MRL Corporation Ltd

2015 ANNUAL REPORT

MRL CORPORATION LIMITED

ABN 50 007 870 760

Annual Report

30 June 2015

CORPORATE DIRECTORY

Directors

Peter Hepburn-Brown	*(Chairman)*
Craig McGuckin	*(Managing Director)*
Peter R. Youd	*(Executive Director)*
Denis Geldard	*(Non-Executive Director)*
Chris Banasik	*(Non-Executive Director)*

Company Secretary

Peter R. Youd

Principal Registered Office in Australia

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9 Hampden Road
Nedlands WA 6009
Telephone: +61 1300 660 448
Facsimile: +61 1300 855 044
Email: info@mrltd.com.au
Website: www.mrltd.com.au

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Limited under the trading codes **MRF** and **MRFOA**

Share Registry

Automic Registry Services
Level 1, 7 Ventnor Avenue
West Perth WA 6005
Telephone: +61 8 9324 2099
Facsimile: +61 8 9321 2337

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Solicitors – Australia

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

Solicitors – Sri Lanka

Varners
Level 14, West Tower
World Trade Centre
Echelon Square
Colombo 01
Sri Lanka

Bankers

Westpac Banking Corporation
Level 6, 109 Street Georges Terrace
Perth WA 6000

TABLE OF CONTENTS

CHAIRMAN'S REPORT

Dear Fellow Shareholder

The 2015 financial year has been one of considerable progress for your Company.

The Company has entered an exciting phase with the high quality of the Sri Lankan graphite resource becoming more recognised and its value in high technology uses such as the production of graphene and spherical graphite becoming more obvious.

Extensive testing of Sri Lankan graphite for suitability for production of graphene was extremely successful. These results were announced in May 2015, with further results in August 2015 adding to the growing encouragement received by the Company on the graphene front.

Graphene, the well-publicised and now famous two-dimensional carbon allotrope, is as versatile a material as any discovered on Earth. Its amazing properties as the lightest and strongest material, compared with its ability to conduct heat and electricity better than anything else, mean it can be integrated into a huge number of applications. Initially this will mean graphene is used to help improve the performance and efficiency of current materials and substances, but in the future it will also be developed in conjunction with other two-dimensional (2D) crystals to create some even more amazing compounds to suit an even wider range of applications.

One area of research which is being very highly studied is energy storage. Currently, scientists are working on enhancing the capabilities of lithium ion batteries (by incorporating graphene as an anode) to offer much higher storage capacities with much better longevity and charge rate. Also, graphene is being studied and developed to be used in the manufacture of supercapacitors which are able to be charged very quickly, yet also be able to store a large amount of electricity.

This is disruptive technology and your Company intends to be at the cutting edge of developments in this field.

On 4 September 2015 the Company announced it would proceed with a Share Purchase Plan of up to 29 million shares at an issue price of $0.055 per share to raise $1.595m (before costs). It is intended that the proceeds from the SPP will be used:

- to fund development of mining shafts;
- to expand the Company's drilling activities;
- to meet the costs of marketing the Company's graphite and graphene products; and
- for working capital purposes.

More details on these projects are contained in the Review of Operations.

In closing I would like to thank our shareholders' for their continued support. The board would also like to express its thanks to our Managing Director, Mr Craig McGuckin, for his assiduous efforts to advance the Company's projects and his inspirational leadership in building the Sri Lankan team. This team is also to be thanked for their considerable efforts.

The board looks forward to an exciting and rewarding 2015/16 financial year.

Peter Hepburn-Brown

Non-Executive Chairman

30 September 2015

REVIEW OF OPERATIONS

Overview of Operations

The 2015 financial year has seen significant progress made on the Company's high grade vein graphite projects in Sri Lanka.

The Company holds 6,300ha over four exploration licences together with one granted Industrial Mining Licence at Aluketiya. All areas are held 100% in the name of MRL Graphite (Pvt) Ltd, a Sri Lankan subsidiary company.

