the exploration and evaluation of its mining projects in Australia.

Results of Operations

The operating result was a loss after income tax of $103,765 (2018: $66,541), the majority of which was exploration and evaluation expenditure expensed as incurred of $95,889 (2018: $66,287).

Review of Operations

The Company conducted exploration activities on its Nardoo Well, Twin Hills, and Cookes Creek projects in Western Australia.

Risk management

The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial year under review that is not mentioned elsewhere in this report or listed below.

Significant events after the balance date

In July 2019, the Company and its parent, GWR Group Limited entered into a Amendment Deed that extends the time to complete certain conditions precedent for a Principal Agreement that was entered into on 26 March 2018 with Corizon Limited for the sale of 100% of the issued capital in the Company to Corizon Limited. In September 2019, the Company and its parent, GWR Group Limited entered into a further Amendment Deed that extends the time to complete this Principal Agreement to 30 November 2019.

Other than as mentioned above, there has not arisen in the interval between the end of the financial year 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 affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial year.

Directors' Report

Likely developments and expected results

The Company intends to continue to undertake mineral exploration and investment activities within the exploration and mining sector.

Environmental regulation and performance

The Company's current development, evaluation and exploration activities have been undertaken under approved Programmes of Work on granted mining tenements in accordance with environmental regulations under both Commonwealth and State legislation.

The Company is committed to environmental sustainability, recognising its obligations to practice good environmental 'stewardship' of the tenements on which it operates. Activities are conducted in a manner that minimises the environmental 'footprint' as much as possible, and are conducted strictly in accordance with all necessary permits and approvals from regulators.

Share options

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.

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Indemnification and insurance of directors and officers

The Company's Parent has made an agreement indemnifying all the directors and officers against all losses or liabilities incurred by each director and officer in their capacity as directors and officers of the Company to the extent permitted under the Corporations Act 2001. During the year the Parent paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

The Company did not receive any non-audit services from the auditor, Stantons International, during the year ended 30 June 2019.

Auditor's independence

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

Signed on behalf of directors and in accordance with a resolution of directors.

Kong Leng Lee
Director

Dated at Perth, this 10th day of October, 2019

Stantons International Audit and Consulting Pty Ltd
trading as
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Chartered Accountants and Consultants

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10 October 2019

Board of Directors
RWG Minerals Pty Limited
97 Outram Street
West Perth WA 6005

Dear Sirs

RE: RWG MINERALS PTY LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of RWG Minerals Pty Limited.

As Audit Director for the audit of the financial statements of RWG Minerals Pty 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.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED

Martin Michalik
Director

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	2019 $	2018 $
Exploration and evaluation expenditure expensed		(95,889)	(66,287)
Corporate costs		(7,876)	(254)
Loss before tax		**(103,765)**	**(66,541)**
Income tax expense	6	**-**	**-**
Loss for the year after income tax		**(103,765)**	**(66,541)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(103,765)**	**(66,541)**

The above statement should be read in conjunction with the accompanying notes.

Statement of financial position as at 30 June 2019

	Note	2019 $	2018 $
Total assets		**-**	**-**
Non-current liabilities			
Accrued expenses	17	69,163	-
Related party loan	7	240,220	205,618
Total non-current liabilities		**309,383**	**205,618**
Total liabilities		**309,383**	**205,618**
Net liabilities		**(309,383)**	**(205,618)**
Equity			
Issued capital	8	1	1
Accumulated losses	9	(309,384)	(205,619)
Total equity		**(309,383)**	**(205,618)**

The above statement should be read in conjunction with the accompanying notes.

Statement of changes in equity
For the year ended 30 June 2019

	Issued capital	Accumulated losses	Total Equity
	$	$	$
Balance at 1 July 2018	1	(205,619)	(205,618)
Loss for the year	-	(103,765)	(103,765)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(103,765)**	**(103,765)**
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2019	**1**	**(309,384)**	**(309,383)**
Balance at 1 July 2017	1	(139,078)	(139,077)
Loss for the year	-	(66,541)	(66,541)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(66,541)	(66,541)
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2018	**1**	**(205,619)**	**(205,618)**

The above statement should be read in conjunction with the accompanying notes.

