



**CONDAMINE**  
**RESOURCES**

ACN 619 211 826

**ANNUAL REPORT**

**31 December 2018**

**Corporate directory****Current Directors**

Anna Nahajski-Staples      *(Interim) Executive Director*  
Don Harper                      *Non-executive Director*  
Paul Angus                      *Non-executive Director*

**Company Secretary**

Anna Nahajski-Staples  
Richard Joughin

**Registered Office**

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**Auditors**

Nexia Perth Audit Services Pty Ltd  
Level 3, 88 William Street  
Perth WA 6000  
Telephone:    +61 8 9463 2463

**Solicitors to the Company**

Steinepreis Paganin  
Level 4, The Read Buildings, 16 Milligan Street  
Perth WA 6000

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## Directors' report

Your directors present their report on Condamine Resources Limited (**Condamine Resources** or **the Company**) and its subsidiaries (**the Group**) for the year ended 31 December 2018.

### 1. Directors

The names of Directors in office at any time during or since the end of the period are:

- David Sproule Non-executive Chairman (resigned 24 December 2018)
- Anna Nahajski-Staples (Interim) Executive Director (Non-executive Director until 14 May 2019)
- Don Harper Non-executive Director (Managing Director until 14 May 2019)
- Paul Angus Non-executive Director (Appointed 18 May 2018)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. For additional information of Directors including details of the qualifications of Directors please refer to paragraph 6 Information relating to the directors of this Directors Report.

### 2. Company secretary

The following person held the position of Company Secretary during the year ended 31 December 2018:

- Julia Beckett *(Resigned 16 January 2018)*
  - Qualifications  Ms Beckett holds a Certificate in Governance Practice and Administration and is a Certificated Member of the Governance Institute Australia.
  - Experience  Ms Beckett is currently Company Secretary on a number ASX Listed and non-ASX listed companies. Julia has held non-executive director roles on a number of ASX listed companies.
- Brett Francis Fraser *(Appointed 16 January 2018, resigned 7 March 2019)*
  - Qualifications  FCPA, F.Fin, FGIA , B.Bus.
  - Experience  Mr Fraser has worked in the finance and securities industry for over 25 years and has owned and operated businesses across wine, health, finance, media and mining.  
  
In addition, Mr Fraser is a Fellow of Certified Practicing Accountants, Financial Services Institute of Australasia and the Governance Institute of Australia. Mr Fraser also and has a Grad Dip Finance from Securities Institute of Australia, a Bachelor of Business (Accounting) and an International Marketing Institute - AGSM Sydney.
- Anna Nahajski-Staples *(Appointed 7 March 2019)*
  - Qualifications  BA Bus, F Fin, ACIS, GAICD
  - Experience  Ms Nahajski-Staples has previously held Company Secretary roles for ASX-listed resource companies and is a graduate of the Governance Institute of Australia.
- Richard Joughin *(Appointed 7 March 2019)*
  - Qualifications  CA, FGIA
  - Experience  Mr Joughin is a member of Chartered Accountants Australia and New Zealand, Fellow of the Governance Institute of Australia, and a former Registered Company Auditor, with extensive experience with ASX-listed Companies across a number of industries.

### 3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 31 December 2018.

### 4. Significant Changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the financial year ended 31 December 2018 other than disclosed elsewhere in this Annual Report.

## Directors' report

### 5. Operating and financial review

#### 5.1. Nature of Operations Principal Activities

The Group was incorporated as an unlisted public company limited by shares on 19 May 2017, for the purpose of acquiring, exploring and developing gold projects in New Zealand. During the financial year 31 December 2018, the company achieved:

- The raising of \$422,000 seed capital;
- Successful application for and granting of the Reefton exploration tenements;
- Appointing NZ-based geologist, Paul Angus, to the board of directors;
- Completing the IPO prospectus and associated independent reports; and
- Successful negotiation for the advancement of Access Arrangements at Alexander River and Big River projects.

On 12 March 2018, the Company incorporated a New Zealand subsidiary, Reefton Resources Pty Ltd for the purposes of holding the Reefton tenements, and managing the exploration operations of these assets.

#### 5.2. Operations Review

Condamine's four key gold projects include Alexander River, Big River, Reefton South and Lyell (Condamine Projects), which are located respectively within and near the historical 2.5Moz (historical underground production of 3.9Mt @ 15.8g/t for 2Moz (Technical Report on the Reefton Gold Project OceanaGold May 2013) and open pit production of 0.6Moz (OceanaGold media release 19 December 2016), Reefton Goldfield (Figure 1) in the West Coast region of the South Island of New Zealand. The granted brownfield tenements are part of a well-known mining region with an extensive history of high-grade gold production. The combined estimated historical gold production from the Condamine tenements is 327,000t @ 25.4g/t for 268,000oz of gold<sup>1</sup>. The Alexander River project has outcropping gold mineralisation along a 1km strike length. Trenching along the mineralised strike by CRA Exploration Limited (CRAE) recorded a number of high-grade gold intersections including 7.8m @ 14.4 g/t Au (Final Report on the Alexander River PL 31 2530, Macraes Mining Company Ltd 1997)(Figure 2). The trenches were re-sampled by Kent in 2010 generally confirming the CRA results (Alexander River's Year One Report for PP51589. Kent 2010)

Condamine's projects are located within the same belt as the Blackwater mine (Inferred resource of 0.9Mt @ 23g/t for 0.7Moz (**Preliminary Economic Assessment of the Blackwater Gold Project, OceanaGold 2014**) and will be the core focus of the proposed exploration program in coming months.

##### a. Background to the Reefton Area

The first discovery of auriferous quartz in the Reefton area was made in 1870, in the headwaters of Murray Creek, where in 1874 several lodes went into production. After a downturn in the 1880s, the Reefton gold mining industry was revived by Consolidated Goldfields New Zealand (**CGNZ**). CGNZ operated in the Reefton area for the next 55 years, when the last of their operations, the Blackwater Mine, closed in 1954. CRAE explored in the area in the 1980s and OceanaGold (ASX: OGC) explored in the area from the 1990s and operated an open cut mine at Globe-Progress from 2007 to 2015 and produced around 600koz of gold (OceanaGold media release 19 December 2016).

##### b. New OceanaGold/Tasman Mining Blackwater Development

Adjacent to Condamine's Big River project is the new \$500 million (capital and operating cost) Blackwater mine development (Tasman Mining Limited website), a joint venture between OGC and Tasman Mining as reported in the media. Tasman Mining was granted a Mining Permit in December 2018 and plan to develop twin declines and drill out the Blackwater Inferred Resource of 0.9Mt @ 23g/t for **700,000oz of gold (Preliminary Economic Assessment of the Blackwater Gold Project, Oceana Gold 2014)** to Indicated category.

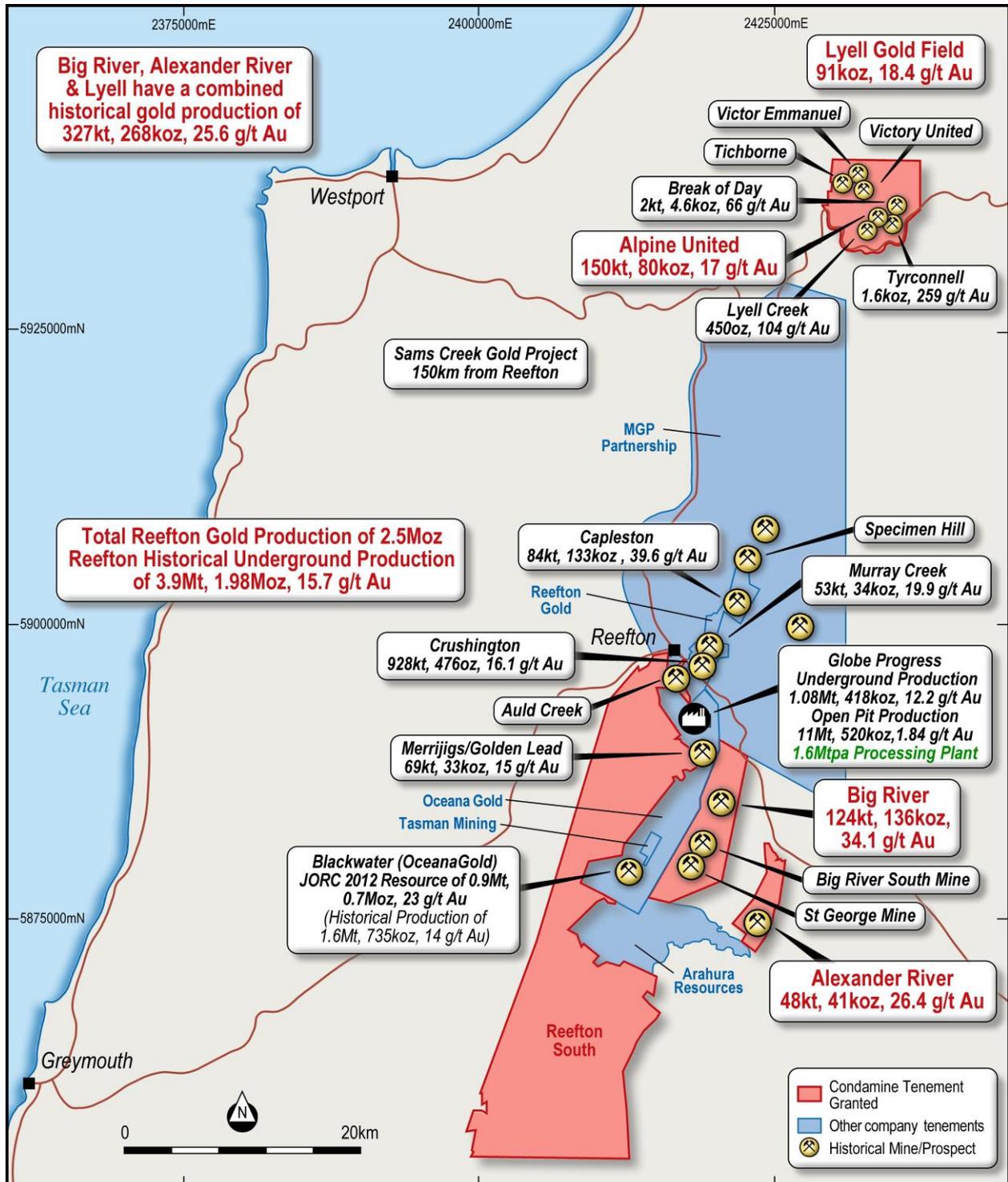
*Details of neighbouring projects to the Condamine Projects are set out for information purposes only and do not reflect mineral occurrences within the Condamine Projects. For the avoidance of doubt, there is no guarantee that the mineralisation at the Condamine Projects will be of sufficient concentration and extent as well as having favourable geotechnical and metallurgical characteristics that make it profitable to extract using modern mining and beneficiation processes.*

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<sup>1</sup> Technical Report on the Reefton Gold Project OceanaGold May 2013 and 2010 Annual Technical Report for Lyell Auzex Resources 2010

Directors' report

Figure 1. Condamine Resources tenement holding within the 2.5M Reefton gold field showing the Alexander River, Big River, Reefton South and Lyell projects. Note the new reported \$500 million Blackwater development.



c. Alexander River Gold Project

The Alexander River mine is a group of mines along a series of mineralised shoots or lodes. The discovery of quartz float in the Alexander River in 1920 led to the development of the last quartz mining area in the Reefton goldfield. Until the closure of the mine in 1943, it produced a total of 41,089oz of gold from 48,492 tonnes of quartz lode, with a mean recovered grade of approximately 26.4g/t Au (Technical Report on the Reefton Gold Project OceanaGold May 2013).

## Directors' report

### Highlights

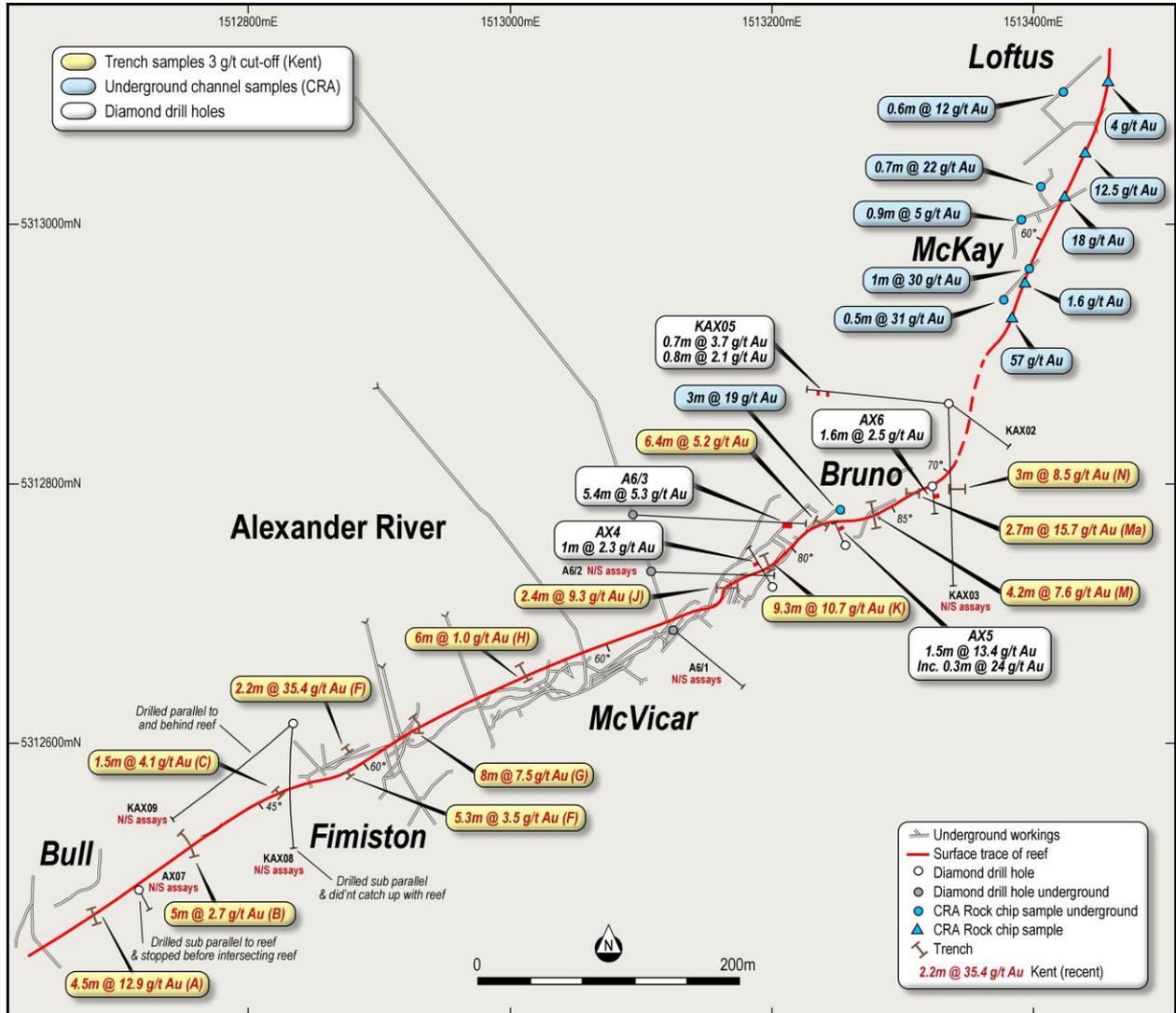
- Granted exploration permit located 20km south of the 1.6Mtpa Globe-Progress plant (10km west of Blackwater)
- 1 km outcropping high-grade gold mineralisation
- Diamond hole AX05 drilled by OceanaGold intersected 1.5m @ 13.4 g/t Au from 26m
- Drilling approvals expected in H1 2019

### Surface trenching & channel sampling (by Kent 3g/t cut):

- 4.5 @ 12.9 g/t Au (Bull shoot)
- 5.0m @ 2.7 g/t Au (Bull shoot)
- 1.5m @ 4.1 g/t Au (Bull shoot)
- 5.3m @ 3.5 g/t Au (Fimiston)
- 2.25 @ 35.4 g/t Au (Fimiston shoot)
- 8m @ 7.5 g/t Au (Fimiston shoot)
- 6m @ 1.0g/t Au
- 2.4m @ 9.3 g/t Au (Bruno shoot)
- 9.3m @ 10.7 g/t Au (Bruno shoot)
- 6.4m @ 5.2 g/t Au (Bruno shoot)
- 3.0m @ 19.0 g/t Au (Bruno shoot)
- 4.2m @ 7.6 g/t Au (Bruno shoot)
- 2.7m @ 15.7 g/t Au (Bruno shoot)
- 3.0m @ 8.5 g/t Au (Bruno shoot)
- 1.0m @ 30.0 g/t Au (McKay shoot)
- 0.7m @ 22 g/t Au (McKay Shoot)

Directors' report

Figure 2. Plan view of Alexander River Gold Project



## Directors' report

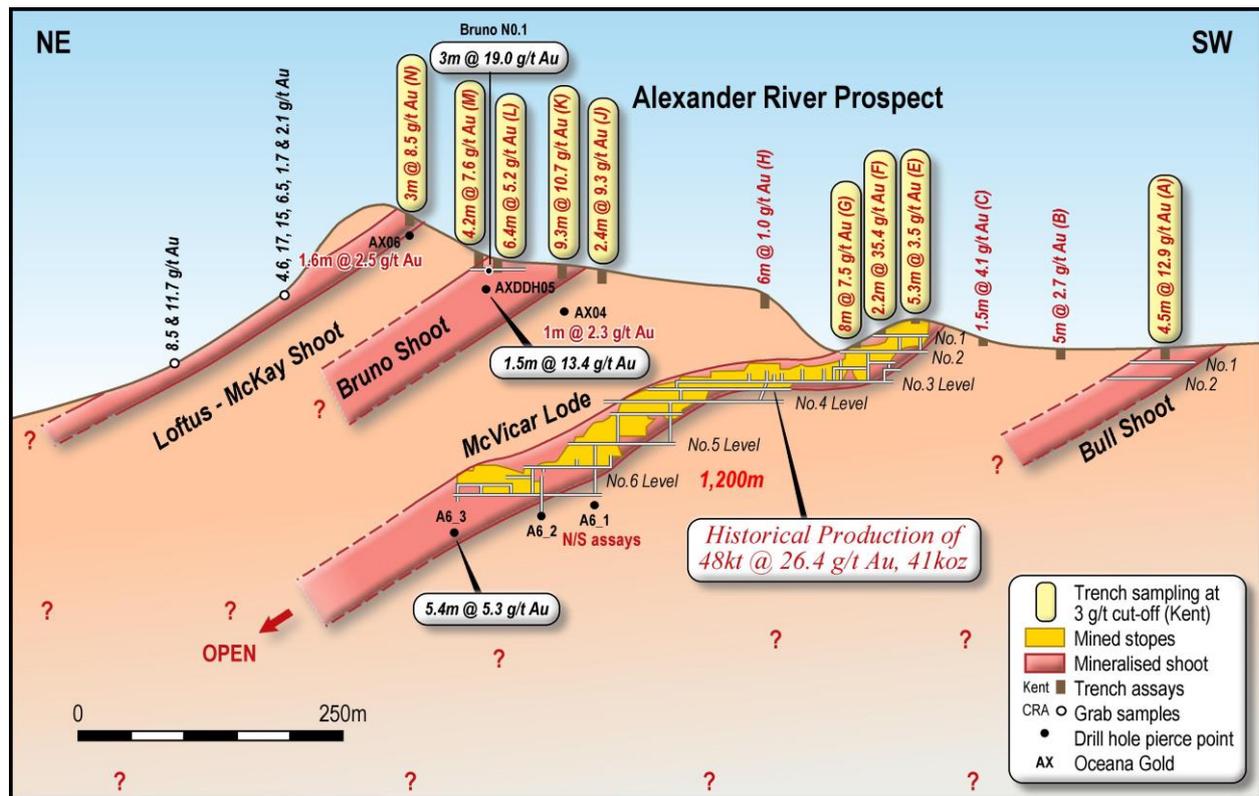


Figure 3. Long sectional view of Alexander River Gold Project

## d. Big River Gold Project

The Big River Mine was reported as the most profitable mine in the Reefton goldfield. The Big River mine produced approximately 136,000 ounces (oz) of gold at an average recoverable grade of 34.1 g/t Au (Technical Report on the Reefton Gold Project OceanaGold May 2013). The mine was discovered in 1880 and was mined down to the No.12 level (~600m) between 1887 and early 1927, then was re-mined between the No. 2 and 3 levels down to the No. 7 level by a subsequent owner, Big River Gold Mines Ltd in the late 1930s. The mine was closed in 1942 due to labour shortages. Other smaller mines in the permit area, such as Big River South and St George, also produced gold.