Map of Sri Lanka and MRL project locations

Pandeniya - (within the Warakapola exploration licences)

Drilling began on the Pandeniya project in June 2014 with a diamond core rig which was contracted from the Geological Survey and Mines Bureau of Sri Lanka (GSMB). The Company provided core orientation equipment and a sophisticated down hole survey instrument to ensure the accurate measurement of the down hole Azimuth and Dip. This style of equipment had not previously been used in Sri Lanka.

MRL intersected two outstanding high grade graphite veins in the DH228-01 hole.

Vein 1: 91.62m to 92.32m = drilled thickness of 0.69m.

Vein 2: 97.00m to 97.90m = drilled thickness of 0.90m.

After calculating the dip and strike angles the combined true thickness of Vein 1 and 2 was estimated at approximately 1.17m of high grade graphite. This was an exceptional result for the first hole of an exciting drilling campaign and confirmed the company's approach. Furthermore assay results from these intersections were as high as 97.8% TGC (Total Graphitic Carbon). A further three holes were drilled on this location to test for strike extensions.

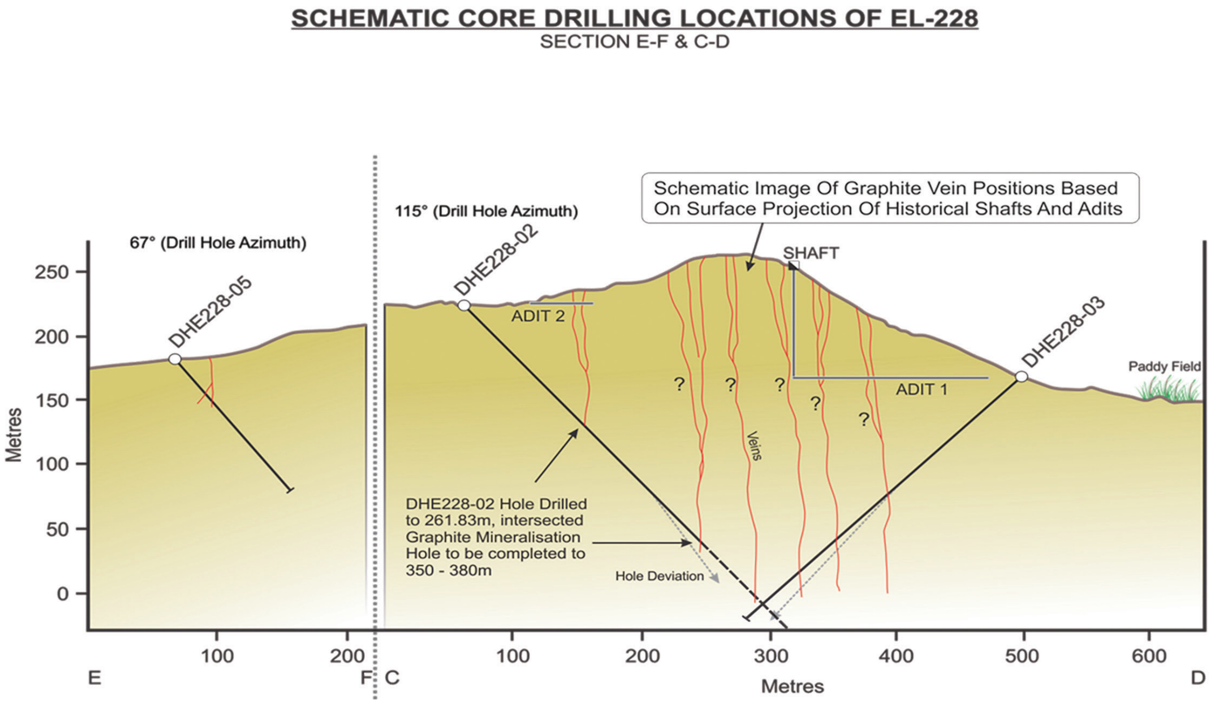
Based on the success of the drilling program application was made to GSMB in early January 2015 to convert a portion of the exploration licence grid into an Industrial Mining Licence (IML). In the meantime the site was prepared for mining with the construction of a headframe to be used for underground mining. This site represents the typical approach which will be used on future underground developments and provides a template for the bill of materials and construction methodology.