Statement of cash flows
For the year ended 30 June 2019

	Note	2019 $	2018 $
Net cash from/(used in) operating activities	10	-	-
Net cash from/(used in) investing activities		-	-
Net cash from/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		-	-
Cash and cash equivalents at the end of the financial year		**-**	**-**

The above statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements For the year ended 30 June 2019

Note 1: Corporate information

The financial report of RWG Minerals Pty Ltd ("RWG" or "Company") for the financial year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 10 October 2019.

RWG Minerals Pty Ltd is a proprietary company limited by shares and incorporated in Australia under the Corporations Act 2001. At 30 June 2019, GWR Group Limited ("Parent"), a company incorporated in Australia, is the parent company and the ultimate holding company.

The nature of the operations and principal activities of the Company during the financial year was the exploration and evaluation of its mining projects in Australia.

Note 2: Summary of significant accounting policies

a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

Going concern

These financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At 30 June 2019, the Company had net liabilities of $309,383 (2018: $205,618) due to a loan payable to RWG's parent, GWR Group Limited. The Company is reliant on its parent to fund its operational expenditure.

The ability of the Company to continue as a going concern is dependent on:

- Ongoing financial support from its parent; or
- The successful completion of the acquisition of the Company by Corizon Limited (Note 16)

The Company's Parent has confirmed that should the acquisition of the Company by Corizon Limited not be successful, the Parent will continue to provide financial support to the Company.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

b) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

c) New accounting standards and interpretations

AASB 16: Leases applies to annual reporting periods beginning on or after 1 January 2019.

This Standard supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, AASB interpretation 115 Operating Leases-Incentives and AASB interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

Notes to the Financial Statements
For the year ended 30 June 2019

c) New accounting standards and interpretations (continued)

The key features of AASB 16 are as follows:

Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.

Assets and Liabilities arising from the lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend to lease, or not to exercise an option to terminate the lease

AASB 16 contains disclosure requirements for leases.

Lessor accounting

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor’s risk exposure, particularly to residual value risk.

Adoption of AASB 16 will have no material impact on the financial statements of the Group

New amended standards adopted by the group

The Group has adopted AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments which became effective for financial reporting periods commencing on or after 1 January 2018

AASB 15 Revenue from contracts with customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has applied the new Standard effective from 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any revenue from customers.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

Notes to the Financial Statements
For the year ended 30 June 2019

c) New accounting standards and interpretations (continued)

As a result of adopting AASB 9 Financial Instruments, the Group has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

There were no financial instruments which the Group designated at fair value through profit or loss under AASB 139 that were subject to reclassification. The Board assessed the Group's financial assets and determined the application of AASB 9 does not result in a change in the classification of the Group's financial instruments.

The adoption of AASB 9 does not have a significant impact on the financial report.

d) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

The Company determines and presents operating segments based on the information internally provided to the executive management team.

e) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Notes to the Financial Statements For the year ended 30 June 2019

e) Income tax (continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities related to the same taxable entity and the same taxation authority.

f) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

g) Cash and cash equivalents

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

h) Exploration and evaluation expenditure

Exploration and evaluation costs are expensed in the period they are incurred apart from mineral acquisition costs, which are capitalised and carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated mineral acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and capitalised costs written off to the extent it is deemed that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

i) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the Financial Statements For the year ended 30 June 2019

j) Related party loans

Related party loans are carried at cost and represent a liability owing to the Company's Parent for payments made on behalf of the Company for goods and services provided to the Company. The amount is unsecured, non-interest bearing and with no fixed repayment terms.

k) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

l) Comparative figures

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

Note 3: Financial Risk Management Objectives and Policies

The Company has limited exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks and the policies and processes for measuring and managing those risks.