## Highlights

- Granted exploration permit located 15km south of the 1.6Mtpa Globe-Progress plant
- Historical production of 136koz @ 34.1g/t Au
- Mine closed in 1942 due to WWII
- Orogenic gold found in quartz veins on anticlinal structures – gold in un-mined halo
- New anticlinal structure untested
- Drilling approvals expected in H1 2019

Outstanding downhole diamond drilling intercepts by OGC (Annual Report for Big River EP40640 OceanaGold 2012) include:

- 20.0m @ 8.1 g/t Au incl 0.8m @ 71.5g/t Au from 127m (BR004)
- 3.0m @ 18.5 g/t Au incl 1.0m @ 45.2g/t Au from 147m (BR009)
- 1.5m @ 17.5 g/t Au incl 0.5m @ 50.4g/t Au from 154m (BR009)
- 2.0m @ 12 g/t Au incl 0.7m @ 26.6g/t Au from 99m (BR003)
- 2.5m @ 8.5 g/t Au incl 0.5m @ 22.7g/t Au from 139m (BR011)

Directors' report

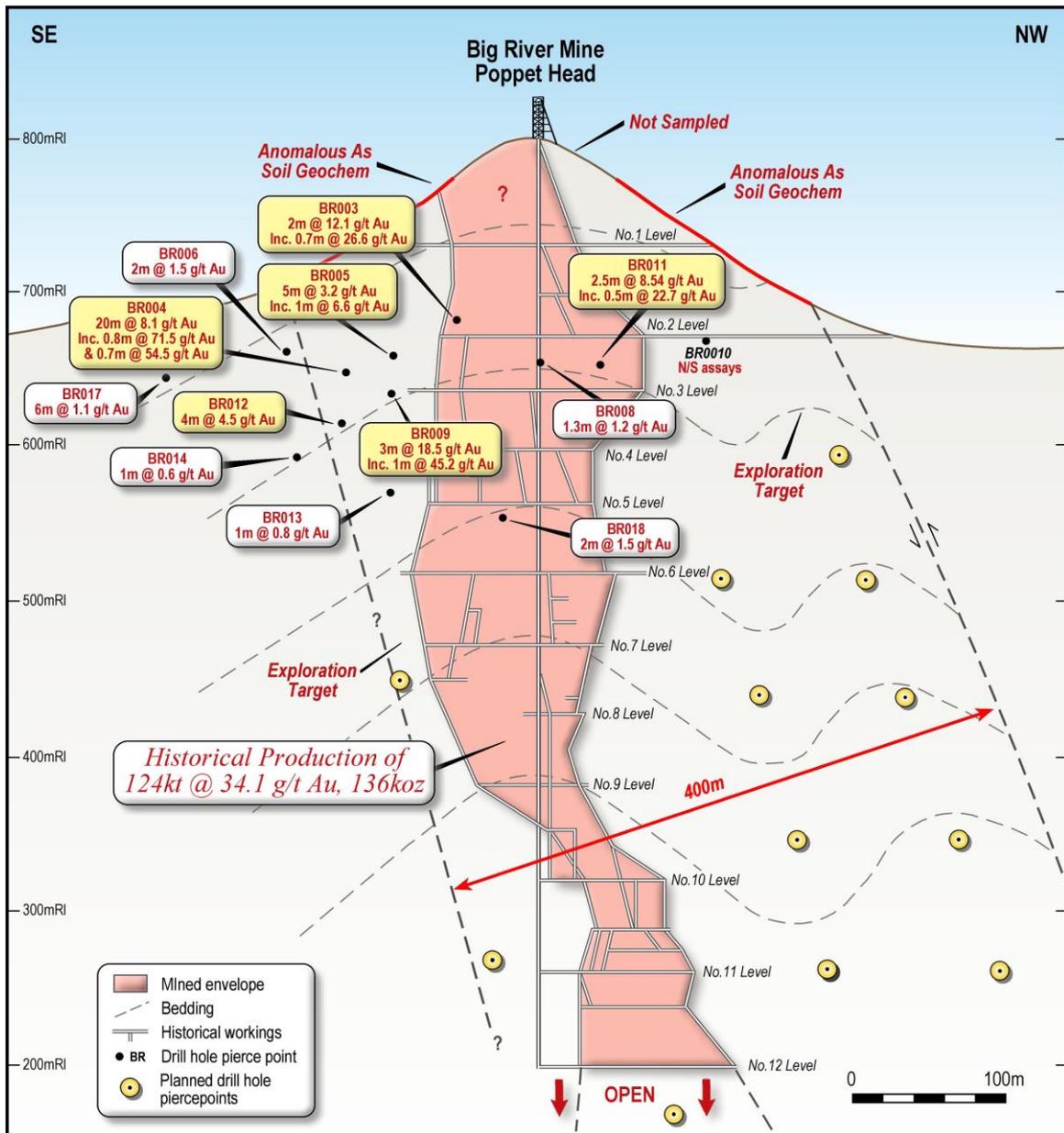


Figure 4. Long sectional view of Big River Gold Project

e. Reefton South Gold Project

The Reefton South Gold Project (Reefton South) covers early ordovician Greenland Group rocks to the west of the Globe-Progress Mine and buried Greenland Group rocks to the south of the historical Blackwater Mine. The Greenland Group rocks are interpreted to extend south of Blackwater, beneath a veneer of glacial moraine and have only been lightly explored for hard rock gold deposits. The area contains two historical mines (the Golden Point and Morning Star mines) which are situated northwest of the Globe-Progress Mine. Reefton South also contains the Auld Creek Prospect, which is located approximately 1.5 km north of the Globe-Progress Mine and contains the Bonanza and Fraternal lodes. Reefton South area also possesses a significant history of alluvial mining of river gravels. Condamine plans to explore under the glacial cover along the structural corridor that contains the main historical mines and the recent Globe Progress open pit, targeting new high-grade gold discoveries south of OceanaGold’s Blackwater deposit.

## Directors' report

### f. LYELL GOLD PROJECT

The Lyell Gold Project (Lyell) is a granted exploration permit that covers the northern extension of the Greenland Group rocks that contain the Reefton gold mines 40kms north of the Globe-Progress plant. In the Lyell gold field, quartz veins were traced from the initial discovery of rich alluvial ground in Lyell Creek in 1862 where at least 10,000oz gold were mined during the first gold rush with the biggest nugget weighing 90 ounces apparently reported from Irishman's Creek. Numerous vein occurrences were identified over the field with the same styles of mineralisation found at Reefton. Total hard rock gold production is estimated at 91,350oz at an average grade of 18.4g/t Au (2010 Annual Technical Report for Lyell Auzex Resources 2010).

The most significant mine was the Alpine United Mine that worked profitably between 1874 and 1897 and mined to a depth of 550m. The vein is reported as being up to 15m in width, with two 45 north plunging ore shoots worked along a maximum strike length of about 120m. Total production from the Alpine is estimated at 80,514oz gold at a grade of 16.8g/t gold (2010 Annual Technical Report for Lyell Auzex Resources 2010). There has been no drilling near the historic mines. Auzex drilled six diamond holes in a geochemical anomaly north of the mined area but did not intersect any significant gold (Annual Exploration report Lyell EP 40732, Auzex Resources Ltd, 2012).

Mine	Quartz crushed (t)	Gold produced (oz)	Grade (g/t)
Alpine United	149,024	80,514	17
Lyell Creek	135	450	104
Break of Day	2,180	4,598	66
Croesus	2,773	1,897	21
Tyrconnell	201	1,672	259
United Italy	513	2,219	69
Total	154,826	91,350	18.4

**Table 1. Lyell historical producing mines**

### 5.3. Financial Review

#### a. Operating results

For the year ended 31 December 2018 the Group delivered a loss before tax of \$984,727 (2017: 280,106 loss).

#### b. Financial position

The net assets of the Group have decreased from 31 December 2017 to a net asset deficiency of \$(193,981) at 31 December 2018 (2017: \$54,119 net asset position).

As at 31 December 2018, the Group's cash and cash equivalents decreased from 31 December 2017 to \$46,518 (2017: \$92,632) and it had a working capital deficit position of \$193,981 (2017: \$54,119 working capital).

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of \$984,727 (2017: \$280,106) and a net operating cash out-flow of \$319,316 (2017: \$241,593).

Subsequent to 31 December 2018 the Group raised an additional \$250,000 in equity funding (refer Note 16 Events subsequent to reporting date).

The directors are satisfied that the going concern basis of preparation is appropriate based upon the Group's history of raising capital to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

## Directors' report

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish 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 to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

### 5.4. Events Subsequent to Reporting Date

Subsequent to the reporting date, an application has been made by a shareholder to the Federal Court of Australia under section 247A of the Corporations Act 2001 (Cth) and the general law for orders for inspection of certain books of the Company. To date Condamine has voluntarily provided access to an agreed (limited) scope of books subject to express confidentiality orders and without any concession as to this party's entitlement to inspect the documents sought, and continues to work with this party to come to a resolution as soon as possible, and reserves all its rights and costs related to the matter.

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at Note 16 Events subsequent to reporting date.

### 5.5. Future Developments, Prospects and Business Strategies

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

### 5.6. Environmental Regulations

The Group's operations are not currently subject to any other significant environmental regulations in the jurisdictions it operates in, namely Australia and New Zealand.

## 6. Information relating to the directors

- |   |   |
|---|---|
| <p>■ <b>Don Harper</b></p> <p>Qualifications</p> <p>Experience</p>            | <p><input type="checkbox"/> Non-Executive Technical Director (Managing Director until 14 May 2019)</p> <p><input type="checkbox"/> BEng (Mining Engineering) A.W.A.S.M.; Fellow AusIMM</p> <p><input type="checkbox"/> Mr Harper is a mining engineer with over 25 years' of corporate experience in the minerals industry, specialising in taking exploration projects into production, along with the associated financing, business development, and general corporate activities. Mr Harper has extensive experience with the development and operation of both underground and open pit mines in Australia and abroad. Having acted in the roles of Managing Director, Chief Operating Officer, Mine Manager, and Senior Mining Consultant for various ASX-listed mining companies. He has been involved with the following projects; Tembang Gold-Silver Project, Central Tanami Project, Radio Hill Nickel/Copper Mine, Norseman and Cracow Gold Project. Don is a holder of a Western Australian First Class Mine Managers Certificate of Competency and is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM).</p> |
| <p>■ <b>Anna Nahajski-Staples</b></p> <p>Qualifications</p> <p>Experience</p> | <p><input type="checkbox"/> (Interim) Executive Director (Non-executive Director until 14 May 2019)</p> <p><input type="checkbox"/> BA Bus F Fin ACIS GAICD</p> <p><input type="checkbox"/> Ms Nahajski-Staples is a corporate finance professional with 25 years' experience in global capital markets. After working as an investment banker in the US, Ms Nahajski-Staples relocated to Australia and has spent the past 15 years working with numerous listed mining companies in North America, Australia and Europe. She has previously worked as Company Secretary for ASX-listed resource companies and in 2011, Ms Nahajski-Staples obtained an Australian Financial Services Licence (AFS) to establish corporate advisory firm, Paloma Investments.</p> <p>Ms Nahajski-Staples holds a Bachelor of Arts degree in Business Administration from the University of Washington, has studied accounting at Harvard University, is a Fellow of Finsia, and a graduate member of the Australian Institute of Company Directors (AICD).</p>   |
| <p>■ <b>Paul Angus</b></p> <p>Qualifications</p>                              | <p><input type="checkbox"/> Non-Executive Director (Appointed 18 May 2018)</p> <p><input type="checkbox"/> Paul Angus has over 30 years' experience in mining and exploration in New Zealand. He joined OceanaGold in 1990 and served numerous management roles within OceanaGold including Exploration, Mining and Development Manager between 1996 and 2005. During that time his team discovered more than 2Moz of gold at Macraes and Reefton, and was responsible for the mining planning at Macraes and the Frasers Underground and the Reefton Goldfield feasibility studies.</p>  |

## Directors' report

Experience  Paul has been consulting on various exploration and mining projects for the last 13 years including Project Manager for MOD Resources Limited at the Sams Creek Project since 2011.

### ■ David Sproule

Qualifications  BEng (Met), AusIMM

Experience  Mr Sproule is a Metallurgical Engineer with over 30 years' experience in the resources industry specialising in the identification, assessment, acquisition, low capital development and efficient operation of precious and base metals project within Australia. Over 25 years, he managed his private company, Polymetals, which developed and operated many mining projects, consistently generating significant shareholder returns. Polymetals listed on ASX in 2011 with Mr Sproule remaining as Chairman and majority shareholder until the company was merged with Southern Cross Goldfields in 2014

## 7. Meetings of directors and committees

During the financial year three meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year are stated in the following table.

	DIRECTORS' MEETINGS		REMUNERATION AND NOMINATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
David Sproule	3	3	At the date of this report, the Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.					
Don Harper	3	3						
Anna Nahajski-Staples	3	3						
Paul Angus	3	3						

## 8. Indemnifying officers or auditor

### 8.1. Indemnification

Condamine Resources Limited has agreed to indemnify all the directors of the Group for any liabilities to another person (other than the Group or related body corporate) that may arise from their position as directors of the Group and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

### 8.2. Insurance premiums

During the financial year Condamine Resources Limited has paid a premium of \$Nil (2017: \$Nil) in respect of a contract to insure the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001.

## 9. Options

### 9.1. Unissued shares under option

At the date of this report, the unissued ordinary shares of the Company under option (listed and unlisted) are as follows:

Grant Date	Date of Expiry	Exercise Price \$	Number under Option
23 May 2018	30 Sep 2021	0.25	2,783,334
24 Jul 2018	30 Sep 2021	0.25	333,333
24 Dec 2018	15 Jan 2023	0.25	5,000,000
10 Jan 2019	11 Jan 2022	0.25	2,640,166
			<u>10,756,833</u>

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

## Directors' report

### 9.2. Shares issued on exercise of options

None.

### 10. Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

### 11. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 31 December 2018 has been received and can be found on page 37 of the annual report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).



**ANNA NAHAJSKI-STAPLES**

(Interim) Executive Director

Dated this Wednesday, 29 May 2019

### Competent Persons Statement

*The information contained in this report relating to exploration results relates to information compiled or reviewed by Mr Paul Angus. Mr Angus is a member of the Australasian Institute of Mining and Metallurgy, and is a consultant to Condamine and fairly represents this information. Mr Angus has sufficient experience of relevance to the styles of mineralisation and the types of deposit under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 edition of the JORC "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Angus consents to the inclusion in the report of the matters based on information in the form and context in which it appears.*

## JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>• <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li>• <i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<p>CRAE Exploration Limited (CRAE), Oceana Gold Limited (OGL), Kent Exploration NZ Ltd (Kent) and Golden Fern Resources Ltd (GFR) utilised various sampling techniques across their respective projects. Some information relating to sampling techniques is unknown as this information was not supplied by Condamine or located by Golder Associates (NZ) Ltd. (GANZL) during open file information searches. The following information has been located:</p> <ul style="list-style-type: none"> <li>• CRAE collected Big River Project (BRP), Alexander River Project (ARP) and Auld Creek Prospect (ACP) soil samples using hand augers to test the 'C' Horizon.</li> <li>• CRAE soil sampled the 'A' Horizon along the ridges and traverses at the ACP.</li> <li>• CRAE trenches and traverses at the BRP were generally sampled in 1 m continuous intervals.</li> <li>• CRAE collected a series of -80# (190 micron [µm]) stream sediment and pan concentrates samples on an approximate density of one sample per square km (km<sup>2</sup>)</li> <li>• Lime and Marble Limited (L&amp;M) carried out stream sediment sampling, soil sampling and outcrop cleaning and trenching at Auld Creek Prospect (ACP).</li> <li>• OGL channelled sampled along 5 metre (m) lengths in the historical workings at the ARP. Spot 1 m samples were taken where anomalous 5 m results were encountered.</li> <li>• OGL re-sampled CRAE trenches at the ACP and ARP on 1 m sample lengths.</li> <li>• OGL soil samples were collect by Wacker drilling or by auger at both the BRP and ACP.</li> <li>• OGL undertook stream sediment sampling using a 12-mesh and 4-mesh sieve.</li> <li>• Kent rock chip and trench samples were &gt;2 kilograms (kg) in weight.</li> <li>• Kent stream sediment sampling and pan concentrates were collected by wet sieving material to 80 mesh.</li> <li>• GRF did not report soil and stream sediment sampling methodologies utilised at the Reefton South Prospect (RSP).</li> <li>• Rock chip sampling undertaken by CRAE, OGL, GFR and Kent was from outcrop, float and mullock dumps.</li> <li>• OGL ARP underground diamond (DC) drill cores were cut and assayed for Au, As and Sb. The sections of core that were not cut, were ground at 2 m intervals and assayed for Au and As. The four-hole drillhole drill program from the surface in 1996 did not report any details on sampling and analysis.</li> <li>• OGL BRP and ACP drill core was sampled on 1 m lengths. The half-cut diamond drill core samples were then dispatched for analysis. Strongly mineralised zones were often sampled based on geological contacts rather than by metre.</li> </ul>