Pandeniya headframe

Bopitiya (within the Warakapola exploration licences)

Upon completion of the Pandeniya drilling program the GSMB drill rig was moved to the nearby Bopitiya location. The Company planned to drill two holes to a maximum depth of approximately 350 metres to test the western depth of mineralisation in the Bopitiya zone of Warakapola. The first hole, DH228-02 encountered visible intersections in the diamond drill core and intersected several minor zones of graphite before the hole was suspended in mineralisation at 261.8m downhole, at which point the rig had reached the extent of its capability due to the loss of drilling fluid return.

It is intended to return to these areas during the first half of 2016 and complete this deeper drilling program with the drill rig which has been imported by the Company.



Bopitiya drilling plan

REVIEW OF OPERATIONS *continued*

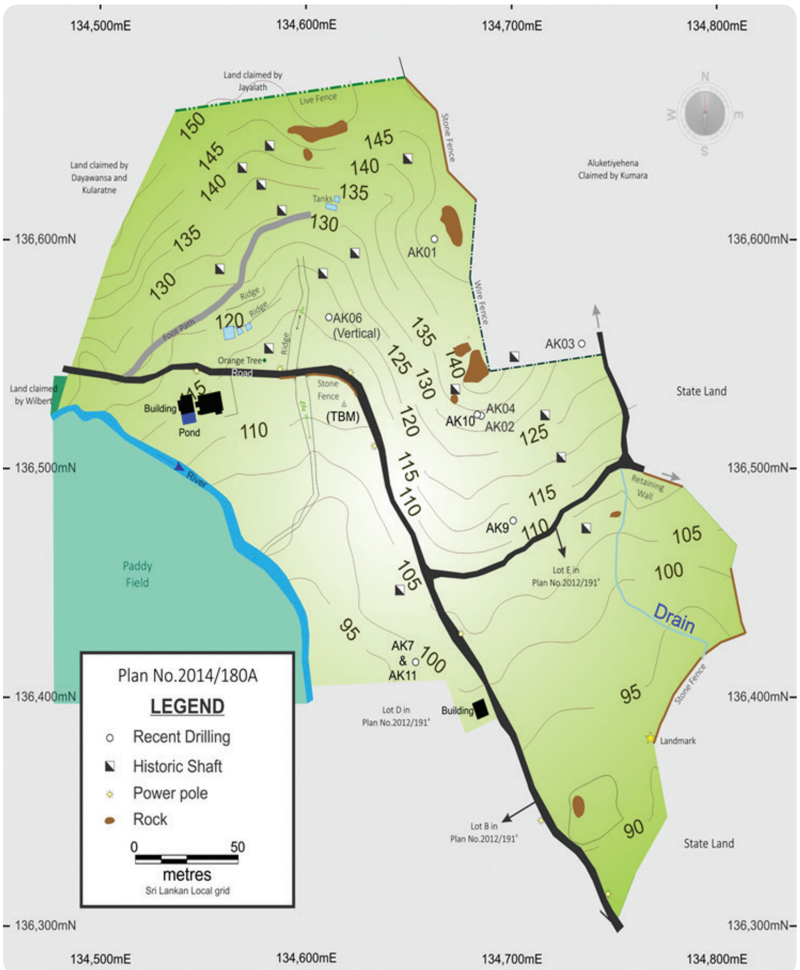
Aluketiya

In October 2014 the Company completed the acquisition of the Aluketiya IML. Aluketiya is located in Meegahatenna within the Walallawita District, approximately 85km from Colombo. Meegahatenna is considered to be one of the richest graphite-bearing areas in Sri Lanka, with the graphite veins potentially extending over large distances.

Aluketiya produced high-grade graphite for several decades until the operation was stopped in the 1960s. Extensive veins of high-grade graphite are visible from surface but the area has not been subjected to any modern exploration techniques.

Previous drilling at the project had included six diamond holes at locations shown in the attached diagram. The core from this drilling was analysed and grades as high as 99.3% TGC were achieved.