The Board reviews and agrees procedures for managing each of these risks. Primary responsibility for identification and control of financial risks rests with management under the procedures approved by the Board. The Board reviews management's processes for managing each of the risks identified below including future cash flow forecast projections.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

As the Company has no income streams, at this time there is no exposure to credit risk.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

The Company has no exposure to market interest rate risk as the loan payable to its Parent (as disclosed in note 7) is non-interest bearing.

Liquidity risk

Liquidity risk arises from the financial liabilities of the Company and its subsequent ability to meet its obligations to repay financial liabilities as and when they fall due. Other than the loan to its Parent which has no fixed repayment schedule, the Company does not have any significant financial liabilities.

Fair value

The fair values of financial assets and liabilities are approximately their carrying values.

Price risk

Price risk relates to the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities. The Company is exposed to gold, tungsten, and various other metals commodity price risk. These commodity prices can be volatile and influenced by factors beyond the Company's control. As the Company is engaged in exploration and development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

Notes to the Financial Statements For the year ended 30 June 2019

Note 4: Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Impairment of capitalised acquisition costs on exploration and evaluation projects

Acquisition costs incurred in acquiring exploration assets 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 balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The future recoverability of these costs is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent these capitalised costs are determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

Note 5: Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company is primarily employed in exploration and evaluation activities relating to minerals in Australia. The decision to allocate the resources to individual projects is predominantly based on available cash reserves, technical data and the expectation of future metal price. Accordingly, the Company has identified only one reportable segment, being mineral exploration activities undertaken in Australia. The reportable segment is represented by the primary statements forming these financial statements.

Notes to the Financial Statements For the year ended 30 June 2019

Note 6: Income tax

	2019	2018
	$	$
A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate is as follows:		
Accounting loss before income tax	(103,765)	(66,541)
At the statutory income tax rate of 27.5% (2018: 27.5%)	(28,535)	(18,299)
Temporary differences not brought to account as a deferred tax asset and transferred to Parent	28,535	18,299
At the effective income tax rate of 0% (2018: 0%)	-	-

Tax consolidation

The Company has entered into a tax sharing agreement and a tax funding agreement and is a member of a tax consolidated group. As such, any tax losses in the Company will be transferred to its Parent, GWR Group Limited, which is the head entity of the tax consolidated group. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach with is consistent with the principle of AASB 112 Income Taxes.

Note 7: Related party loan

	2019	2018
	$	$
Loan from GWR Group Limited	240,220	205,618

The Company is a wholly owned subsidiary of GWR Group Limited. Exploration expenditure, corporate and other operating costs incurred by the Company are paid by the Parent on behalf of the Company giving rise to an unsecured, interest free loan which has no fixed repayment terms.

As referred to in Note 16, GWR Group Limited has entered into a binding Term Sheet with Corizon Limited ("Corizon"). Should the acquisition of RWG by Corizon be successful, the loan between RWG and its Parent will be forgiven.

Notes to the Financial Statements For the year ended 30 June 2019

Note 8: Issued capital

	2019	2018
	$	$
(a) Issued capital		
100 Ordinary fully paid shares (2018: 100)	1	1

	Number	*Number*
Movement in ordinary shares on issue		
Opening balance	100	100
Shares issued during the year	-	-
Closing balance	100	100

Note 9: Accumulated losses

	2019	2018
	$	$
Opening balance	(205,619)	(139,078)
Loss for the year	(103,765)	(66,541)
Closing balance	(309,384)	(205,619)

Notes to the Financial Statements For the year ended 30 June 2019

Note 10: Cash flow statement reconciliation

	2019	2018
	$	$
Reconciliation of net cash and cash equivalents used in operating activities to loss after income tax:		
Loss after income tax	(103,765)	(66,541)
Movements in assets and liabilities		
Increase in accrued expenses	69,163	-
Increase in related party loan	34,602	66,541
Net cash from/(used in) operating activities	-	-

Note 11: Related party disclosure

a) Ultimate parent

GWR Group Limited is the ultimate parent of the Company.