Criteria	JORC Code Explanation	Commentary
		<ul style="list-style-type: none"> <li>• OGL also completed 2-5 m grinds of the non-mineralised host rock. If any anomalous gold results were returned, that 2-5 m section was re-sampled as core cut on 1 m lengths.</li> <li>• Kent ARP Core was cut in half; the sample half being analysed while the other half was placed in the core boxes and archived. There was a sampling chain of custody recorded on paper and in a spreadsheet. Sample lengths for KAX001 to KAX004 were continuous 1 m lengths. From KAX005 onwards the core was sampled according to geological sections ranging from 0.5 to 1.5 m lengths. Full core was sampled from KAX001 to KAX005, whilst the later drillholes were sampled based on sample prospectiveness.</li> <li>• Downhole geophysical logging was not undertaken by any of the Exploration companies.</li> <li>• Various multi-element analyses were also undertaken from the projects with Au, As and Sb being the primary elements assayed.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>• <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<p>A large quantity of information relating to drilling techniques is unknown as this information was not supplied by Condamine or located by GANZL during open file information searches. The following is what has been located:</p> <ul style="list-style-type: none"> <li>• All drilling conducted across the various projects has been diamond core (DC).</li> <li>• For the BRP, OGL did not report drilling diameters for their drilling programs, however, PQ (85 mm core diameter), HQ (63.5 mm core diameter) and NQ (47.6 mm core diameter) drill hole sizes were noted in drill logs.</li> <li>• Recent OGL (&gt;2005) drilling programs generally collared with PQ then reduced to HQ when ground conditions improved and only reduced to NQ if difficulties were encountered.</li> <li>• All drilling DC that was completed by helicopter supported drill rigs except OGL drilled three DC holes using an underground drill rig at ARP using HQ triple tube.</li> <li>• OGL orientated all core drilled at Big River using a Reflex ATC II RD orientation tool, and downhole surveys were taken every 30 m or at the geologist’s discretion. BRS001 had an incorrect downhole survey tool which was replaced.</li> <li>• OGL drilling at the ACP in 1996 experienced difficulties in recovering orientated core using the Ezimark core system due to tool malfunction and operator error.</li> <li>• OGL used triple tube drilling equipment during their ACP drilling programs.</li> <li>• OGL drilled multiple drill holes from single drill pads at both the BRP and ACP.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to</i></li> </ul>	<ul style="list-style-type: none"> <li>• DC sample recovery for OGL (both BRP and ACP) drilling was recorded by measuring the length of recovered core and comparing this with the drilled interval.</li> <li>• OGL did not report core recovery in the open source datasets.</li> <li>• Kent recorded core recovery in their drill logs by drill runs. Kent had substantial core loss occurring between 105 and 140 m in drill hole KAX008.</li> <li>• No recovery data has been found so far for OGL ARP drilling.</li> </ul>

Criteria	JORC Code Explanation	Commentary
	<i>preferential loss/gain of fine/coarse material.</i>	<ul style="list-style-type: none"> <li>The mean core recovery info and analysis has not been reported and no analysis has been completed by GANZL to date.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<p>In depth examination into OGL and Kent logging procedures is yet to be undertaken, however, GANZLs initial findings are:</p> <ul style="list-style-type: none"> <li>All OGL DC drill holes completed at the BRP and ACP were logged for lithology, weathering, bedding, structure, alteration, mineralisation and colour using a standard set of in-house logging codes. The logging method used was quantitative.</li> <li>OGL logged using a standard Microsoft Excel logging spreadsheet template, which were then imported into their Reefion acQuire™ database.</li> <li>All OGL core trays were photographed prior to core being sampled.</li> <li>OGL core from ARP was logged using a HUSKY Hunter datalogger. No logging data from these programs have been examined yet.</li> <li>Kent core was measured, converted from feet into metres, logged collecting lithology, colour, grain-size and mineralogy. Structural and alteration logging was also completed. Close-up and microscope photos of the core were taken then it was marked up for sampling. The core was photographed.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p>OGL and Kent used various sub-sampling techniques and QAQC for their projects. Some information relating to sample techniques is unknown as this information was not found to date or included in the Condamine data package or in open source databases. The following is what has been found:</p> <ul style="list-style-type: none"> <li>CRAE soils and trench samples at the Big River Project (BRP) were grounded, dried and assayed for Au by fire assay with As and Sb by AAS.</li> <li>CRAE sent their soil samples collected at the ACP to ISL, Richmond New Zealand where 100 to 300 gram (g) samples were dried, and rig milled to a nominal -200 mesh. A 30 g spilt was then assayed for Au, Cu, Pb, Zn and As by flame AAS. Soil samples collected late in the program were despatched to Analabs, Auckland. A 30 g spilt was assayed for Au by fire assay with a carbon rod finish and As was determined by normal AAS.</li> <li>Rock chip samples collected by OGL in 1995 at the BRP were analysed by Australian Laboratory Services (ALS) in Mt Maunganui for Au by fire assay and AAS finish, As, Ag, Cd, Cu, Bu, Mo, Sb, Pb, Zn, Ba, Ca, Co, Fe and Mn by ICP-OES. Cr, Ni, Sn, V and W analysis was conducted by ICP-MS.</li> <li>OGL ARP adit channel samples taken in 1993 were dried at 70°C for 12 hours, then crushed to 10 mm, then dispatched for analysis.</li> <li>OGL ARP DC samples were dried at 70°C for 12 hours, then crushed to 10 mm, then sent for analysis. Au analysis was on 50 g charge for fire assay.</li> <li>OGL ARP adit channel and underground drill core samples assayed for Au, As and Sb. The analysis was carried out by Graysons Associates at Macraes Flat Laboratory. Au analysis was on 50 g charge for fire assay.</li> <li>OGL surface samples collected from the BRP and ACP (wacker, soil and rock chip) were assayed by ALS Brisbane and SGS Waihi.</li> <li>OGL BRP and ACP half cut core samples were analysed for Au, As and Sb. Samples were dried at 105 degrees,</li> </ul>

Criteria	JORC Code Explanation	Commentary
		<p>coarse crushed to a nominal 6 mm, rotary split and then pulverized in Cr steel grinding head to 75 µm.</p> <ul style="list-style-type: none"> <li>• OGL - One 50 g pulp split was sent to SGS Reefion and analysed for gold by fire assay. A second 50 g sub-sample was retained and used to make pressed powder pellets for X-ray fluorescence (XRF) spectrometry analyses for As and Sb.</li> <li>• OGL used separate prep lab at Westport for sample preparation.</li> <li>• Kent DC samples were dried, crushed, split (if required), crushed to 75% passing 2mm, split to 250g and pulverised to &gt;85% passing 75 µm.</li> <li>• Kent Au was analysis by 50 g fire assay and AAS.</li> <li>• GFR soil samples were air dried and submitted along with rock chip samples to the Amdel laboratory at OGLs mining operation at Macraes Flat, NZ for gold analysis using the NZFA2 method, by fire assay and solvent extraction.</li> <li>• GFR had Amdel prepare and freight a split from each sample to the Ultra Trace laboratory in Perth, Western Australia for multi-element analysis.</li> </ul>
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No Quality Assurance and Quality Control (QAQC) protocols, lab documentation or results relating to CRAE exploration programs have been located by GANZL.</li> <li>• For field programs conducted between 2007 and 2014, OGL included at least two certified standards, one blank and one low detection standard for each wacker sample submission. OGL BRP drill programs, 2 coarse blanks, at least 3 certified standards and three laboratory duplicates were submitted or requested. At the ACP, OGL submitted at least two certified standards, one to two blanks and requested lab duplicates.</li> <li>• Tabled QAQC analysis of standards and blanks for OGL and Kent exploration has been reported at BRP and ARP but no analysis or comment on the results.</li> <li>• OGL used a case by case basis to determine outcome from failed standards, that is, standards that fell outside two standard deviations of the certified standard value.</li> <li>• The assay technique detailed for CRAE soils and trench samples at the BRP were grounded, dried and assayed by Analabs Auckland for Au by fire assay with As and Sb by AAS.</li> <li>• Rock chip sampling by OGL in 1995 at the BRP were analysed with Au by Fire Assay and AAS finish, As, Ag, Cd, Cu, Bu, Mo, Sb, Pb, Zn, Ba, Ca, Co, Fe and Mn by ICP-OES. Cr, Ni, Sn, V and W was by ICP-MS.</li> <li>• OGL Rock chip samples from 2010 to 2013 were analysed for Au, Sb, As, Ag, Bi, Mo, Te, and W.</li> <li>• All OGL wacker samples were assayed for Au, As and Sb. As and Sb being the pathfinder elements.</li> <li>• All OGL BRP and ACP samples were tested for Au and the majority were also tested for As and Sb. Selected samples and/or drill holes were analysed by ICP for an additional 33 elements.</li> <li>• OGL ARP Analysis for As and Sb was by AAS with wet digest for As and low temperature digest for Sb. The lower detection limit for As was 0.01% and 5 ppm for Sb.</li> <li>• OGL BRP CDC samples were tested for Au, As and Sb.</li> </ul>

Criteria	JORC Code Explanation	Commentary
		<ul style="list-style-type: none"> <li>No QAQC protocols, documentation or results relating to the first OGL exploration programs at ARP have been located by GANZL.</li> <li>OGL ARP adit channel and underground drill core samples assayed for Au, As and Sb. Analysis for As and Sb was by AAS with wet digest for As and low temperature. The lower detection limit for As was 0.01% and 5 ppm for Sb.</li> <li>Kent trench sampling and rock chip sampling included 1 duplicate and 1 blank for every 20 samples.</li> <li>Kent submitted a total of 10 blanks and 36 standards during their drilling program Kent did not comment on any QAQC analysis or the behaviour or results of their QAQC.</li> <li>The four-hole OGL drillhole drill program from the surface in 1996 did not report any details on sampling and analysis.</li> <li>Rock chip sampling by OGL in 1995 at the BRP were analysed by ALS in Mt Maunganui with Au by Fire Assay and AAS finish, As, Ag, Cd, Cu, Bu, Mo, Sb, Pb, Zn, Ba, Ca, Co, Fe and Mn by ICP-OES. Cr, Ni, Sn, V and W was by ICP-MS.</li> <li>Most field samples for the OGL 2010 to 2012 programs were assayed by ALS Brisbane. All wacker samples were assayed for Au, As and Sb. As and Sb being the pathfinder elements. Rock chip samples were analysed for Au, Sb, As, Ag, Bi, Mo, Te, and W.</li> <li>GFR samples were tested for multi-element analysis for Ag, As, Bi, Cu, Hg, Mo, Pd, Pb, Pt, Sb, Sn, Te, W, Zn and Au by fire assay.</li> <li>GFR submitted an unknown number of limestone blanks with rock chip samples. A total of five repeat analyses of soil samples were completed.</li> </ul>
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>All laboratory assay results were received by OGL and Kent and stored in both CSV and laboratory signed PDF lab certificates.</li> <li>No drill holes have been twinned yet.</li> <li>All historical exploration data has been compiled to MapInfo GIS format by both OGL and Kent.</li> <li>For the RSP, GFR compiled relevant data into a digital database and constructed a MapInfo™ project.</li> <li>OGL drilling and assay data was imported into the Reefton Project acQuire™ database directly from laboratory reports or logging templates.</li> <li>Kent and OGL both reported to find that the CRAE results from trenching at ARP to be repeatable except for very high grade where the nugget effect may be influencing the repeatability.</li> <li>Kent reported full logging and sample storage protocols to NZP&amp;M.</li> <li>It is recommended that the data is collected and put on a secure commercial database with inbuilt validation protocols in the future.</li> </ul>
<p>Location of data points</p>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> </ul>	<ul style="list-style-type: none"> <li>CRAE created and used a local grid, where drill hole collars were surveyed from control points using this grid.</li> <li>OGL used both local grid and handheld Global Positioning System (GPS) utilising New Zealand Map Grid</li> </ul>

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<p>(NZMG) datum during their programs and compasses to survey trenches. The drillholes at the BRP were surveyed by Chris J Cole Surveying Ltd (CJCS) or by handheld GPS.</p> <ul style="list-style-type: none"> <li>• Kent used CRAE local grid, NZMG and New Zealand Transverse Mercator 2000 (NZTM) datum. Kent did not disclose their survey technique.</li> <li>• GFR used CRAE local grid and NZMG. GFR did not disclose the survey technique utilised.</li> <li>• All drill collars were surveyed for easting, northing and elevation in all tenements over all exploration programs.</li> <li>• It is recommended that NZTM be the survey datum for all future work across both projects as it is the preferred survey.</li> <li>• Down-hole surveys were taken at 50 m intervals during OGL drilling at the ACP in 2007.</li> <li>• On the OGL BRP and ACP drilling projects down-hole surveys were taken every 30 m or at the geologist’s discretion. BRS001 had an incorrect downhole survey tool which was replaced.</li> <li>• Kent downhole survey were taken from approximately 10-20 m intervals</li> <li>• It is recommended that all drill hole collars be resurveyed before more exploration targets are finalised.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Due to the relatively small number of drill holes completed across the three projects, no JORC Mineral Resource or Ore Reserve estimates have been reported.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• At the ARP, OGL drill holes were targeted down-plunge of the Bruno lode to test the down-plunge extent of the Bull shoot.</li> <li>• At the BRP and ACP, OGL drill holes were exploratory in nature.</li> <li>• At the ACP, many drill holes were drilled obliquely, down the steeply-dipping Fraternal Shear since multiple drill holes were drilled from a single drill pad. Some intercepts were made at high angles to the mineralisation, hence, intercept or apparent thickness is greater than true thickness.</li> <li>• At the ARP, Kent based drill holes targets on information gained from trench, soil and IP anomalies, with the aim of testing for lode extensions, however, no drill holes intercepted main mineralisation zones delineated by historical workings and previous exploration.</li> <li>• No sampling bias has been reported by CRAE, OGL and Kent.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Kent Core samples taken for the purposes of laboratory analysis were securely packaged on site and transported to the relevant laboratories by courier with “chain of custody” documentation.</li> <li>• OGL did not report their measures taken to ensure sample security.</li> </ul>

Criteria	JORC Code Explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No evidence of an independent review of sampling techniques and data has been located by GANZL.</li> </ul>

**Section 2 Reporting of Exploration Results**

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>EP 60448 (BRP) is 4,847.114 hectares (ha) in area, was granted on 20 June 2018, expires on 19 June 2023, is a Tier 2 permit and the minerals sought are gold and silver only.</li> <li>EP 60446 (ARP) is 1,657.459 ha in area, was granted on 10 May 2018, expires on 9 May 2023, is a Tier 2 permit and the minerals sought are gold and silver only.</li> <li>PP 60465 (RSP) is 333.6 square kms and was granted on the 14<sup>th</sup> August. The PP covers the areas west of the Globe Progress Mine and to the south of the Blackwater Mine. The PP also contains the Auld Creek Prospect (ACP), which is located approximately 1.5 km north of the Globe Progress Mine and is separated from the greater RSP area. The proposed duration is 2 years and the minerals sought are aluminium, antimony, bismuth, copper, gold, ilmenite, iron, ironsand, lead, magnesium, magnetite, manganese, molybdenum, nickel, platinum group metals, rare earth elements, rutile, silver, tantalum, tin, titanium, tungsten, vanadium and zinc. The PP will be a Tier 1 permit.</li> <li>The granting of an EP/PP does not automatically award the right of access to the land, subject to the permit. Land access must be arranged with the owner and occupier of the land prior to the commencement of any exploration activities for minerals on or below the surface other than minimum impact activities as defined in the New Zealand Crown Minerals Act 1991.</li> <li>The entirety of both the BRP and ARP are situated over land administered by the DoC.</li> <li>The BRP, ARP and RSP are under the jurisdiction of West Coast Regional Council (WCRC). Condamine was informed by both the BDC and WCRC that resource consents are not required for exploration activities within EP 60448, EP 60446 or PP 60465, as exploration activities are considered permitted activities by both organisations.</li> <li>The Crown Minerals Regulations 2013 set out rates and provisions for the payment of royalties on mineral production. These regulations also set out royalty statement and royalty return requirements for all minerals permit holders required to pay royalties.</li> <li>The Crown royalty would be applicable to PP 60465 for any gold or silver production once the PP is converted to a EP and subsequently to a MP.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p><b>BRP</b></p> <ul style="list-style-type: none"> <li>Stream sediment sampling and field sampling was completed by CRAE over the major stream tributaries during a light impact and reconnaissance program in the late 1980s, with the last work completed in 1989.</li> </ul>

Criteria	JORC Code Explanation	Commentary
		<ul style="list-style-type: none"> <li>• CRAE also completed mapping and trenching along road outcrops and stream beds, completing and sampling a total of 11 trenches. Several soil sampling traverses were completed with samples taken at 25 m intervals over lines approximately 200 m in length. CRAE concluded that their surface investigations made it difficult to fully assess the exploration potential of the BRP and further intensive exploration was warranted due to the substantial historical production of high-grade ore from the Big River Mine.</li> <li>• In 2005, OGL compiled all historical exploration data and information into Geographic Information System (GIS) format.</li> <li>• During 2010/2011 OGL commenced an extensive field mapping and geochemical sampling program in the BRP area. OGL started by completing analysis of existing data and mapping, which targeted areas for further investigation. OGL collected a total of 477 wacker samples on several different patterns at BRP, southeast of Big River Mine and Big River South. Field mapping was completed, with a total of 385 structural measurements taken. A total of 115 samples of rock chip, mullock and float were taken and analysed. Two trenches were sampled at Big River.</li> <li>• OGL followed this program up between 2011 and 2013, with two drilling programs and geochemical wacker sampling. A total of 533 wacker samples were collected in a wider area surrounding the Big River Mine.</li> <li>• A total of 19 drillholes for 4,106 m were drilled proximal to the Big River Mine underground workings. Drilling defined a moderately northeast dipping structure of variable mineralisation abundance with a strike length of at least 260 m and an unknown depth. Drilling identified the two common styles of mineralisation, these being free gold hosted in grey-white quartz and gold associated with disseminated fine-grained sulphides. Big River Mine is interpreted to be hosted in the sheared-out hinge of an anticline.</li> <li>• A total of seven drillholes were completed at Big River South and St George for a total of 926 m, with the same styles of mineralisation encountered at Big River being intersected. Four drillholes targeted Big River South and three drillholes targeted St George. Drilling found that the mineralisation was hosted in the northeast dipping anticline hinges.</li> </ul> <p><b><u>ARP</u></b></p> <ul style="list-style-type: none"> <li>• CRAE concentrated on low impact exploration around the historical workings and their immediate extensions for two years from 1986. Work completed by CRAE included:             <ul style="list-style-type: none"> <li>○ 80 mesh (190 µm) stream sediment sampling on an approximate density of one sample per square kilometre</li> <li>○ Rock chip sampling</li> <li>○ 730 hand auger soil samples of 'C' horizon along a 100 m by 12.5 m grid over the historical workings</li> <li>○ Cleaning out and re-sampling of old trenches</li> <li>○ A trial magnetic survey to define the deposition of the dolerite outcrop</li> <li>○ Geological mapping over the soil sampling grid as well as stream traverses.</li> </ul> </li> <li>• CRAE's work delineated an encouraging auriferous halo of sulphide hosted mineralisation around the early mined quartz reefs. Trenches confirmed the surface distribution of the historical lode structure and returned</li> </ul>