In early 2015 the Company commenced a three hole program with the aim of establishing the presence of further graphite mineralisation and sterilising other areas. MRL expects the Aluketiya Licence will host up to three development areas comprising the rehabilitation of shafts "D" and "H" and a new adit.



Aluketiya site plan and core from Aluketiya drill hole AK-04

Pujapetiya

The Pujapetiya exploration area is located approximately 30 kilometres south of the famous government owned Kahatagaha/Kolongaha (K/K) Mining Operations. Mining commenced at the Kahatagaha/Kolongaha (K/K) Mining Operations in 1872 and by the end of the 1990s had produced in excess of 300,000 tonnes of carbon as graphite. The operation is managed by Kahatagaha Graphite Lanka Limited (KGLL) and exports 100% of the products produced to major clients in the U.S.A., United Kingdom, Japan, Australia, India and Pakistan.

During the year the Company worked on being granted land access within the highest priority exploration areas. The Pujapitiya grids also have prolific remnant graphite at surface and numerous abandoned underground shafts and audits. With the granting of land access initial field work commenced and trenching has been undertaken on some particular areas.

Chris Banasik examining graphite veins at Dedigama

Within the exploration licence areas the Company has identified seven priority locations which will require drilling following the completion of geological appraisal and receipt of land access agreements.

Environment

The Directors and management are conscious of ensuring all activities are undertaken with a view to achieving the highest environmental standards which are practically possible.

A Preliminary Investigation Report for Graphite Exploration Projects around Bopitiya, Warakapola was undertaken to establish a base line before any activities were undertaken in the area. The Company has followed the recommendations set out in the preliminary report.

The surface footprint of the proposed mining activities is small and all mining activities are to be conducted underground. As a result the impact on the surrounding area will be minimal. No processing will occur on the mining location and all mined graphite will be transported to a central processing facility.

Safety

Employment and Training Program

All potential full time MRL employees must undergo a Company funded full medical examination prior to commencing employment. All employees are also required to complete a Company funded safety first training course at the commencement of employment and annual refresher courses. All employees are given a stringent safety training program and the Company has a full time Occupational Health and Safety (OHS) Officer. In fact he was the second person employed after the Sri Lankan General Manager, which gives some insight into the importance placed on safety by the Company. No task may be undertaken until a Job Hazard Assessment (JHA) has been prepared, risks have been identified, methods to mitigate those risks has been put in place and the employees have been trained in the safety procedures associated with the task.

The safety training and safety standards adopted by the Company are those applicable to the well-developed and proven standards used in the West Australian mining and petroleum industries and exceed the legislative standards imposed in Sri Lanka.

The Company has employed a very experienced senior geologist as well as two younger geologists. While engagement of foreign expatriates is kept to a minimum the Company has recently engaged drilling, geological and technical experts to provide training and assistance to its geologists with a range of newly introduced survey and ore orientation tools not previously used in Sri Lanka. These new tools are state of the art and used by some of the largest drilling and service companies in the world. This provides the Sri Lankan geologists with a unique opportunity to learn skills which would not otherwise be available.

Managing Director, Craig McGuckin (left) conducting safety training with OH&S Officer, Mines Captain and Skilled Miners

REVIEW OF OPERATIONS *continued*

The Company will be ensuring training is provided to all machinery operators by qualified training institutions and personnel. Employees will then be signed out as competent operators for selected pieces of machinery, e.g. cranes, winches, compressors etc.

Refresher courses will be conducted to make sure competence levels are maintained.

The Company already conducts additional safety and training classes from independent course providers and suppliers for both its own personnel and the personnel of contractors working on site e.g. GSMB.