(b) Key management personnel

The following persons were considered key management personnel of the Company during the financial year:

- Michael Wilson
- Craig Ferrier

No transactions with key management personnel occurred during the financial year or in the previous financial year.

(c) Transactions with related parties

GWR Group Limited

Exploration and other expenditure of $34,339 (2018: $66,541) was incurred by the Company that was paid for by the Parent on behalf of the Company. Such expenditure is recognised in the Company via an intercompany loan. Outstanding loan balances are unsecured and interest free with no fixed repayment terms. At balance date, the amount outstanding is $240,220 (2018: $205,618). Refer to Note 7.

Note 12: Remuneration of auditors

The auditor were paid or accrued a benefit of $7,613 during the year for audit services. This included an under accrual from the prior year of $3,813.

Notes to the Financial Statements For the year ended 30 June 2019

Note 13: Dividends

No dividends were paid or proposed during the financial years ended 30 June 2019 and 30 June 2018.

Note 14 Commitments for expenditure

Annual Tenement expenditure commitments

In order to maintain current rights of tenure to mining tenements, the Company has discretionary minimum annual tenement expenditure requirements and lease rentals of $129,950 (2018: $129,950). This discretionary expenditure is capable of being varied from time to time in order to maintain these rights of tenure to mining tenements.

Note 15: Contingencies

The Company is not aware of any significant contingencies as at the end of the financial year.

Note 16: Events after balance date

In July 2019, the Company and its parent, GWR Group Limited entered into a Amendment Deed that extends the time to complete certain conditions precedent for a Principal Agreement that was entered into on 26 March 2018 with Corizon Limited for the sale of 100% of the issued capital in the Company to Corizon Limited. In September 2019, the Company and its parent, GWR Group Limited entered into a further Amendment Deed that extends the time to complete this Principal Agreement to 30 November 2019.

Other than as mentioned above, there has not arisen in the interval between the end of the financial year 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 affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial year.

Note 17: Accrued Expenses

	2019	2018
	$	$
Accrued expenses – Corizon Limited	65,363	-
Accrued expenses – Audit fees	3,800	-
	69,163	-

Accrued expenses – Corizon Limited
Expenditure paid or incurred by Corizon Limited on behalf of the Company which principally relates to exploraiton expenditure on tenements held by the Company.

The Company and its parent, GWR Group Limited have entered into Agreements with Corizon Limited for the sale of 100% of the issued capital in the Company to Corizon Limited (Refer to Note16).

Directors' Declaration

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

1. In the opinion of the directors:

   (a) The financial statements and notes of RWG Minerals Pty Ltd for the financial year ended 30 June 2019 are in accordance with the Corporations Act 2001, including:

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

      (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

   (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b).

   (c) 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 Directors,

Kong Leng Lee
Director

Dated at Perth, this 10th day of October, 2019

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
RWG MINERALS PTY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RWG Minerals Pty Limited ("the Company"), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the 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 Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company'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 Company 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 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 2(a) of the financial report which states that the financial report has been prepared on a going concern basis. The Company incurred a loss for the year of $103,765 and had a net asset deficiency of $309,383.

The ability of the Company to continue as a going concern and meet its exploration and other commitments is dependent upon the Company raising working capital, the continued support of the Company's ultimate parent company, GWR Group Limited or the successful completion of the proposed sale of the Company to Corizon Limited. In the event the Company is unable to raise working capital and continue to rely on the support of GWR Limited or the proposed sale of the Company to Corizon Limited is not successfully completed, the Company may not be able to meet its liabilities as they fall due, or to realise its assets at their stated values.

Our opinion is not modified in respect of this matter.

Other Information

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

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

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 *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or has 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
10 October 2019