Criteria	JORC Code Explanation	Commentary
		<p>maximum values of 7.8 m at 14.4 g/t Au (Trench A), 9 m at 5.2 g/t Au (Trench G), 5 m at 8.2 g/t Au (Trench K) and 12 m at 5.0 g/t Au (Trench M).</p> <ul style="list-style-type: none"> <li>• OGL compiled all CRAE data and converted it from hardcopy to digital format.</li> <li>• OGL refurbished the No. 6 level in the McVicar workings in 1993, where they mapped and sampled the mineralisation at depth. Channel sampling did not intercept any significant results, however three channel samples taken up-dip from drillhole A6_3 returned Au grades of 7.78 g/t, 2.64 g/t and 7.46 g/t. OGL also completed 328 m of underground diamond drilling, drilling a total of three drillholes. No significant results were intercepted in the first two drillholes (A6_1 and A6_2), however, the last drillhole (A6_3) intercepted a 9 m zone grading 3.85 g/t Au from 130 to 139 m down hole.</li> <li>• In mid-1996, OGL completed four more drillholes totalling 153.4 m from the surface (AX4 to AX6), targeting down-plunge of the Bruno Lode and one drillhole (AX7) to test the down-plunge extent of the Bull shoot. No economic mineralisation was intercepted in AX7, whilst the three drillholes into the Bruno Lode intercepted gold mineralisation.</li> <li>• OGL also sampled, mapped and re-trenched along the historical workings in 1996. Summarised findings are as follows: <ul style="list-style-type: none"> <li>○ Bull – Two historical trenches were resampled; however, no significant gold mineralisation was encountered. Mapping of the Bull No.1 level discovered complex geology, faulting and no significant gold results</li> <li>○ Firmiston block – Mapping and channel sampling collected around the portal failed to duplicate CRAE results in Trench C, however, within the adit, the gold content in the footwall and hanging wall metasediments appeared significant. A pug sample returned 4.04 g/t Au</li> <li>○ McVicar sampling at No. 1 level of metasediments, pug and laminated quartz only returning sub-economic gold values</li> <li>○ Bruno block – Re-sampling of high-grade parts of the CRAE trenches with similar results. A 3 m section at No 1. Level of Bruno reef exposed quartz blocks sitting in mineralised fault gouge. This section indicated a grade of 19 g/t Au over the 3 m. This supported other mapping and sampling of the Bruno reef, where the high grade was located within the mineralised host rock and fault gouge</li> <li>○ Above McKay adit, a thin northeast dipping quartz vein returned crops out over a strike length of 4.5 m. Samples taken from this vein by CRAE returned gold values of 57.5 g/t Au and 80.1 g/t Au. Re-sampling of this outcrop by OGL also returned 8.95 g/t Au, while repeat analyses of the original pulp returned 72 g/t Au and 64 g/t Au. The adjacent mineralised wall rocks were also sampled and assayed and returned 4.4 g/t Au decreasing to 0.01 g/t Au outside of the sulphide rich zone</li> <li>○ Loftus block sampling occurred in No. 1 level, where a 0.5 m quartz vein returned 10.9 g/t Au. Faulting in the adit appeared to dislocate the quartz reef.</li> </ul> </li> <li>• OGL concluded that gold mineralisation was present over a 1.2 km distance and that gold was hosted by a complex of structurally controlled quartz reefs, mineralised host rock and fault gouge. The latter sometimes contained higher gold grades than the adjacent quartz lodes. Drilling indicated that the shoots may be thin at depth. OGL concluded that the work completed did not upgrade the resource potential of the area, however,</li> </ul>

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		<p>they listed several recommendations for further work.</p> <ul style="list-style-type: none"> <li>• OGL took out another EP after the 1996 program but surrendered the tenement in 2008 after completing only desktop studies and limited geological mapping since 1996.</li> <li>• Kent was granted a Prospecting Permit (PP) in 2009. Kent undertook a compilation exercise of historical data, including digitisation and data entry of data from past reports. Digital Elevation Model (DEM), Landsat7 and topographic data was compiled and entered into GIS format. A ground Induced Polarisation (IP) survey was completed.</li> <li>• In their first year, Kent undertook geological mapping and sampling, with 163 trench and adit samples collected as well as 20 rock chip samples. A small stream sediment sampling program was completed with a total of five pan concentrates taken as well as three stream sediment samples from the Snowy Creek area.</li> <li>• During 2010/2011, Kent continued geological mapping and geochemical sampling, with a total of 40 grab samples collected. They also excavated six additional trenches, with 130 trench and rock face samples collected. Most of the trenches and adits sampled by CRAE and Kent returned similar results, with only very high-grade samples showing a high variation in results.</li> <li>• Kent also took a water sample from the water exiting No.6 level and sent it to a commercial laboratory for analysis.</li> <li>• Kent drilled nine diamond drillholes during 2010/2011, based on targeting from trench, soil and IP anomalies, with the aim of testing for lode extensions. Due to both errors in the IP survey and drilling difficulties, four (KAX001, KAX004, KAX006 and KAX007) of the nine drillholes were abandoned at shallow depths.</li> <li>• KAX001(abandoned after 18.6m), KAX002 and KAX003 targeted the assumed steep shear zone beneath the mineralised lode of the Bruno workings. These holes did not intersect any significant mineralization but were drilled at a gap in the surface mineralization. KAX004 (abandoned after 15m) and KAX005 were drilled west targeting both an IP anomaly and gold results returned from trenching. KAX005 returned some mineralisation, with 0.7 m at 3.7 g/t Au between 227 and 232 m and 0.8 m at 2.1 g/t Au between 251 and 254 m. Drillholes KAX006 (20m) and KAX007 (13m) attempted to target the area beneath the Bull workings, however, both were abandoned due to drilling difficulties. KAX08 was collared ~50m to the north of the reef and drilled at -65 degrees sub-parallel to dip of the reef (45-60 degrees) and would not have intersected it. KAX09 was drilled collared on the same pad as KAX008 and drilled behind and parallel to strike so would not have intersected the reef. No significant assays were reported by Kent.</li> <li>• Kent discontinued exploration at the ARP after completion of their 2011 program.</li> </ul> <p><b><u>RSP</u></b></p> <ul style="list-style-type: none"> <li>• The exploration history of the RSP can be split into two main areas, these being the exploration work completed across the greater RSP area undertaken by two main companies, CRAE and Golden Fern Resources Ltd (GFR) and the ACP, which has largely been explored (more intensely) by both CRAE and OGL.</li> <li>• In 1986 CRAE undertook air photo interpretation and limited geochemical reconnaissance in the northern part of the PPA area and in 1988 they undertook an airborne geophysical survey (magnetics and radiometrics)</li> </ul>

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		<p>in the northern half of the PPA area</p> <ul style="list-style-type: none"> <li>• A total of 47 spot rock samples were taken by CRAE in the north eastern corner of the PPA area at approximately 30 m intervals. A further two samples were taken to the north.</li> <li>• A line of 196 soil samples was taken by CRAE near Quigley’s Track at 25 m intervals, of which approximately 130 to 140 samples were taken from within the PPA area.</li> <li>• The CRAE tenements were later sold to OGL with no significant exploration work undertaken until GFR began examining the area in the 2000s.</li> <li>• GFR undertook geological mapping and sampling, with 75 soil samples and 62 rock chip samples collected between 2010 and 2013.</li> <li>• The early CRAE airborne magnetic survey data was also ground-truthed with a Scintrex Magnetometer, with reasonable correlation resulting.</li> <li>• After relinquishing the southern and western areas of their permit, GFR concentrated their resources on mapping and sampling the area around the Morning Star Mine. 65 soil samples trench, 21 rock chip samples and 12 bulk rock sample were collected.</li> <li>• In 2009, FMG Pacific Ltd (FMG) undertook geological mapping in the southeastern of the PPA area as well as in three areas to the west. Rock chip samples were collected for assay (+/- petrographic analysis) where outcrops displayed either pervasive alteration or evidence of sulphide mineralisation, which were in locations outside of the PPA area.</li> </ul> <p><b><u>ACP</u></b></p> <ul style="list-style-type: none"> <li>• Auld Creek was first prospected for gold in the 1880s, with various shafts, adits and cross-cuts completed. In 1970-1971, Lime &amp; Marble Ltd (L&amp;M) evaluated the area for antimony (Riley 1972). CRAE and then OGL have completed the most recent and thorough exploration of Auld Creek</li> <li>• L&amp;M carried out stream sediment sampling and soil sampling on a pattern of 100 feet (ft) by 100 ft (approximately 33 m), outcrop cleaning and excavation of three trenches targeting Sb in 1970 to 1971.</li> <li>• In 1987 CRAE completed a program of soil sampling (155 samples), stream sediment sampling (two samples), rock outcrop sampling (29 samples) as well as geological mapping and float sampling.</li> <li>• CRAE followed-up with grid soil sampling and trenching around the historical workings in 1988. CRAE collected 553 soil samples and excavated and sampled 12 trenches.</li> <li>• During 1996/1997 OGL collected 55 stream sediment samples in Auld Creek and its tributaries. A total of 150 soil samples and 13 rock chip samples were also taken. A total of 105 m of trenching from nine trenches was completed prior to drilling, with 50 trench samples being collected. In total, 173 wacker samples were taken over a nominal 100 x 25 m grid spacing.</li> <li>• A drilling program consisting of three diamond drill holes totalling 324.6 m targeting exploration results in the Bonanza and Fraternal shear zones was completed by OGL in 1996.</li> <li>• OGL completed three diamond drill holes in 2007, which totaled 228.6 m. Drilling was aimed at testing for mineralised extensions of the Globe Progress deposit that were highlighted by soil sampling anomalies.</li> </ul>

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Geology	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• OGL’s 2011 diamond drilling included eight drill holes totalling 892.8 m that targeted the Fraternal lode as well as exploration targets generated by geological mapping, rock chip and wacker sampling.</li> <li>• OGL completed three diamond drill holes for a total of 513.1 m in 2013 at the Fraternal shear zone, following on from the 2011 drill program.</li> <li>• Gold mineralisation in the Reefton Goldfield is structurally controlled; the formation of the different deposit types is interpreted to be due to focussing of the same hydrothermal fluid into different structural settings during a single gold mineralisation event, however, some of the deposits (e.g. Globe-Progress, Big River) appear to have been re-worked, with gold and sulphide mineral remobilisation having occurred during a later phase of brittle deformation.</li> <li>• In general, two end members of mineralisation styles exist, the “Blackwater Style” is comprised of relatively undeformed quartz lodes; whilst the “Globe-Progress Style” comprises highly deformed quartz - pug breccia material with a halo of disseminated sulphide mineralisation.</li> <li>• Three main structural deposit types appear to occur in the Reefton Goldfield. The Globe-Progress deposit occupies a distinct structural setting, where there is a clear break in the continuity and tightness of early folding. This break defines the east-west striking Globe-Progress shear zone. The fault splays off the Oriental-General Gordon shear zone. The geometry of the fault structure has allowed dilation and quartz vein deposition more or less contemporaneously with shearing, hydrothermal alteration and low-grade mineralisation of the wall rocks. The broad disseminated mineralisation that now surrounds the Globe-Progress ore body is thought to have been formed by later movement on fault planes, in the presence of fluids, which led to some mobilisation and recrystallisation of metals and formed the halo of mineralised country rock. The Big River deposit shows similar paragenesis to Globe-Progress, except for the fact that the disseminated sulphide halo is not as extensive.</li> <li>• The second structural deposit type hosts most gold deposits i.e. Big River South, Scotia, Gallant and Crushington, however, these are typically small, narrow, steeply-plunging and consequently generally sub-economic. These deposits have formed in reverse shear zones that are parallel or sub-parallel to cleavage and bedding. The attitude of these deposits has not allowed the formation of significant shear zones, dilatant zones or fluid channel ways and consequently the deposits formed tend to be small. Most mineralised zones occur as small-scale versions of the other two deposit types, formed in small, localised transgressive structural settings that are conducive to those deposit types.</li> <li>• The third deposit type occurs as steeply dipping transgressive dilatant structures, which are typically northeast trending (Blackwater). Gold mineralisation is interpreted to have formed when an earlier, favourably orientated shear zone became a zone of weakness under strike-slip movement. This dextral strike-slip movement created a locus for dilation and fluid channelling caused by periodic fluid pumping and overpressuring during the hydrothermal mineralising event.</li> </ul>