Safety training by Industrial Safety (Pvt) Ltd on Protective Personal Equipment (PPE) for MRL and GSMB employees

Strategy

Value Adding

It is the strategy of MRL to not only become a producer of high grade graphite but to also participate in receiving value by producing higher end products from the raw material. To this end the Company undertook extensive testing in late 2014 as to the suitability of the Sri Lankan graphite for conversion to spherical graphite for use in battery technologies. MRL received a significant boost in its strategy to become a lucrative graphite producer, with key metallurgical test work showing its graphite exceeds the grades required for use in lithium ion battery anodes. The Company's high-grade Sri Lankan graphite achieved a greater recovery rate than most disseminated flake graphite deposits due to its reduced physical processing requirement and much higher starting TGC purity.

However the most exciting development came when in May 2015 the Company announced results from testing its high-grade graphite for production of graphene.

The tests were conducted to check for the amenability of the ore for single step extraction of graphene. The quality of the prepared graphene from MRL's graphite was outstanding and comparable with the quality of graphene prepared by synthetic routes. MRL's graphite has very high crystalline carbon content not observed in any other previously tested graphite materials. A number of processes were tested with electrochemical exfoliation providing the best results. This process route was stated to be scalable and therefore suitable for commercial scale production of single and few layered graphene directly from the graphite ore.

Accelerated Exploration

In May 2015 the Company announced the appointment of Mr Chris Banasik as a non-executive director. Mr Banasik has a Master's Degree in Mineral Economics from University of WA and Bachelor's Degree in Applied Physics from Curtin University.

Prior to becoming the Director of Exploration and Geology of Silver Lake Resources, he held senior geological management positons over 12 years' with organisations including WMC Resources Ltd, Reliance Mining Ltd, Goldfields Mine Management and Consolidated Minerals Ltd. He has gained extensive experience in every aspect of mining, mineral processing, smelting and refining primarily for gold and nickel.

With his considerable experience Mr Banasik has been able to work with the Company's Sri Lankan geologists to improve and accelerate the exploration program.

The process was further enhanced when in June 2015 the Company announced it had acquired its own diamond drill rig which would be despatched to Sri Lanka. The drill rig arrived in mid-August 2015 and commenced drilling at Dedigama in September 2015. The rig which is capable of completing HQ diamond drill holes to a vertical depth of 400m, comes complete with ancillary equipment and a separate track driven rod carrier and is probably the most advanced drill rig in country.

By being able to accelerate the exploration program the Company will be better able to accelerate the development of historical shafts and adits to achieve its targeted production levels of 5,000 tpa of graphite.

DIRECTOR'S REPORT

The directors present their report together with the financial report of the consolidated entity (referred to hereafter as the 'consolidated entity') and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. The Directors were in office for this entire period unless otherwise stated.

Peter Hepburn-Brown

BAppSc-Mining Engineering (1980), Grad Dip Human Resources (1996), Member of Inst of Engineers, Australia

Chairman and Non-Executive Director

Peter Hepburn-Brown brings over 30 years of experience as a mining engineer in both open pit and underground mining operations with an extensive background in narrow vein mining technologies. He has worked in Australia, Philippines and Africa.

Special Responsibilities: Member of the Remuneration and Audit Committees

Other Current Directorships

Non-executive director of Focus Minerals Limited since April 2015.

Craig McGuckin

Dip. Minsurv Class 1, Dip Surfmin

Managing Director

Craig McGuckin is a qualified mining professional with 29 years' experience in the mining, drilling and petroleum industries. He has held senior positions including Senior Planning Engineer, Mine Manager and Managing Director of private and publicly listed companies. Mr McGuckin was a founding Executive Director of Rheochem Plc (later Lochard Energy Group Plc), which was quoted on the Alternative Investment Market (AIM) of the London Stock Exchange and was previously listed on the ASX. As Executive Group General Manager, he was responsible for the company's expansion into the Indian, Indonesian and New Zealand drilling fluids market.

Peter Youd B Bus (Accounting)

AICA

Executive Director

Peter Youd is a Chartered Accountant and has extensive experience within the resources and oil and gas services, industries. For the last 27 years Mr Youd has held a number of senior management positions and directorships for publicly listed and private companies in Australia and overseas.