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Drillhole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:                             <ul style="list-style-type: none"> <li>easting and northing of the drillhole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<p>The table below presents historical ARP drilling results:</p> <table border="1"> <thead> <tr> <th>Hole ID</th> <th>Company</th> <th>Azi (°)</th> <th>Dip</th> <th>Total Depth (m)</th> <th>From (m)</th> <th>To (m)</th> <th>Thickness (m)</th> <th>Average Au Grade (ppm)</th> <th>Max Au Grade (ppm)</th> </tr> </thead> <tbody> <tr> <td>AX4<sup>2</sup></td> <td>OGL</td> <td>330</td> <td>-60</td> <td>52.5</td> <td>36.0</td> <td>37.0</td> <td>1.0</td> <td>2.3</td> <td>-</td> </tr> <tr> <td>AX5</td> <td>OGL</td> <td>330</td> <td>-50</td> <td>34.1</td> <td>26.0</td> <td>27.9</td> <td>1.9</td> <td>9.8</td> <td>1.5 m @ 13.4</td> </tr> <tr> <td>AX6</td> <td>OGL</td> <td>165</td> <td>-65</td> <td>37.1</td> <td>13.2</td> <td>14.8</td> <td>1.6</td> <td>2.5</td> <td>-</td> </tr> <tr> <td>A6/3</td> <td>OGL</td> <td>-</td> <td>-</td> <td>-</td> <td>130.0</td> <td>139.0</td> <td>9.0</td> <td>3.9</td> <td>5.4 m @ 5.3</td> </tr> <tr> <td>KAX005</td> <td>Kent</td> <td>272</td> <td>-65</td> <td>274</td> <td>227.7</td> <td>232.2</td> <td>4.5</td> <td>0.9</td> <td>0.7 m @ 3.7</td> </tr> <tr> <td>KAX005</td> <td>Kent</td> <td>272</td> <td>-65</td> <td>274</td> <td>251.3</td> <td>254.3</td> <td>3.0</td> <td>0.9</td> <td>0.8 m @ 2.1</td> </tr> </tbody> </table> <p>The tables below presents historical OGL drilling results from the BRP:</p> <table border="1"> <thead> <tr> <th>Hole ID</th> <th>Project</th> <th>Company</th> <th>Easting (NZTM)</th> <th>Northing (NZTM)</th> <th>Easting (NZMG)</th> <th>Northing (NZMG)</th> <th>RL (m)</th> <th>Dip (deg)</th> <th>Azi (deg)</th> <th>TD (m)</th> <th>Thickness (m)</th> <th>From (m)</th> <th>To (m)</th> <th>Average Grade (Au ppm)</th> </tr> </thead> <tbody> <tr> <td>BR0001</td> <td>BRP</td> <td>OGL</td> <td>-</td> <td>-</td> <td>2,419,560</td> <td>5,884,053</td> <td>743</td> <td>-57</td> <td>160.9</td> <td>199.0</td> <td>3.0</td> <td>36.0</td> <td>39.0</td> <td>2.9</td> </tr> <tr> <td>BR0002</td> <td>BRP</td> <td>OGL</td> <td>-</td> <td>-</td> <td>2,419,712</td> <td>5,884,121</td> <td>787</td> <td>-52</td> <td>207.0</td> <td>188.9</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>BR0003</td> <td>BRP</td> <td>OGL</td> <td>-</td> <td>-</td> <td>2,419,838</td> <td>5,883,996</td> <td>784</td> <td>-61</td> <td>172.5</td> <td>301.0</td> <td>2.0</td> <td>99.0</td> <td>101.0</td> <td>12.1</td> </tr> <tr> <td>BR0004</td> <td>BRP</td> <td>OGL</td> <td>-</td> <td>-</td> <td>2,419,838</td> <td>5,883,996</td> <td>784</td> <td>-55</td> <td>200.5</td> <td>215.0</td> <td>20.0</td> <td>127.0</td> <td>147.0</td> <td>8.1</td> </tr> <tr> <td>BR0005</td> <td>BRP</td> <td>OGL</td> <td>-</td> <td>-</td> <td>2,419,838</td> <td>5,883,996</td> <td>784</td> <td>-59</td> <td>187.0</td> <td>246.0</td> <td>5.0</td> <td>112.1</td> <td>117.1</td> <td>3.2</td> </tr> <tr> <td>BR0006</td> <td>BRP</td> <td>OGL</td> <td>-</td> <td>-</td> <td>2,419,838</td> <td>5,883,996</td> <td>784</td> <td>-55</td> <td>235.2</td> <td>194.0</td> <td>2.4</td> <td>132.7</td> <td>135.1</td> <td>1.5</td> </tr> <tr> <td rowspan="5">BR0007</td> <td rowspan="5">BRP</td> <td rowspan="5">OGL</td> <td rowspan="5">-</td> <td rowspan="5">-</td> <td rowspan="5">2,419,838</td> <td rowspan="5">5,883,996</td> <td rowspan="5">784</td> <td rowspan="5">-70</td> <td rowspan="5">201.0</td> <td rowspan="5">209.0</td> <td>2.0</td> <td>188.0</td> <td>190.0</td> <td>0.8</td> </tr> <tr> <td>1.0</td> <td>193.0</td> <td>194.0</td> <td>1.5</td> </tr> <tr> <td>1.0</td> <td>153.0</td> <td>154.0</td> <td>0.7</td> </tr> <tr> <td>0.9</td> <td>156.1</td> <td>157.0</td> <td>0.9</td> </tr> <tr> <td>1.5</td> <td>169.5</td> <td>171.0</td> <td>1.0</td> </tr> <tr> <td>BR0008</td> <td>BRP</td> <td>OGL</td> <td>-</td> <td>-</td> <td>2,419,828</td> <td>5,884,080</td> <td>773</td> <td>-56</td> <td>175.0</td> <td>245.0</td> <td>1.3</td> <td>119.0</td> <td>120.3</td> <td>1.2</td> </tr> <tr> <td rowspan="2">BR0009</td> <td rowspan="2">BRP</td> <td rowspan="2">OGL</td> <td rowspan="2">-</td> <td rowspan="2">-</td> <td rowspan="2">2,419,838</td> <td rowspan="2">5,883,996</td> <td rowspan="2">784</td> <td rowspan="2">-77</td> <td rowspan="2">180.0</td> <td rowspan="2">250.0</td> <td>3.0</td> <td>147.0</td> <td>150.0</td> <td>18.5</td> </tr> <tr> <td>1.5</td> <td>158.0</td> <td>159.5</td> <td>17.4</td> </tr> <tr> <td rowspan="2">BR0010</td> <td rowspan="2">BRP</td> <td rowspan="2">OGL</td> <td rowspan="2">-</td> <td rowspan="2">-</td> <td rowspan="2">2,419,560</td> <td rowspan="2">5,884,053</td> <td rowspan="2">743</td> <td rowspan="2">-54</td> <td rowspan="2">167.0</td> <td rowspan="2">291.5</td> <td>1.5</td> <td>160.5</td> <td>162.0</td> <td>3.3</td> </tr> <tr> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td rowspan="5">BR0011</td> <td rowspan="5">BRP</td> <td rowspan="5">OGL</td> <td rowspan="5">-</td> <td rowspan="5">-</td> <td rowspan="5">2,419,828</td> <td rowspan="5">5,884,080</td> <td rowspan="5">773</td> <td rowspan="5">-50</td> <td rowspan="5">205.4</td> <td rowspan="5">265.0</td> <td>0.7</td> <td>128.0</td> <td>128.7</td> <td>4.8</td> </tr> <tr> <td>2.5</td> <td>139.0</td> <td>141.5</td> <td>8.5</td> </tr> <tr> <td>2.0</td> <td>173.0</td> <td>175.0</td> <td>0.8</td> </tr> <tr> <td>2.0</td> <td>184.0</td> <td>186.0</td> <td>1.5</td> </tr> <tr> <td>1.0</td> <td>160.0</td> <td>161.0</td> <td>1.2</td> </tr> <tr> <td rowspan="4">BR0012</td> <td rowspan="4">BRP</td> <td rowspan="4">OGL</td> <td rowspan="4">-</td> <td rowspan="4">-</td> <td rowspan="4">2,419,838</td> <td rowspan="4">5,883,996</td> <td rowspan="4">784</td> <td rowspan="4">-80</td> <td rowspan="4">230.5</td> <td rowspan="4">201.0</td> <td>4.0</td> <td>170.0</td> <td>174.0</td> <td>4.5</td> </tr> <tr> <td>6.0</td> <td>202.0</td> <td>208.0</td> <td>1.2</td> </tr> <tr> <td>3.0</td> <td>205.0</td> <td>208.0</td> <td>2.0</td> </tr> <tr> <td>1.0</td> <td>236.0</td> <td>237.0</td> <td>0.5</td> </tr> <tr> <td>BR0013</td> <td>BRP</td> <td>OGL</td> <td>-</td> <td>-</td> <td>2,419,971</td> <td>5,883,982</td> <td>757</td> <td>-50</td> <td>255.0</td> <td>281.0</td> <td>1.0</td> <td>236.0</td> <td>237.0</td> <td>0.5</td> </tr> <tr> <td rowspan="2">BR0014</td> <td rowspan="2">BRP</td> <td rowspan="2">OGL</td> <td rowspan="2">-</td> <td rowspan="2">-</td> <td rowspan="2">2,419,971</td> <td rowspan="2">5,883,982</td> <td rowspan="2">757</td> <td rowspan="2">-54</td> <td rowspan="2">257.2</td> <td rowspan="2">240.0</td> <td>1.0</td> <td>252.0</td> <td>253.0</td> <td>0.8</td> </tr> <tr> <td>2.0</td> <td>187.0</td> <td>188.0</td> <td>0.6</td> </tr> <tr> <td rowspan="4">BR0015</td> <td rowspan="4">BRP</td> <td rowspan="4">OGL</td> <td rowspan="4">-</td> <td rowspan="4">-</td> <td rowspan="4">2,419,850</td> <td rowspan="4">5,883,852</td> <td rowspan="4">808</td> <td rowspan="4">-60</td> <td rowspan="4">117.0</td> <td rowspan="4">289.0</td> <td>4.0</td> <td>77.9</td> <td>79.9</td> <td>0.6</td> </tr> <tr> <td>4.0</td> <td>82.0</td> <td>86.0</td> <td>0.7</td> </tr> <tr> <td>2.0</td> <td>98.0</td> <td>100.0</td> <td>1.2</td> </tr> <tr> <td>3.0</td> <td>103.0</td> <td>106.0</td> <td>0.5</td> </tr> <tr> <td rowspan="2">BR0016</td> <td rowspan="2">BRP</td> <td rowspan="2">OGL</td> <td rowspan="2">-</td> <td rowspan="2">-</td> <td rowspan="2">2,419,850</td> <td rowspan="2">5,883,852</td> <td rowspan="2">808</td> <td rowspan="2">-55</td> <td rowspan="2">136.3</td> <td rowspan="2">235.0</td> <td>4.0</td> <td>100.9</td> <td>104.9</td> <td>1.2</td> </tr> <tr> <td>1.0</td> <td>107.0</td> <td>108.0</td> <td>0.8</td> </tr> <tr> <td>BR0017</td> <td>BRP</td> <td>OGL</td> <td>-</td> <td>-</td> <td>2,419,850</td> <td>5,883,852</td> <td>808</td> <td>-72</td> <td>165.0</td> <td>244.0</td> <td>6.0</td> <td>130.0</td> <td>136.0</td> <td>1.1</td> </tr> <tr> <td rowspan="2">BR0018</td> <td rowspan="2">BRP</td> <td rowspan="2">OGL</td> <td rowspan="2">-</td> <td rowspan="2">-</td> <td rowspan="2">2,419,991</td> <td rowspan="2">5,884,059</td> <td rowspan="2">742</td> <td rowspan="2">-63</td> <td rowspan="2">363.0</td> <td rowspan="2">268.0</td> <td>1.0</td> <td>295.0</td> <td>296.0</td> <td>0.6</td> </tr> <tr> <td>2.0</td> <td>298.0</td> <td>230.0</td> <td>1.5</td> </tr> <tr> <td>BR0019</td> <td>BRP</td> <td>OGL</td> <td>-</td> <td>-</td> <td>2,419,991</td> <td>5,884,059</td> <td>742</td> <td>-71</td> <td>281.0</td> <td>384.5</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Hole ID	Company	Azi (°)	Dip	Total Depth (m)	From (m)	To (m)	Thickness (m)	Average Au Grade (ppm)	Max Au Grade (ppm)	AX4 <sup>2</sup>	OGL	330	-60	52.5	36.0	37.0	1.0	2.3	-	AX5	OGL	330	-50	34.1	26.0	27.9	1.9	9.8	1.5 m @ 13.4	AX6	OGL	165	-65	37.1	13.2	14.8	1.6	2.5	-	A6/3	OGL	-	-	-	130.0	139.0	9.0	3.9	5.4 m @ 5.3	KAX005	Kent	272	-65	274	227.7	232.2	4.5	0.9	0.7 m @ 3.7	KAX005	Kent	272	-65	274	251.3	254.3	3.0	0.9	0.8 m @ 2.1	Hole ID	Project	Company	Easting (NZTM)	Northing (NZTM)	Easting (NZMG)	Northing (NZMG)	RL (m)	Dip (deg)	Azi (deg)	TD (m)	Thickness (m)	From (m)	To (m)	Average Grade (Au ppm)	BR0001	BRP	OGL	-	-	2,419,560	5,884,053	743	-57	160.9	199.0	3.0	36.0	39.0	2.9	BR0002	BRP	OGL	-	-	2,419,712	5,884,121	787	-52	207.0	188.9	-	-	-	-	BR0003	BRP	OGL	-	-	2,419,838	5,883,996	784	-61	172.5	301.0	2.0	99.0	101.0	12.1	BR0004	BRP	OGL	-	-	2,419,838	5,883,996	784	-55	200.5	215.0	20.0	127.0	147.0	8.1	BR0005	BRP	OGL	-	-	2,419,838	5,883,996	784	-59	187.0	246.0	5.0	112.1	117.1	3.2	BR0006	BRP	OGL	-	-	2,419,838	5,883,996	784	-55	235.2	194.0	2.4	132.7	135.1	1.5	BR0007	BRP	OGL	-	-	2,419,838	5,883,996	784	-70	201.0	209.0	2.0	188.0	190.0	0.8	1.0	193.0	194.0	1.5	1.0	153.0	154.0	0.7	0.9	156.1	157.0	0.9	1.5	169.5	171.0	1.0	BR0008	BRP	OGL	-	-	2,419,828	5,884,080	773	-56	175.0	245.0	1.3	119.0	120.3	1.2	BR0009	BRP	OGL	-	-	2,419,838	5,883,996	784	-77	180.0	250.0	3.0	147.0	150.0	18.5	1.5	158.0	159.5	17.4	BR0010	BRP	OGL	-	-	2,419,560	5,884,053	743	-54	167.0	291.5	1.5	160.5	162.0	3.3	-	-	-	-	BR0011	BRP	OGL	-	-	2,419,828	5,884,080	773	-50	205.4	265.0	0.7	128.0	128.7	4.8	2.5	139.0	141.5	8.5	2.0	173.0	175.0	0.8	2.0	184.0	186.0	1.5	1.0	160.0	161.0	1.2	BR0012	BRP	OGL	-	-	2,419,838	5,883,996	784	-80	230.5	201.0	4.0	170.0	174.0	4.5	6.0	202.0	208.0	1.2	3.0	205.0	208.0	2.0	1.0	236.0	237.0	0.5	BR0013	BRP	OGL	-	-	2,419,971	5,883,982	757	-50	255.0	281.0	1.0	236.0	237.0	0.5	BR0014	BRP	OGL	-	-	2,419,971	5,883,982	757	-54	257.2	240.0	1.0	252.0	253.0	0.8	2.0	187.0	188.0	0.6	BR0015	BRP	OGL	-	-	2,419,850	5,883,852	808	-60	117.0	289.0	4.0	77.9	79.9	0.6	4.0	82.0	86.0	0.7	2.0	98.0	100.0	1.2	3.0	103.0	106.0	0.5	BR0016	BRP	OGL	-	-	2,419,850	5,883,852	808	-55	136.3	235.0	4.0	100.9	104.9	1.2	1.0	107.0	108.0	0.8	BR0017	BRP	OGL	-	-	2,419,850	5,883,852	808	-72	165.0	244.0	6.0	130.0	136.0	1.1	BR0018	BRP	OGL	-	-	2,419,991	5,884,059	742	-63	363.0	268.0	1.0	295.0	296.0	0.6	2.0	298.0	230.0	1.5	BR0019	BRP	OGL	-	-	2,419,991	5,884,059	742	-71	281.0	384.5	-	-	-	-
		Hole ID	Company	Azi (°)	Dip	Total Depth (m)	From (m)	To (m)	Thickness (m)	Average Au Grade (ppm)	Max Au Grade (ppm)																																																																																																																																																																																																																																																																																																																																																																																																																																																					
AX4 <sup>2</sup>	OGL	330	-60	52.5	36.0	37.0	1.0	2.3	-																																																																																																																																																																																																																																																																																																																																																																																																																																																							
AX5	OGL	330	-50	34.1	26.0	27.9	1.9	9.8	1.5 m @ 13.4																																																																																																																																																																																																																																																																																																																																																																																																																																																							
AX6	OGL	165	-65	37.1	13.2	14.8	1.6	2.5	-																																																																																																																																																																																																																																																																																																																																																																																																																																																							
A6/3	OGL	-	-	-	130.0	139.0	9.0	3.9	5.4 m @ 5.3																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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Hole ID	Project	Company	Easting (NZTM)	Northing (NZTM)	Easting (NZMG)	Northing (NZMG)	RL (m)	Dip (deg)	Azi (deg)	TD (m)	Thickness (m)	From (m)	To (m)	Average Grade (Au ppm)																																																																																																																																																																																																																																																																																																																																																																																																																																																		
BR0001	BRP	OGL	-	-	2,419,560	5,884,053	743	-57	160.9	199.0	3.0	36.0	39.0	2.9																																																																																																																																																																																																																																																																																																																																																																																																																																																		
BR0002	BRP	OGL	-	-	2,419,712	5,884,121	787	-52	207.0	188.9	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																																																																																		
BR0003	BRP	OGL	-	-	2,419,838	5,883,996	784	-61	172.5	301.0	2.0	99.0	101.0	12.1																																																																																																																																																																																																																																																																																																																																																																																																																																																		
BR0004	BRP	OGL	-	-	2,419,838	5,883,996	784	-55	200.5	215.0	20.0	127.0	147.0	8.1																																																																																																																																																																																																																																																																																																																																																																																																																																																		
BR0005	BRP	OGL	-	-	2,419,838	5,883,996	784	-59	187.0	246.0	5.0	112.1	117.1	3.2																																																																																																																																																																																																																																																																																																																																																																																																																																																		
BR0006	BRP	OGL	-	-	2,419,838	5,883,996	784	-55	235.2	194.0	2.4	132.7	135.1	1.5																																																																																																																																																																																																																																																																																																																																																																																																																																																		
BR0007	BRP	OGL	-	-	2,419,838	5,883,996	784	-70	201.0	209.0	2.0	188.0	190.0	0.8																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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BR0008	BRP	OGL	-	-	2,419,828	5,884,080	773	-56	175.0	245.0	1.3	119.0	120.3	1.2																																																																																																																																																																																																																																																																																																																																																																																																																																																		
BR0009	BRP	OGL	-	-	2,419,838	5,883,996	784	-77	180.0	250.0	3.0	147.0	150.0	18.5																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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BR0010	BRP	OGL	-	-	2,419,560	5,884,053	743	-54	167.0	291.5	1.5	160.5	162.0	3.3																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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BR0011	BRP	OGL	-	-	2,419,828	5,884,080	773	-50	205.4	265.0	0.7	128.0	128.7	4.8																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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BR0012	BRP	OGL	-	-	2,419,838	5,883,996	784	-80	230.5	201.0	4.0	170.0	174.0	4.5																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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BR0013	BRP	OGL	-	-	2,419,971	5,883,982	757	-50	255.0	281.0	1.0	236.0	237.0	0.5																																																																																																																																																																																																																																																																																																																																																																																																																																																		
BR0014	BRP	OGL	-	-	2,419,971	5,883,982	757	-54	257.2	240.0	1.0	252.0	253.0	0.8																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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BR0015	BRP	OGL	-	-	2,419,850	5,883,852	808	-60	117.0	289.0	4.0	77.9	79.9	0.6																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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BR0016	BRP	OGL	-	-	2,419,850	5,883,852	808	-55	136.3	235.0	4.0	100.9	104.9	1.2																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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BR0017	BRP	OGL	-	-	2,419,850	5,883,852	808	-72	165.0	244.0	6.0	130.0	136.0	1.1																																																																																																																																																																																																																																																																																																																																																																																																																																																		
BR0018	BRP	OGL	-	-	2,419,991	5,884,059	742	-63	363.0	268.0	1.0	295.0	296.0	0.6																																																																																																																																																																																																																																																																																																																																																																																																																																																		
											2.0	298.0	230.0	1.5																																																																																																																																																																																																																																																																																																																																																																																																																																																		
BR0019	BRP	OGL	-	-	2,419,991	5,884,059	742	-71	281.0	384.5	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																																																																																		

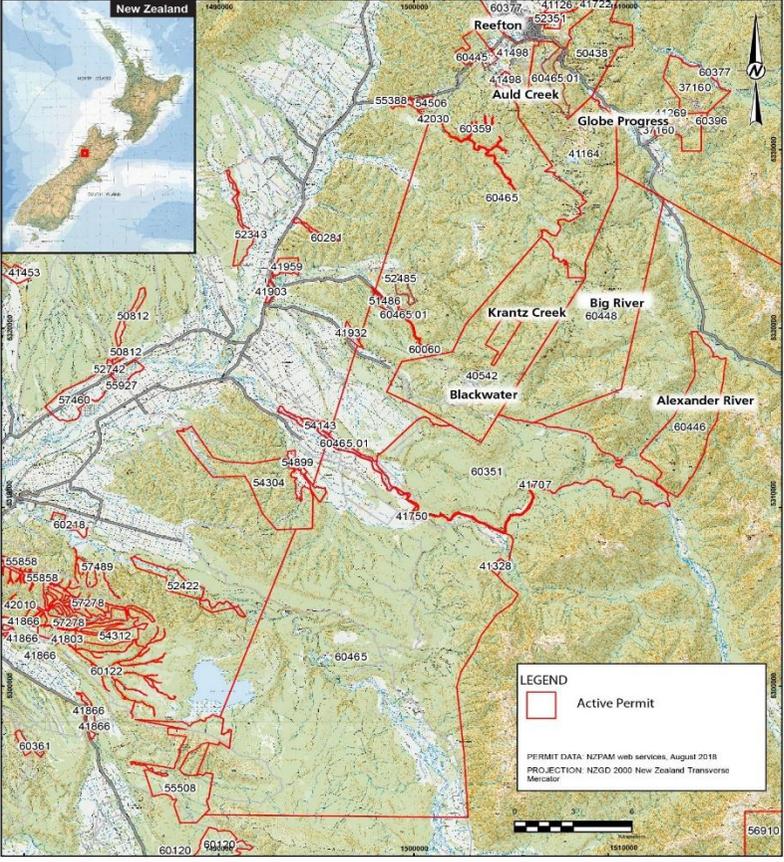
Criteria	JORC Code Explanation	Commentary												
Hole ID	Project	Company	Easting (NZTM)	Northing (NZTM)	Easting (NZMG)	Northing (NZMG)	RL (m)	Dip (deg)	Azi (deg)	TD (m)	Thickness (m)	From (m)	To (m)	Average Grade (Au ppm)
BRS001	BRP	OGL	-	-	2,418,011	5,881,333	698	-55	140.1	263.0	-	-	-	-
											1.0	3.0	4.0	0.8
											5.0	5.0	10.0	1.0
BRS002	BRP	OGL	-	-	2,418,011	5,881,333	698	-54	115.7	88.0	-	-	-	-
											1.0	83.0	84.0	0.6
											1.0	111.0	112.0	0.6
											2.0	10.0	12.0	0.6
BRS003	BRP	OGL	-	-	2,418,114	5,881,346	677	-53	112.1	269.0	-	-	-	-
											1.0	44.0	45.0	1.8
											1.0	56.0	57.0	2.9
											1.0	80.0	81.0	1.2
											0.8	89.6	90.4	1.0
											1.0	1.0	2.0	1.9
BRS004	BRP	OGL	-	-	2,418,168	5,881,843	691	-54	158.6	285.0	-	-	-	-
											1.0	5.0	6.0	0.6
											4.0	72.0	76.0	2.1
											3.0	86.0	89.0	0.5
											1.0	135.0	136.0	1.0
BRS005	BRP	OGL	-	-	2,418,168	5,881,843	691	-50	68.6	100.0	-	-	-	-
											3.0	14.0	17.0	0.7
											1.0	7.0	8.0	1.0
BRS006	BRP	OGL	-	-	2,418,168	5,881,843	691	-52	210.1	317.0	-	-	-	-
											1.0	66.0	67.0	1.9
											1.0	84.0	85.0	5.5
											3.0	103.0	106.0	0.9
											1.0	12.0	13.0	1.1
											6.0	28.0	34.0	0.9
BRS007	BRP	OGL	-	-	2,418,239	5,881,808	705	-50	121	270	-	-	-	-
											2.0	37.0	39.0	0.8
											1.0	71.0	72.0	2.6
											7.0	80.0	87.0	0.6
											1.0	109.0	110.0	2.9

The table below presents historical OGL drilling results from the Auld Creek (ACP) in the RSP:

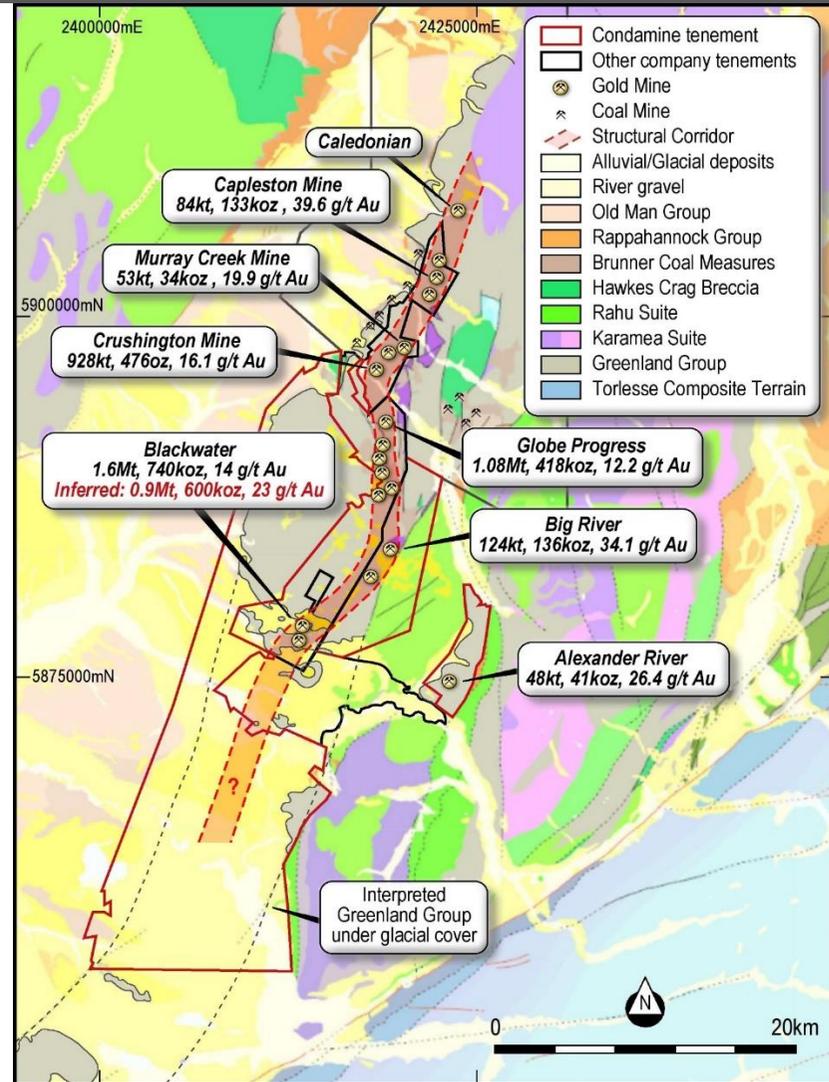
Hole ID	Project	Company	Easting (NZTM)	Northing (NZTM)	Easting (NZMG)	Northing (NZMG)	RL (m)	Dip (deg)	Azi (deg)	TD (m)	Thickness (m)	From (m)	To (m)	Average Grade (Au ppm)
96DDAC1	ACP	OGL (MMCL)	-	-	2,417,177	5,894,810	528	-60	70	70.1	2.0	61.0	63.0	1.2
96DDAC2	ACP	OGL (MMCL)	-	-	2,417,177	5,894,810	528	-75	70	84.0	2.0	109.0	111.0	2.9
96DDAC3	ACP	OGL (MMCL)	-	-	2,417,095	5,894,809	557	-65	70	170.5	2.0	34.0	36.0	2.4
RDD0044	ACP	OGL	-	-	2,417,796	5,893,632	611.7	-60	90	60.6	-	-	-	-
RDD0045	ACP	OGL	-	-	2,417,653	5,893,787	607.7	-60	90	67.7	-	-	-	-
RDD0046	ACP	OGL	-	-	2,417,507	5,893,829	527.5	-60	90	161.2	1.0	34.0	35.0	0.5
RDD0056	ACP	OGL	-	-	2,417,695	5,893,489	565.2	-60	90	100.8	1.0	23.0	24.0	0.8
RDD0057	ACP	OGL	-	-	2,417,532	5,893,713	532.1	-60	90	136.6	1.0	97.0	98.0	0.6
RDD0058	ACP	OGL	-	-	2,417,509	5,893,829	527.7	-60	270	141.9	-	-	-	-
RDD0059	ACP	OGL	-	-	2,417,671	5,893,897	567.8	-60	90	100.3	-	-	-	-
RDD0081	ACP	OGL	-	-	2,417,182	5,894,724	581	-60	35	75.9	6.0	45.0	51.0	1.7
RDD0081A	ACP	OGL	-	-	2,417,182	5,894,724	581	-60	35	151.5	12.0	55.0	67.0	2.1
RDD0084	ACP	OGL	-	-	2,417,748	5,894,361	577	-60	-	148.1	1.0	77.0	78.0	2.5
RDD0085	ACP	OGL	-	-	2,417,182	5,894,724	581	-60	110	79.0	35.0	30.0	65.0	1.6
RDD0086	ACP	OGL	-	-	2,417,182	5,894,724	581	-60	150	141.5	6.0	90.0	96.0	4.1
RDD0087	ACP	OGL	-	-	2,417,256	5,894,724	581	-75	75	132.5	35.0	63.0	98.0	4.1
RDD0088	ACP	OGL	-	-	2,417,174	5,894,801	584	-60	270	159.5	2.0	125.0	127.0	1.3
RDD0089	ACP	OGL	-	-	2,417,177	5,894,789	541	-52	90	61.8	1.0	34.0	35.0	1.4
											2.0	45.0	47.0	1.0
RDD0091	ACP	OGL	-	-	2,417,256	5,894,526	544	-52	230	166.5	1.0	125.0	126.0	0.6
											1.0	137.0	138.0	1.3
											1.0	140.0	141.0	0.9
RDD0092	ACP	OGL	-	-	2,417,256	5,894,526	544	-62	230	161.1	-	-	-	-
RDD0093	ACP	OGL	-	-	2,417,256	5,894,526	544	-55	215	185.5	-	-	-	-

- Data aggregation methods
- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.
  - Across the BRP, ARP and RSP (inclusive of the ACP), various sampling methodologies have been employed. Commonly, samples have been taken on a 1 m interval whilst also considering lithological and/or mineralisation contacts.
  - Raw sample intervals and results have been reported.

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> <li>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Random checks from GANZL have confirmed that drilling results presented have used a weighted average when presenting drilling intercepts, hence, any potential sample length bias has been accounted for.</li> <li>No robust checks have been completed for trench, traverse or underground adit channel sample results.</li> </ul>
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>BRP significant historical OGL drilling results have been reported with apparent thicknesses.</li> <li>ARP significant historical OGL and Kent drilling results with only apparent thicknesses reported.</li> <li>ACP (Fraternal lode) significant historical OGL drilling results are reported with apparent thickness.</li> <li>Any exploration results reported without a true thickness should be taken as down hole lengths as opposed to true lengths i.e. apparent thickness as opposed to true thickness.</li> <li>The reason for true thicknesses not being reported is often because the geometry of mineralisation with respect to drill hole angle is not known or often varied due to the drilling of multiple drill holes from a single drill pad.</li> </ul>

Criteria	JORC Code Explanation	Commentary
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</li> </ul>	 <p>The figure above is a location plan of EP 60448 (BRP), EP 60446 (ARP) and PP 60465 (RSP).</p>

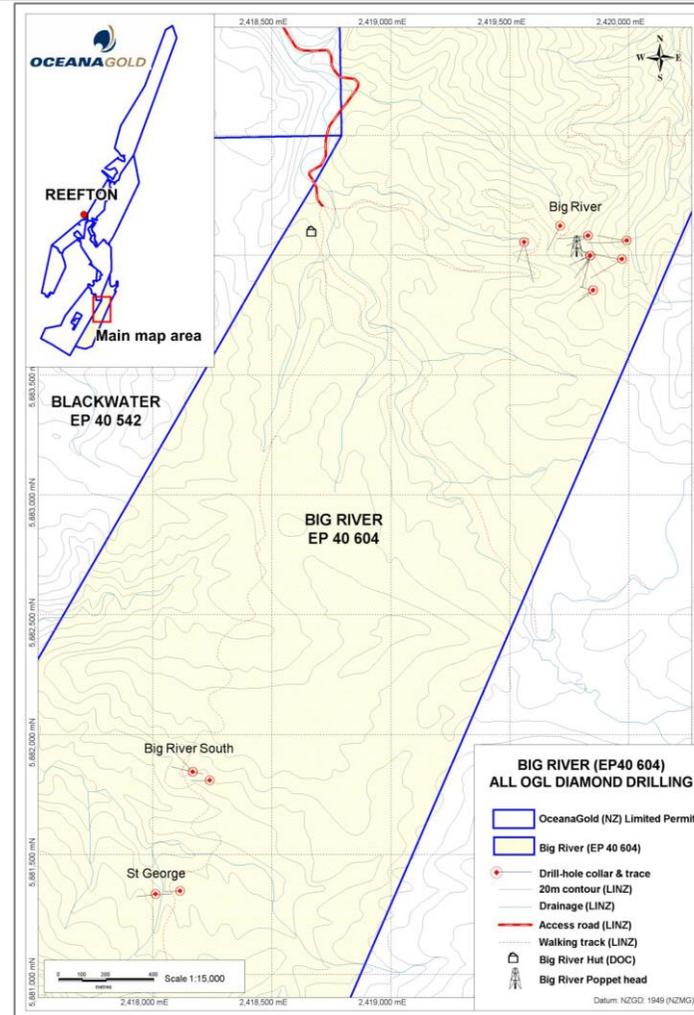
Criteria	JORC Code Explanation	Commentary
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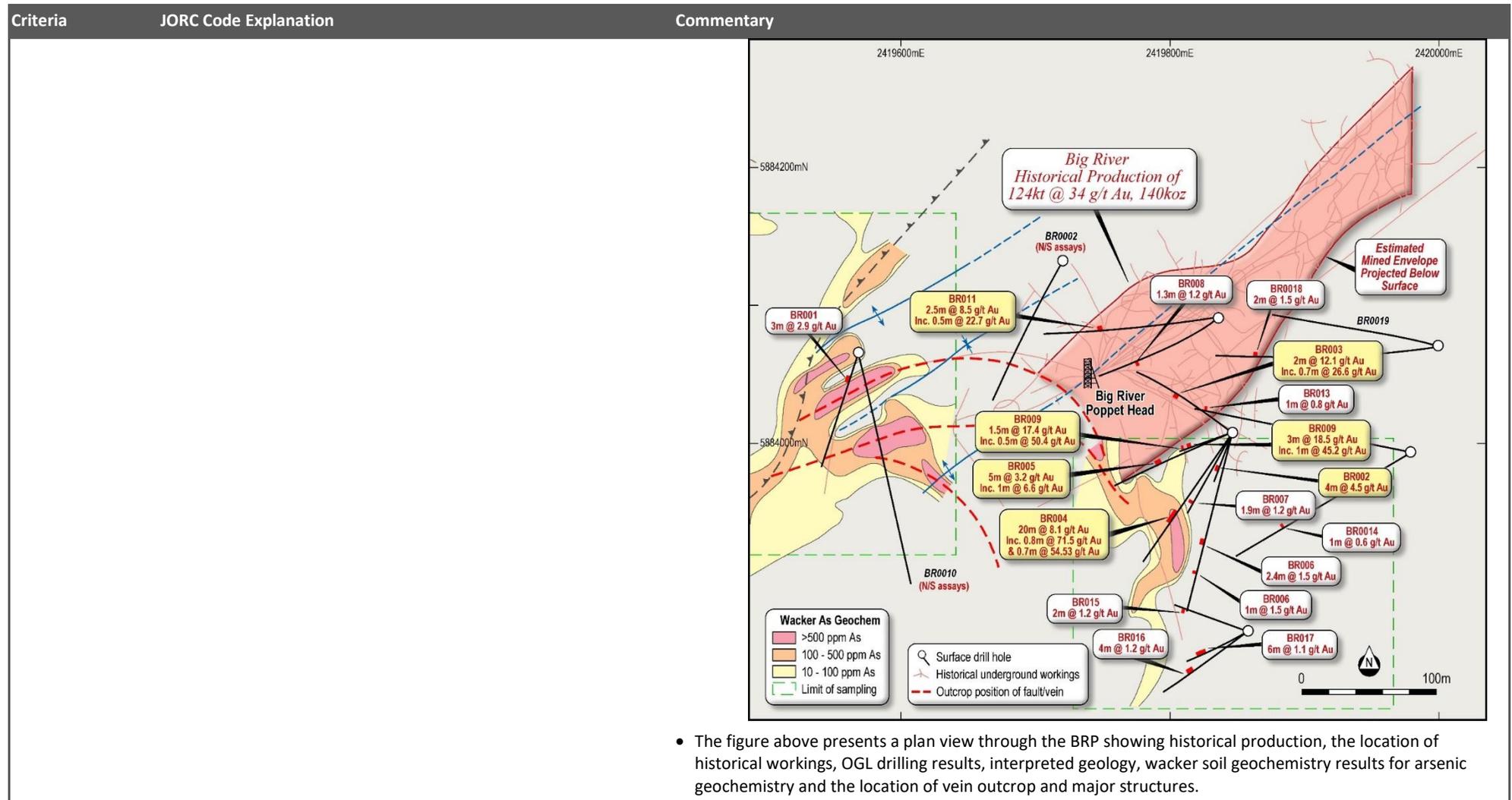
• The figure above is of the Reefton mineralisation/structural corridor, historical gold production and geology.

Criteria	JORC Code Explanation	Commentary
		<ul style="list-style-type: none"> <li>The figure above is a plan of Reefton goldfield historical gold production and the location of EP 60448 (BRP), EP 60446 (ARP) and PP 60465 (RSP).</li> </ul>

Criteria JORC Code Explanation Commentary



- The figure above is a location plan of the OGL BRP drill collars and traces.



- The figure above presents a plan view through the BRP showing historical production, the location of historical workings, OGL drilling results, interpreted geology, wacker soil geochemistry results for arsenic geochemistry and the location of vein outcrop and major structures.



Criteria	JORC Code Explanation	Commentary
	<p><b>Fraternal Prospect Assay Results</b></p> <p>Au Ppm</p> <ul style="list-style-type: none"> <li>0.1 to 1</li> <li>1 to 5</li> <li>5 to 10</li> <li>&gt;= 10</li> </ul> <p>             / 1996 Drillholes              / April 2010-Jan 2011 Drillholes         </p> <p>Drillhole Results:</p> <ul style="list-style-type: none"> <li>RDD0088: 1.3m @ 1.27g/t true width</li> <li>RDD0089: 1.14m @ 1.02 g/t true width</li> <li>RDD0081: 4.5m @ 1.67g/t true width including 2.9m @ 2.11g/t</li> <li>RDD0081a: 2.6m @ 1.63g/t true width including 1.4m @ 2.19g/t</li> <li>RDD0087: 6.0m @ 4.11g/t true width including 3.1m @ 5.74g/t</li> <li>RDD0085: 13.2m @ 1.56g/t true width including 3.0m @ 2.73g/t, 3.7m @ 2.19g/t, 2.6m @ 1.34g/t</li> <li>RDD0086: 0.8m @ 4.14g/t true width</li> </ul>	<ul style="list-style-type: none"> <li>The figure above presents a plan view of the Fraternal lode drilling conducted by OGL.</li> </ul>
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades</li> </ul>	<ul style="list-style-type: none"> <li>The exploration results presented in this document, represent all results found in information supplied by Condamine and during open file information searches conducted by GANZL.</li> </ul>

Criteria	JORC Code Explanation	Commentary
	<p><i>and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p>	
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> <li>• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Other substantive exploration data and information is presented under ‘<i>Exploration done by other parties</i>’ in this document.</li> </ul>
<p><i>Further work</i></p>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<p>It is GANZL’s opinion that the exploration activities completed to date have been conducted according to industry standards. After examination of all relevant exploration activities and technical studies completed to date, GANZL considers some aspects offer opportunities for improvement, these being:</p> <ul style="list-style-type: none"> <li>• <b>Database Management:</b> The current geological databases for the BRP and ARP consist of a series of Microsoft Excel™ spreadsheets that have been submitted to NZP&amp;M. It is recommended that a central data management system be implemented. A geological database or geological databases (compatible with a 3D mining software package e.g. Vulcan™, Datamine™ or Surpac™) should be generated.</li> <li>• <b>GIS Management:</b> All exploration data and information should be compiled and centralised into GIS format and imported into a 3D mining software package e.g. Vulcan™, Datamine™ or Surpac™ for future design and visualisation.</li> <li>• <b>QAQC Protocols:</b> Whilst the QAQC database is relatively small for each project, QAQC analysis should be compiled. It appears that no laboratory audits have been conducted or independent re-analysis of assay results. It is recommended that prior to any future samples being submitted to a laboratory for analysis, a thorough laboratory audit be conducted.</li> </ul> <p>GANZL recommend the following further work:</p> <ul style="list-style-type: none"> <li>• Ensure that all drill hole collars have been accurately surveyed using Differential Global Positioning System (DGPS).</li> <li>• Compile all data into GIS and 3D mining software package e.g. Vulcan™, Datamine™ or Surpac™.</li> <li>• Look into the feasibility of acquiring Light Imaging Detection and Ranging (LIDAR) data and/or high-resolution aerial photography over both the BRP and ARP.</li> <li>• Using the Blakemore (2016) re-interpretation of the Reefton Goldfield, follow up exploration targets generated at the BRP.</li> <li>• Investigate down dip from the No. 7 level of the Big River Mine since mining activities ceased in 1943 due to a lack of man power not a lack of ore. Before mining was conducted in the 1940s, high grades were intercepted on the No.9 level; post-1940s mining did not reach the No.9 level again.</li> <li>• Investigate suitable techniques that may be able to assist in ‘looking under cover’ in the BRP. To date the only gold found in the Reefton area has been exposed at the surface, yet most of the Greenland Group rocks,</li> </ul>