Special Responsibilities: Member of the Audit Committee

Denis Geldard

WASM Min Eng MAIMM

Non-Executive Director

Denis Geldard has over 40 years' of technical and operational experience in exploration and project development in Australia and internationally. Mr Geldard is a mining graduate from the Kalgoorlie School of Mines in Western Australia. Mr Geldard has managed and run a number of junior and mid-tier mining and exploration companies and mining operations over the past 40 years including directorships of a number of Australian listed mining and exploration companies.

Special Responsibilities: Member of the Remuneration and Audit Committees.

Other Current Directorships

Non-executive director of Broken Hill Prospecting Limited since August 2015.

Chris Banasik

B App Sc (Physics), MSc (Econ Geol), Grad Dip Ed, MAusIMM

Non-Executive Director (Appointed 20 May 2015

Mr Banasik was a founding Director of Exploration and Geology for the ASX listed company Silver Lake Resources Limited and held this position from May 2007 until November 2014.

Mr Banasik has a Master's Degree in Mineral Economics from University of WA and Bachelor's Degree in Applied Physics from Curtin University.

Prior to becoming the Director of Exploration and Geology of Silver Lake Resources, he held senior geological management positons over 12 years' with organisations including WMC Resources Ltd, Reliance Mining Ltd, Goldfields Mine Management and Consolidated Minerals Ltd. He has gained extensive experience in every aspect of mining, mineral processing, smelting and refining primarily for gold and nickel.

Former Directorships

Silver Lake Resources Limited until November 2014

DIRECTOR'S REPORT *continued*

Peter Reilly
(resigned 30 September 2014)
Non-Executive Director

Joel Chong
(appointed 30 September 2014 – Resigned 20 May 2015)
Non-Executive Director

Company Secretary & Chief Financial Officer

Peter Youd B Bus (Accounting)
AICA

Results and Dividends

The Group result for the year was a loss of $3,402,947 (2014: loss of$2,047,371).

No final dividend has been declared or recommended as at 30 June 2015 or as at the date of this report (2014: $ nil).

No interim dividends have been paid (2014: nil).

Principal Activities

During the financial year the principal continuing activities of the consolidated entity were as an explorer and developer of high-grade graphite projects in Sri Lanka.

Events Since the End of the Financial Year

There are no known subsequent events of a material nature other than the following:

On 4 September 2015 the Company announced it would proceed with a Share Purchase Plan of up to 29 million shares at an issue price of $0.055 per share to raise $1.595m (before costs). It is intended that the proceeds from the SPP will used:

- to fund development of mining shafts;
- to expand the Company's drilling activities;
- to meet the costs of marketing the Company's graphite and graphene products; and
- for working capital purposes.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Likely Developments and expected results of operations

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, other than as mentioned in the Chairman's Statement and Review of Operations as the Directors have reasonable grounds to believe the continuing market volatility makes it impractical to forecast future profitability and other material financial events.

Directors' and other officers' emoluments

Details of the remuneration policy for Directors and other officers are included in Principle 8: "Remunerate fairly and responsibly" of the Remuneration Report (page 13) and the Corporate Governance Principles (page 20).

Details of the nature and amount of emoluments for each Director of the Company and Executive Officers are included in the Remuneration Report.

Environmental Regulations

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

Proceedings on behalf of company

No person has applied to the Court under section 237 of the Corporations Act for leave 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.

Emphasis of Matter

The Audit Report issued by the Group's auditor contains an "Emphasis of Matter" paragraph in relation to the Group's ability to continue as a going concern (refer to pages 52 and 53). The financial report has been prepared on the going concern basis of accounting which assumes the group will be able to meet its commitments, realise its assets and discharge its liabilities in the ordinary course of business. In arriving at this position, the directors recognise the group is dependent on various funding alternatives to meet these commitments, including share placement

Share Options

At the date of this report, MRL Corporation Limited has unlisted options holders holding options exercisable into ordinary shares in MRL Corporation Limited as follows:

Unlisted	Grant Date	Date of Expiry	Exercise Price	Number under option
Share options	28 April 2014	21 May 2017	$0.10	25,500,000
Share options	29 June 2015	21 May 2017	$0.10	28,500,000
Share options	31 Oct 2014	31 Oct 2017	$0.092	12,000,000