Criteria	JORC Code Explanation	Commentary
		<p>especially in the south of Reefton Goldfield, are sitting beneath cover rock and therefore could be concealing new deposits.</p> <ul style="list-style-type: none"> <li>• Conduct further research into the potential of both the Mackay-Loftus, Bruno and Mullocky lodes at the ARP, as historically they were too difficult to mine. High grade samples have been obtained from both lodes during trenching and sampling.</li> <li>• Investigate the feasibility of re-entering McVicar’s No.6 level to map and test for down-dip continuity.</li> <li>• Re-map and re-interpret the ARP, with the insights into controls on mineralisation gained from OGL during both exploration and mining.</li> <li>• Following completion of the minimum future work programme obligations presented for the RSP, further research into the disappearance of the mineralisation corridor under cover may lead to additional discoveries.</li> </ul> <p>As well as the work required to fulfil the minimum future work obligations for both EPA’s, GANZL recommends the following work be completed:</p> <ul style="list-style-type: none"> <li>• Development of a comprehensive geological database (upon completion of planned exploration works), 3D geological model and subsequent Mineral Resource estimate reported in accordance with the guiding principles and minimum standards set out in the JORC Code.</li> <li>• A scoping study, with the aim of establishing the economic potential of the both the BRP and ARP and subsequent development of conceptual mine plans for the purposes of prioritising future exploration and other technical investigations focusing on the mineralisation halo potentials left behind in the historical workings.</li> <li>• Investigate geotechnical issues and mining solutions around working near historical underground mine workings.</li> </ul> <p><b>Exploration Program</b></p> <p>Condamine has proposed a staged program of exploration for the BRP and ARP over a two-year period and a prospecting program for the RSP (including the ACP) over a two-year period.</p> <p>Condamine’s program going forward will focus on the following:</p> <p><b>BRP</b></p> <ul style="list-style-type: none"> <li>• Literature review.</li> <li>• DoC access agreement.</li> <li>• Development of an updated digital database of historical information.</li> <li>• Target identification and exploration design.</li> <li>• Geochemical, trench and mapping programs in two stages.</li> </ul>

Criteria	JORC Code Explanation	Commentary
		<ul style="list-style-type: none"> <li>• Completion of a program of exploration drilling.</li> <li>• If results warrant, completion of a Mineral Resource estimate.</li> </ul> <p><b><u>ARP</u></b></p> <ul style="list-style-type: none"> <li>• Literature review.</li> <li>• Development of an updated digital database of historical information and planned exploration.</li> <li>• DoC access agreement.</li> <li>• Target identification and exploration design.</li> <li>• Geochemical and mapping programs.</li> <li>• Trench sampling.</li> <li>• Completion of a program of exploration drilling.</li> <li>• If results warrant, completion of a Mineral Resource estimate.</li> </ul> <p><b><u>RSP (inclusive of the ACP)</u></b></p> <ul style="list-style-type: none"> <li>• Literature review.</li> <li>• Review of all available water bore holes, testing for bedrock intersection.</li> <li>• Development of an updated digital and GIS database of historical information and planned exploration.</li> <li>• Geochemical and mapping programs.</li> <li>• Geophysical review, interpretation and ground geophysical survey.</li> <li>• DoC access agreement.</li> <li>• Target identification and exploration design for further exploration.</li> <li>• GANZL considers the programs of exploration and prospecting works proposed by Condamine for the BRP, ARP and RSP to be well thought out and sufficient to meet the minimum work programme requirements over the period of the next two years.</li> </ul>



### Auditor's independence declaration under section 307C of the *Corporations Act 2001*

To the directors of Condamine Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 31 December 2018 there have been no contraventions of:

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

**Nexia Perth Audit Services Pty Ltd**

**Muranda Janse Van Nieuwenhuizen**  
Director

Perth  
29 May 2019

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## Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2018

	Note	1 Jan 2018 to 31 Dec 2018 \$	19 May 2017 to 31 Dec 2017 \$
<i>Continuing operations</i>			
Revenue and other income	3	406	201
		406	201
Acquisition costs		-	(159,243)
Compliance costs		(3,592)	(5,985)
Employment costs		(240,779)	(7,260)
Exploration and evaluation		(188,942)	-
Foreign exchange gain / (loss)		(1,042)	-
Information technology costs		(772)	(6,595)
Insurance		(808)	-
Legal expenses		(145,832)	-
Professional fees		(149,533)	(93,017)
Public relations, marketing and advertising		(7,766)	(1,722)
Share-based payments expense	12	(202,816)	-
Travel and accommodation		(22,226)	(2,420)
Other expenses		(21,025)	(4,065)
Loss before tax		(984,727)	(280,106)
Income tax expense		-	-
<b>Net loss for the period</b>		<b>(984,727)</b>	<b>(280,106)</b>
<i>Other comprehensive income, net of income tax</i>			
■ Items that will not be reclassified subsequently to profit or loss		-	-
■ Items that may be reclassified subsequently to profit or loss		(5,548)	-
<b>Other comprehensive income for the period, net of tax</b>		<b>(5,548)</b>	<b>-</b>
<b>Total comprehensive income attributable to members of the parent entity</b>		<b>(990,275)</b>	<b>(280,106)</b>
<i>Earnings per share:</i>			
Basic and diluted loss per share	4	¢ (7.850)	¢ (6.150)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

**Consolidated statement of financial position**

as at 31 December 2018

	Note	2018 \$	2017 \$
<i>Current assets</i>			
Cash and cash equivalents	6	46,518	92,632
Trade and other receivables	7	8,485	4,361
Prepayments		24,934	-
<b>Total current assets</b>		<b>79,937</b>	<b>96,993</b>
<b>Total assets</b>		<b>79,937</b>	<b>96,993</b>
<i>Current liabilities</i>			
Trade and other payables	8	257,586	42,874
Provisions	9	14,414	-
Borrowings		1,918	-
<b>Total current liabilities</b>		<b>273,918</b>	<b>42,874</b>
<b>Total liabilities</b>		<b>273,918</b>	<b>42,874</b>
<b>Net (liabilities) / assets</b>		<b>(193,981)</b>	<b>54,119</b>
<i>Equity</i>			
Issued capital	10a	873,584	334,225
Reserves	11	197,268	-
Accumulated losses		(1,264,833)	(280,106)
<b>Total equity</b>		<b>(193,981)</b>	<b>54,119</b>

The statement of financial position is to be read in conjunction with the accompanying notes.

**Consolidated statement of changes in equity**

for the year to 31 December 2018

	Note	Issued Capital \$	Share-based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
<i>Balance at 19 May 2017</i>						
		-	-	-	-	-
Loss for the period		-	-	-	(280,106)	(280,106)
Other comprehensive income for the period		-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	-	(280,106)	(280,106)
<i>Transaction with owners, directly in equity</i>						
Shares application funds received	10a	334,225	-	-	-	334,225
Transaction costs		-	-	-	-	-
<b>Balance at 31 December 2017</b>		334,225	-	-	(280,106)	54,119
<i>Balance at 1 January 2018</i>						
		334,225	-	-	(280,106)	54,119
Loss for the year		-	-	-	(984,727)	(984,727)
Other comprehensive income for the year		-	-	(5,548)	-	(5,548)
<b>Total comprehensive income for the year</b>		-	-	(5,548)	(984,727)	(990,275)
<i>Transactions with owners, directly in equity</i>						
Shares issued	10a	539,359	-	-	-	539,359
Transaction costs		-	-	-	-	-
Options issued during the year	12		202,816	-	-	202,816
<b>Balance at 31 December 2018</b>		873,584	202,816	(5,548)	(1,264,833)	(193,981)

The statement of changes in equity is to be read in conjunction with the accompanying notes.

**Consolidated statement of cash flows**

for the year ended 31 December 2018

Note	1 Jan 2018 to 31 Dec 2018 \$	19 May 2017 to 31 Dec 2017 \$
<i>Cash flows from operating activities</i>		
Payments to suppliers and employees	(319,722)	(241,794)
Interest received	406	201
<b>Net cash used in operating activities</b>	<b>(319,316)</b>	<b>(241,593)</b>
<i>Cash flows from investing activities</i>		
Payments for exploration and evaluation	(149,674)	-
<b>Net cash used in investing activities</b>	<b>(149,674)</b>	<b>-</b>
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares, net of overpayments refunded	422,876	334,225
<b>Net cash provided by financing activities</b>	<b>422,876</b>	<b>334,225</b>
<b>Net (decrease)/increase in cash held</b>	<b>(46,114)</b>	<b>92,632</b>
Cash and cash equivalents at the beginning of the period	92,632	-
Change in foreign currency held	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>46,518</b>	<b>92,632</b>

*The statement of cash flows is to be read in conjunction with the accompanying notes.*

## Notes to the consolidated financial statements

for the year ended 31 December 2018

### Note 1 Statement of significant accounting policies

These are the financial statements and notes of Condamine Resources Limited (**Condamine Resources** or **the Company**) and controlled entities (collectively **the Group**). Condamine Resources is a company limited by shares, domiciled and incorporated in Australia. The Company was incorporated on 19 May 2017 with a 31 December year end as resolved by the Directors.

The financial statements were authorised for issue on 29 May 2019 by the Directors of the Company.

#### a. Basis of preparation

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

##### i. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards of the Australian Accounting Standards Board (**AAS Board**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (**AASBs**) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

##### ii. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of \$984,727 and a net operating cash out-flow of \$319,316. As at 31 December 2018, the Group's cash and cash equivalents decreased to \$46,518 and had a working capital deficit of \$193,981.

Subsequent to year-end, the Group completed an additional seed capital raising of \$250,000 at \$0.12 per share. These funds will be utilised by the Group to complete an Initial Public Offer on a public exchange or a comparable transaction. Based on the factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish 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 to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

##### iii. Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are discussed in note 1p.

#### b. Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 January 2018 but determined that their application to the financial statements is either not relevant or not material.

## Notes to the consolidated financial statements

for the year ended 31 December 2018

### Note 1 Statement of significant accounting policies

#### i. New and amended standards adopted by the group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

- AASB 9 Financial Instruments;
- AASB 15 Revenue from Contracts with Customers;
- AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions;
- Interpretation 22 Foreign Currency Transactions and Advance Consideration.
- AASB 2018-1 Amendments to Australian Accounting Standards - Annual Improvements 2015- 2017 Cycle.

The Group had to change its accounting policies and; however due to the nature of the Group, no retrospective adjustments following the adoption of AASB 9 and AASB 15 were required. The other amendments listed also above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### c. Principles of Consolidation

##### i. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

##### ii. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements

##### iii. Functional and presentation currency

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

#### d. Foreign currency transactions and balances

##### i. Functional and presentation currency

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

##### ii. Transaction and balances

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

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

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

##### iii. Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the Australian-Dollar (\$AUD) are translated into \$AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

## Notes to the consolidated financial statements

for the year ended 31 December 2018

### Note 1 Statement of significant accounting policies

On consolidation, assets and liabilities have been translated into \$AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into \$AUD at the closing rate. Income and expenses have been translated into \$AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity.

On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal

#### e. Taxation

##### i. Income tax

The income tax expense/(income) for the period comprises current income tax expense/(income) and deferred tax expense/(income).

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

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

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

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

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

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

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

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

Where the Group receives the Australian Government's Research and Development Tax Incentive, the Group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the Group's income tax return.

##### ii. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the balance sheet.

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

## Notes to the consolidated financial statements

for the year ended 31 December 2018

### Note 1 Statement of significant accounting policies

#### f. Fair Value

##### i. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

##### ii. Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

##### iii. Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- **Market approach:** valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- **Income approach:** valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- **Cost approach:** valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

## Notes to the consolidated financial statements

for the year ended 31 December 2018

### Note 1 Statement of significant accounting policies

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

#### g. Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the Statement of Financial Position. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

#### h. Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for doubtful debts. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. The accounting policy for impairment of trade receivables is explained in note 1j.iv.

They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

#### i. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30-day terms.

#### j. Investments and other financial assets

##### i. Classification

From 1 January 2018, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

##### ii. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

##### iii. Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

## Notes to the consolidated financial statements

for the year ended 31 December 2018

### Note 1 Statement of significant accounting policies

#### (1) Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

#### (2) Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### iv. Impairment

From 1 January 2018, the group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### k. Share 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. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

#### l. Employee benefits

##### i. Short-term benefits

Liabilities for employee benefits for wages, salaries, National Insurance, superannuation, and leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax. Liabilities for employee benefits expected to be settled in excess of the 12 months from reporting date are recognised as non-current liabilities. Due to the age of the Group, no such liabilities are currently recognised in the Group.

Non-accumulating non-monetary benefits, such as medical care, housing and relocation costs, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

## Notes to the consolidated financial statements

for the year ended 31 December 2018

### Note 1 Statement of significant accounting policies

#### ii. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

#### iii. Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

#### iv. Equity-settled compensation

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

#### m. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

#### n. Revenue and other income

##### i. Revenue from contracts with customers

Revenue from contracts with customers is recognised when a customer obtains control of the promised asset and the Group satisfies its performance obligations under the contract. Revenue is allocated to each performance obligation. The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for the transferring of promised good.

##### ii. Finance Income

Interest income is recognised as the interest accrues (using the effective interest method) to the net carrying amount of the financial asset.

All revenue is stated net of the amount of GST (Note 1e.ii Goods and Services Tax (GST)).

#### o. Segment reporting

An operating segment is a component of the Group 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 Group's other components. All operating segments' results are regularly reviewed by the Group's Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

#### p. Critical Accounting Estimates and Judgments

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. There are presently no estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### i. Key judgements and estimates – Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option-pricing model, using the assumptions detailed in note 12 Share-based payments.

## Notes to the consolidated financial statements

for the year ended 31 December 2018

### Note 1 Statement of significant accounting policies

#### q. Changes in accounting policies

This note explains the impact of the adoption of AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers on the Group's financial statements.

- i. *AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018).*

Due the nature of the Group, AASB 9 was adopted without restating comparative information. No reclassifications or adjustments arising from the new impairment rules were required. AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies, however, as noted above, no adjustments to the amounts recognised in the financial statements have been required. Refer to note 1j for updated accounting policy as a result of the adoption of *AASB 9 Financial Instruments*.

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

The group has adopted AASB 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies; however due to the Group being in the exploration phase no revenue is earned and no adjustments to the amounts recognised in the financial statements have been required. Refer to note 1n for updated accounting policy note as a result of the adoption of *AASB 15 Revenue from contracts with customers*.

#### r. New Accounting Standards and Interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the group. The Group's assessment of the impact of these new standards and interpretations is set out below.

- i. *AASB 16: Leases (mandatory for annual reporting periods commencing on or after 1 January 2019).*

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has no non-cancellable operating lease commitments. Therefore, the Group does not expect the impact of AASB 16 to be material.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach.

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.

### Note 2 Company details

#### The registered office of the Company is:

Address: 283 Rokeby Road  
Subiaco WA 6008

Telephone: +61 (0)8 6141 3500  
Facsimile: +61 (0)8 6141 3599

## Notes to the consolidated financial statements

for the year ended 31 December 2018

Note	3	Revenue and other income	1 Jan 2018 to 31 Dec 2018 \$	19 May 2017 to 31 Dec 2017 \$
a.		<b>Other income</b>		
		Interest	406	201
			406	201
Note	4	Earnings per share (EPS)	1 Jan 2018 to 31 Dec 2018 \$	19 May 2017 to 31 Dec 2017 \$
a.		<b>Reconciliation of earnings to profit or loss</b>		
		(Loss) / profit for the period	(984,727)	(280,106)
		(Loss) / profit used in the calculation of basic and diluted EPS	(984,727)	(280,106)
b.		<b>Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS</b>	1 Jan 2018 to 31 Dec 2018 No.	19 May 2017 to 31 Dec 2017 No.
		Weighted average number of ordinary shares outstanding	12,540,984	4,554,320
		Weighted average number of dilutive equity instruments outstanding	N/A	N/A
c.		<b>Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS</b>	12,540,984	4,554,320
d.		<b>Earnings per share</b>	1 Jan 2018 to 31 Dec 2018 ¢	19 May 2017 to 31 Dec 2017 ¢
		Basic EPS (cents per share)	(7.85)	(6.15)
		Diluted EPS (cents per share)	(7.85)	(6.15)
e.		As at 31 December 2018 the Group has 8,116,667 unissued shares under options (31 December 2017: nil). The Group does not report diluted earnings per share on losses generated by the Group. During the year ended 31 December 2018 the Group's unissued shares under option were anti-dilutive.		

## Notes consolidated to the financial statements

for the year ended 31 December 2018

## Note 5 Income tax

Note

	1 Jan 2018 to 31 Dec 2018 \$	19 May 2017 to 31 Dec 2017 \$
<b>a. Income tax expense / (benefit)</b>		
Current tax	-	-
Deferred tax	-	-
	-	-
<b>b. Reconciliation of income tax expense to prima facie tax payable</b>		
The prima facie tax payable / (benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating loss at 27.5%	(270,800)	(77,029)
Add / (Less) tax effect of:		
□ Deferred tax asset not brought to account	270,800	77,029
Income tax expense / (benefit) attributable to operating loss	-	-
	%	%
<b>c. The applicable weighted average effective tax rates attributable to operating profit are as follows</b>	-	-
i. The tax rates used in the above reconciliations is the corporate tax rate of 27.5% payable by the Australian corporate entity on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting year.		
	nil	nil
<b>d. Balance of franking account at year end of the legal parent</b>		
<b>e. Tax losses and deductible temporary differences</b>		
Unused tax losses and deductible temporary differences for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:		
■ Tax losses	347,829	77,029
	347,829	77,029

Potential deferred tax assets attributable to tax losses have not been brought to account at 31 December 2018 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- the Group continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss.

## Notes consolidated to the financial statements

for the year ended 31 December 2018

## Note 6 Cash and cash equivalents

## a. Reconciliation of cash

Cash at bank

	2018 \$	2017 \$
Cash at bank	46,518	92,632
	46,518	92,632

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 13 Financial risk management.

## c. Cash Flow Information

## i. Reconciliation of cash flow from operations to (loss)/profit after income tax

Loss after income tax

Cash flows excluded from loss attributable to operating activities

*Non-cash flows in (loss)/profit from ordinary activities:*

- Director salary settled by way of share issue

- Foreign exchange (gain)/loss

- Exploration expenditure expensed

- Share-based payments

*Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:*

- Increase in receivables

- Increase/(decrease) in trade and other payables

- Increase in provisions

Cash flow from operations

	1 Jan 2018 to 31 Dec 2018 \$	19 May 2017 to 31 Dec 2017 \$
Loss after income tax	(984,727)	(280,106)
Cash flows excluded from loss attributable to operating activities		
<i>Non-cash flows in (loss)/profit from ordinary activities:</i>		
■ Director salary settled by way of share issue	116,484	-
■ Foreign exchange (gain)/loss	(5,548)	-
■ Exploration expenditure expensed	188,942	-
■ Share-based payments	202,816	-
<i>Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:</i>		
■ Increase in receivables	(4,124)	(4,361)
■ Increase/(decrease) in trade and other payables	152,427	42,874
■ Increase in provisions	14,414	-
Cash flow from operations	(319,316)	(241,593)

## ii. Credit and Loan standby Arrangement with Banks

Nil.

## iii. Non-cash investing and financing activities

Nil.

## Note 7 Trade and other receivables

## Current

GST receivable

Other

	2018 \$	2017 \$
GST receivable	8,286	4,261
Other	199	100
	8,485	4,361

Notes consolidated to the financial statements

for the year ended 31 December 2018

Note 8 Trade and other payables

a. Current

Unsecured

Trade payables

Accruals

Employment related payables

	2018	2017
	\$	\$
	163,376	27,919
	14,954	14,955
	79,256	-
	257,586	42,874

Note 9 Provisions

Provision for employee entitlements

Note

	2018	2017
	\$	\$
9a	14,414	-
	14,414	-

a. Description of provisions

Provision for employee benefits represents amounts accrued for annual leave (**AL**) and long service leave (**LSL**). The current portion for this provision includes the total amount accrued for AL entitlements and the amounts accrued for LSL entitlements that have vested due to employees having completed the required period of service. The Group does not expect the full amount of AL or LSL balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Note 10 Issued capital

Fully paid ordinary shares

a. Ordinary shares

At the beginning of the period

Shares issued during the year:

■ 19.5.2017 Incorporation shares

■ 30.8.2017 Seed capital issues

■ 4.10.2017 Seed capital issues

■ Correction to founder shares over issue

■ 07.03.18 Issue of seed capital

■ 08.05.18 Issue of seed capital

■ 30.05.18 Issue of founder shares

■ 23.06.18 Capital raising

■ 24.12.18 Settlement of director's salary 10c

Transaction costs relating to share issues

At reporting date

	2018	2017	2018	2017
	No.	No.	\$	\$
	16,514,848	9,826,432	873,584	334,225
	1 January 2018	19 May 2017	1 January 2018	19 May 2017
	to	to	to	to
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	No.	No.	\$	\$
	9,826,432	-	334,225	-
	-	2	-	-
	-	4,701,430	-	329,100
	-	5,125,000	-	5,125
	(2,125,000)	-	(2,125)	-
	1,428,572	-	100,000	-
	2,220,000	-	222,000	-
	3,000,000	-	3,000	-
	1,000,000	-	100,000	-
	1,164,844	-	116,484	-
	-	-	-	-
	16,514,848	9,826,432	873,584	334,225

b. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

c. On 24 December 2018, the Mr Harper converted the net component of his salary owed as Managing Director (for the period 22 March 2018 to 1 December 2018) to shares. The net component amounted to \$116,484, after the subtraction of income taxes and amount settled in cash. The remaining salary payable was converted to shares at the rate equivalent to the last share issue, being \$0.10 per share, resulting in the issue of 1,164,844 shares.

## Notes consolidated to the financial statements

for the year ended 31 December 2018

## Note 10 Issued capital (cont.)

	1 January 2018 to 31 Dec 2018 No.	19 May 2017 to 31 Dec 2017 No.
d. Options		
Options	8,116,667	-
At the beginning of the period	-	-
Options issued/(lapsed) during the year:		
■ 23.05.18 - \$0.25 options, expiry: 30.09.2021	2,783,334	-
■ 24.07.18 - \$0.25 options, expiry: 30.09.2021	333,333	-
■ 24.12.18 - \$0.25 options, expiry: 15.01.2023	12a.i(1) 5,000,000	-
At reporting date	8,116,667	-

## e. Capital Management

The Directors' objectives when managing capital are to ensure that the Group can maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the availability of liquid funds in order to meet its short-term commitments. It does this by ensuring that its current ratio (current assets divided by current liabilities) remains in excess of 1:1.

	2018	2017
Current ratio	0.29	2.26

Due to the nature of the Group's activities, being mineral exploration and pre-IPO, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The Group is not subject to externally imposed capital requirements.

The working capital position of the Group at 31 December 2018 was as follows:

The working capital position of the Group were as follows:

	Note	2018 \$	2017 \$
Cash and cash equivalents	6	46,518	92,632
Trade and other receivables	7	8,485	4,361
Trade and other payables	8	(257,586)	(42,874)
Working capital position		(202,583)	54,119

	Note	2018 \$	2017 \$
Foreign currency translation reserve	11a	(5,548)	-
Share-based payment reserve	11b	202,816	-
		197,268	-

## a. Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

## b. Share-based payment reserve

The share-based payment reserve records the value of options and performance rights issued the Company to its employees or consultants.

Notes consolidated to the financial statements

for the year ended 31 December 2018

Note 12 Share-based payments

	1 January 2018 to 31 Dec 2018 \$	19 May 2017 to 31 Dec 2017 \$
Share-based payment expense	202,816	-
Share-based payment expense recognised in profit or loss	202,816	-

Share-based payment expense

12a.i(1)

Share-based payment expense recognised in profit or loss

a. Share-based payment arrangements in effect during the period

i. Share-based payments recognised in profit or loss

(1) Director and consultant options

During the year the Company issued 5,000,000 to Directors and the Company Secretary options under exemptions available within the Corporations Act 2001 (Cth) section 210 and 211, with terms summarised below and further detailed in Note 12d:

Name	Number under Option	Date of Expiry	Exercise Price	Vesting Terms
D Harper	1,000,000	15 January 2023	\$0.25	Immediately upon issue
A Nahajski-Staples	1,000,000	15 January 2023	\$0.25	Immediately upon issue
P Angus	2,000,000	15 January 2023	\$0.25	Immediately upon issue
B Fraser	1,000,000	15 January 2023	\$0.25	Immediately upon issue

b. Options granted to KMP are as follows

Grant Date	Number
24 December 2018*	4,000,000

\*Grant date above is 24 December 2018 in accordance with AASB 2, the options were issued on 15 January 2019.

Further details of these options are provided in note 12a.i(1).

c. Movement in share-based payment arrangements during the period

A summary of the movements of all company options issued as share-based payments is as follows:

	1 January 2018 to 31 Dec 2018		19 May 2017 to 31 Dec 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the period	-	-	-	-
Granted	5,000,000	\$0.25	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at period-end	5,000,000	\$0.25	-	-
Exercisable at period-end	5,000,000	\$0.25	-	-
<i>Reconciliation to total Company options</i>				
Non share-based payment options outstanding at the end of the period	3,116,667		-	
Non share-based payment options exercise or expired	-		-	
<i>Total Company options on issue</i>	8,116,667		-	

i. No share-based payment options were exercised during the year.

ii. The weighted average remaining contractual life of share-based payment options outstanding at year end was 4.04 years. The weighted average exercise price of outstanding shares at the end of the reporting period was \$0.25.

iii. The fair value of the options granted to directors and employees is deemed to represent the value of the employee services received over the vesting period.

**Notes consolidated to the financial statements**

for the year ended 31 December 2018

**Note 12 Share-based payments (cont.)****d. Fair value of options grants during the period**

The fair value of the options granted to KMP is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the period was \$0.0406 (31 December 2017 year: \$nil). These values were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued this year:

Grant date:	24 December 2018*
Grant date share price:	\$0.10
Option exercise price:	\$0.25
Number of options issued:	5,000,000
Remaining life (from grant date) (years):	4.1 years
Expected share price volatility:	80.39%
Risk-free interest rate:	1.99%
Value per option	\$0.0406

\* Grant date above is 24 December 2018 in accordance with AASB 2, the options were issued on 15 January 2019.

Expected share price volatility was determined using an analysis of similar listed exploration companies with the market capitalisation equivalent to the expected market capitalisation on an initial public offer for Condamine.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

**Note 13 Financial risk management****a. Financial Risk Management Policies**

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts payable and receivable.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's Financial Assets and Liabilities is shown below:

	Floating Interest Rate \$	Fixed Interest Rate \$	Non- interest Bearing \$	2018 Total \$	Floating Interest Rate \$	Fixed Interest Rate \$	Non- interest Bearing \$	2017 Total \$
Financial Assets								
<input type="checkbox"/> Cash and cash equivalents	46,518	-	-	46,518	92,632	-	-	92,632
<input type="checkbox"/> Trade and other receivables	-	-	8,485	8,485	-	-	4,361	4,361
<b>Total Financial Assets</b>	<b>46,518</b>	<b>-</b>	<b>8,485</b>	<b>55,003</b>	<b>92,632</b>	<b>-</b>	<b>4,361</b>	<b>96,993</b>
Financial Liabilities								
Financial liabilities at amortised cost								
<input type="checkbox"/> Trade and other payables	-	-	257,586	257,586	-	-	42,874	42,874
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>257,586</b>	<b>257,586</b>	<b>-</b>	<b>-</b>	<b>42,874</b>	<b>42,874</b>
<b>Net Financial Assets/(Liabilities)</b>	<b>46,518</b>	<b>-</b>	<b>(249,101)</b>	<b>(202,583)</b>	<b>92,632</b>	<b>-</b>	<b>(38,513)</b>	<b>54,119</b>

## Notes consolidated to the financial statements

for the year ended 31 December 2018

### Note 13 Financial risk management (cont.)

#### b. Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk. However, the sole material risk at the present stage of the Group is liquidity risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

##### i. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Due to the current nature of the Group, being a pre-IPO exploration entity, the Group is not exposed to material credit risk.

##### ii. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically, the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Group include trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

#### ■ Contractual Maturities

The following are the contractual maturities of financial liabilities of the Group:

	Within 1 Year		Greater Than 1 Year		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables	257,586	42,874	-	-	257,586	42,874
<b>Total contractual outflows</b>	<b>257,586</b>	<b>42,874</b>	<b>-</b>	<b>-</b>	<b>257,586</b>	<b>42,874</b>
Financial assets						
Cash and cash equivalents	46,518	92,632	-	-	46,518	92,632
Trade and other receivables	8,485	4,361	-	-	8,485	4,361
<b>Total anticipated inflows</b>	<b>55,003</b>	<b>96,993</b>	<b>-</b>	<b>-</b>	<b>55,003</b>	<b>96,993</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>(202,583)</b>	<b>54,119</b>	<b>-</b>	<b>-</b>	<b>(202,583)</b>	<b>54,119</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

## Notes consolidated to the financial statements

for the year ended 31 December 2018

### Note 13 Financial risk management (cont.)

#### iii. 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 Group'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 the return.

Due to the current nature of the Group, being a pre-IPO exploration entity, the Group is not exposed to material credit risk.

#### iv. Sensitivity Analysis

Due to the current nature of the Group, being a pre-IPO exploration entity, the Group is not exposed to material financial risk sensitivities.

#### v. Net Fair Values

##### (1) Fair value estimation

The fair values of financial assets and financial liabilities are presented in the table in Note 13a and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- Cash and cash equivalents;
- Trade and other receivables; and
- Trade and other payables.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

### Note 14 Interest in subsidiaries

#### a. Information about principal subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group and the proportion of ownership interest held equals the voting rights held by the Group. Investments in subsidiaries are accounted for at cost. Each subsidiaries country of incorporation is also its principal place of business:

	Country of Incorporation	Class of Shares	Percentage Owned	
			2018	2017
■ Reefton Resources Pty Ltd	New Zealand	Ordinary	100.0%	nil

### Note 15 Commitments

The Group has no material commitments as at 31 December 2018.

### Note 16 Events subsequent to reporting date

On 10 January 2019 the Group raised \$250,000 and issued 2,083,333 shares through a placement to Blina Minerals NL. Included in the placement were 2,604,166 free attaching options exercisable at \$0.25 on or before 11 January 2022.

On 15 January 2019 the Group issued 5,000,000 options to directors and the Company Secretary exercisable at \$0.25 on or before 15 January 2023, granted 24 December 2018.

Subsequent to the reporting date, an application has been made by a shareholder to the Federal Court of Australia under section 247A of the Corporations Act 2001 (Cth) and the general law for orders for inspection of certain books of the Company. To date Condamine has voluntarily provided access to an agreed (limited) scope of books subject to express confidentiality orders and without any concession as to this party's entitlement to inspect the documents sought, continues to work with this party to come to a resolution as soon as possible, and reserves all its rights and costs related to the matter.

### Note 17 Contingent liabilities

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

## Notes consolidated to the financial statements

for the year ended 31 December 2018

### Note 18 Operating segments

#### a. Identification of reportable segments

The Group operates in the mineral exploration industry. This comprises exploration and evaluation of gold. Inter-segment transactions are priced at cost to the Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis and in determining the allocation of resources. Management has identified the operating segments based on the two principal locations based on geographical areas and therefore different regulatory environments – Australia and New Zealand.

#### b. Basis of accounting for purposes of reporting by operating segments

##### i. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

##### ii. Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

##### iii. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

##### iv. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

##### v. Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Current and deferred tax assets and liabilities

## Notes consolidated to the financial statements

for the year ended 31 December 2018

## Note 18 Operating segments (cont.)

For the year to 31 December 2018	Australia \$	New Zealand \$	Total \$
Segment revenue and other income	401	5	406
Segment Results	401	5	406
Amounts not included in segment results but reviewed by Board:			
<i>Expenses not directly allocable to identifiable segments or areas of interest</i>			
■ Business development and marketing	(6,534)	(1,232)	(7,766)
■ Compliance costs	(3,592)	-	(3,592)
■ Employment costs	(240,779)	-	(240,779)
■ Exploration and evaluation expenditure	(43,957)	(144,985)	(188,942)
■ Foreign exchange loss	(1,786)	744	(1,042)
■ Information technology costs	( 772)	-	( 772)
■ Insurance	( 808)	-	( 808)
■ Legal and professional fees	(273,248)	(22,117)	(295,365)
■ Travel and accommodation	(21,900)	( 326)	(22,226)
■ Share-based payments	(202,816)	-	(202,816)
■ Other expenses	(14,823)	(6,202)	(21,025)
Loss after Income Tax			(984,727)
<b>As at 31 December 2018</b>			
Segment Assets	220,057	29,323	249,380
<i>Reconciliation of segment assets to group assets:</i>			
■ Intra-segment eliminations			(169,443)
Total Assets			79,937
Segment Liabilities	245,203	197,983	443,186
<i>Reconciliation of segment liabilities to group liabilities:</i>			
■ Intra-segment eliminations			(169,268)
Total Liabilities			273,918

## c. 19 May 2017 to 31 December 2017

There was only one operating and geographical segment in the period to 31 December 2017, being pre-IPO mineral exploration in Australia.

Notes consolidated to the financial statements

for the year ended 31 December 2018

**Note 19 Key Management Personnel compensation (KMP)**

The names and positions of KMP are as follows:

- David Sproule Non-executive Chairman (resigned 24 December 2018)
- Anna Nahajski-Staples (Interim) Executive Director (Non-executive Director until 14 May 2019)
- Don Harper Non-executive Director (Managing Director until 14 May 2019)
- Paul Angus Non-executive Director (Appointed 18 May 2018)

	Note	1 Jan 2018 to 31 Dec 2018 \$	19 May 2017 to 31 Dec 2017 \$
Short-term employee benefits	10c	187,890	-
Post-employment benefits		17,850	-
Share-based payments	12	202,816	-
<b>Total</b>		<b>408,556</b>	<b>-</b>

**Note 20 Related party transactions**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**a. Other related party transactions**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	1 January 2018 to 31 Dec 2018 \$	19 May 2017 to 31 Dec 2017 \$
<p>■ <b>AMN Corporate</b></p> <p>AMN Corporate, a business controlled by Ms Anna Nahajski-Staples, provided public and investor relations services and corporate administrative support. These services are performed directly and indirectly by Ms Nahajski-Staples. Amounts include expense reimbursements.</p>	21,070	11,851
<p>■ <b>Paloma Investments Pty Ltd</b></p> <p>Paloma Investments, a business controlled by Ms Anna Nahajski-Staples, provided lead corporate advisory services and capital raising support. These services are performed directly and indirectly by Ms Nahajski-Staples. Amounts include expense reimbursements.</p>	-	41,362
<p>■ <b>ARC Limited Angus Resource Consulting (ARC)</b></p> <p>ARC, a business controlled by Mr Paul Angus, provides resource consulting services. Amounts include expense reimbursements:</p> <p>Fees incurred during the period:</p> <p>Amounts outstanding at year end:</p>	166,039 25,252	- -

**Notes consolidated to the financial statements**

for the year ended 31 December 2018

**Note 21 Parent entity disclosures**

Condamine Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Condamine Resources Limited did not enter into any trading transactions with any related party during the year.

	2018 \$	2017 \$
<b>a. Financial Position of Condamine Resources Limited</b>		
Current assets	50,614	96,993
Non-current assets	169,443	-
<b>Total assets</b>	<b>220,057</b>	<b>96,993</b>
Current liabilities	234,838	42,874
<b>Total liabilities</b>	<b>234,838</b>	<b>42,874</b>
<b>Net deficiency/(assets)</b>	<b>(14,781)</b>	<b>54,119</b>
<i>Equity</i>		
Issued capital	873,584	334,225
Share-based payment reserve	202,816	-
Accumulated losses	(1,091,181)	(280,106)
<b>Total equity</b>	<b>(14,781)</b>	<b>54,119</b>
	1 January 2018 to 31 Dec 2018 \$	19 May 2017 to 31 Dec 2017 \$
<b>b. Financial performance of Condamine Resources Limited</b>		
Loss for the year	(811,075)	(280,106)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(811,075)</b>	<b>(280,106)</b>

**c. Guarantees**

There are no guarantees entered into by Condamine Resources Limited for the debts of its subsidiaries as at 2018 (2017: none).

**d. Contractual commitments**

The parent company has no capital commitments at 2018 (2017: \$nil). The parent company other commitments are disclosed in Note 15 Commitments.

**e. Contingent liabilities**

The parent company's other commitments are the same as those disclosed in Note 17 Contingent liabilities.

**Note 22 Auditor's remuneration**

Remuneration of the auditor for:

■ Auditing or reviewing the financial reports:

- Nexia Perth Audit Services Pty Ltd

	1 January 2018 to 31 Dec 2018 \$	19 May 2017 to 31 Dec 2017 \$
	17,051	4,000
	<b>17,051</b>	<b>4,000</b>

## Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 38 to 62, are in accordance with the *Corporations Act 2001*(Cth) and:
  - (a) comply with Accounting Standards;
  - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements; and
  - (c) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the Group.
  - (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



**ANNA NAHAJSKI-STAPLES**

(Interim) Executive Director

Dated this Wednesday, 29 May 2019



## Independent Auditor's Report to the Members of Condamine Resources Limited

### Report on the financial report

#### Opinion

We have audited the financial report of Condamine Resources Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period 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 31 December 2018 and of its financial performance for the period 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 entity in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

Without modifying our opinion, we draw attention to Note 1 to the Financial Report, which indicates that the Company will need to raise funds in the next twelve months from the date of this report to fund its planned exploration and evaluation projects and operating costs. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

#### Other information

The directors are responsible for the other information. The other information comprises the information in Condamine Resources Limited's annual report for the period ended 31 December 2018, but does not include the financial report and the auditor's report thereon.

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Our opinion on the financial report does not cover the other information and 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 the other information we are required to report that fact. We have nothing to report in this regard.

#### **Directors' responsibility 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 entity's ability 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 entity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibility for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at:  
[http://www.auasb.gov.au/auditors\\_responsibilities/ar3](http://www.auasb.gov.au/auditors_responsibilities/ar3).

This description forms part of our auditor's report. 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.



**Nexia Perth Audit Services Pty Ltd**



**Muranda Janse van Nieuwenhuizen**  
**Director**

Perth  
29 May 2019





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RESOURCES