At the date of this report, MRL Corporation Limited has listed options holders holding options exercisable into ordinary shares in MRL Corporation Limited as follows:

Listed	Grant Date	Date of Expiry	Exercise Price	Number under option
Share options	9 Jan 2013	17 Oct 2016	$0.20	13,000,000
Share options ("MRFOA")	6 Mar 2013	17 Oct 2016	$0.20	22,698,551
Share options ("MRFOA")	18 Dec 2013	17 Oct 2016	$0.20	5,500,000
Share options ("MRFOA")	31 Oct 2014	17 Oct 2016	$0.20	8,200,000

Directors' meetings

The number of meetings of Directors held during the year and the number attended by each Director was as follows:

	Directors Meetings	
	Meetings Attended	Entitled to Attend
Peter Hepburn-Brown	5	5
Craig McGuckin	5	5
Peter Youd	5	5
Denis Geldard	5	5
Chris Banasik (appointed 20 May 2015)	1	1
Joel Chong (appointed 30 September 2014 & resigned 20 May 2015)	4	4
Peter Reilly (resigned 30 September 2014)	1	1

Indemnification and insurance of officers and auditors

During or since the end of the financial year, the Company has not given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums, against costs incurred in defending any writ, summons, application or other originating legal or arbitral proceedings, cross claim or counterclaim issued against or served upon any Director or Officer alleging any wrongful act; or any written or verbal demand alleging any wrongful act communicated to any Director or Officer under any circumstances and by whatever means.

In relation to the other activities of the Company, the Company has not, during or since the financial year, in respect of any person who is or has been an officer of the Company or a related body corporate paid any premiums in regards to indemnification and insurance of Directors and Officers.

No indemnity or insurance is in place in respect of the auditor.

Remuneration report (audited)

This report outlines the remuneration arrangements in place for Directors of MRL Corporation Limited and Executives of the Group.

Key Management Personnel disclosed in this report

Mr Craig McGuckin

Mr Peter Youd

Mr Peter Hepburn-Brown

Mr Denis Geldard

Mr Chris Banasik (appointed 20 May 2015)

Mr Joel Chong (appointed 30 September 2014 & resigned 20 May 2015)

Mr Peter Reilly (resigned 30 September 2014)

Remuneration Policy

Emoluments of Directors and senior executives are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of the Directors and Executives. Details of the nature and amount of emoluments of each Director of the Company are disclosed annually in the Company's annual report.

Directors and Senior Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

There has been no direct relationship between the Group's financial performance and remuneration of key management personnel over the previous 5 years.

Executive Director Remuneration

Executive pay and reward consists of a base fee and short term performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles.

Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.

The remuneration policy is designed to encourage superior performance and long-term commitment to MRL. At this stage of the Company's development there is no contractual performance based remuneration.

Executive Directors do not receive any fees for being Directors of MRL or for attending Board and Board Committee meetings.

All Executive Directors, Non-Executive Directors and responsible executives of MRL are entitled to an Indemnity and Access Agreement under which, inter alia, they are indemnified as far as possible under the law for their actions as Directors and officers of MRL.

Non-Executive Director Remuneration

The Company's policy is to remunerate non-executive Directors at a fixed fee for time, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual performance. Given the Company is at its early stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to Non-Executive Directors, subject to obtaining the relevant approvals. This Policy is subject to annual review. All of the Directors' option holdings are fully disclosed. From time to time the Company may grant options to non-executive Directors. The grant of options is designed to recognise and reward efforts as well as to provide Non-Executive Directors with additional incentive to continue those efforts for the benefit of the Company.

Non-Executive Directors are remunerated for their services from the maximum aggregate amount (currently $300,000 per annum) approved by shareholders for this purpose. They receive a base fee, which is currently set at $25,000 per annum. There are no termination payments to Non-Executive Directors on their retirement from office.

The Company's policy for determining the nature and amount of emoluments of Board members and Senior Executives of the Company is set out below:

Setting Remuneration Arrangements

The Company has established a separate Remuneration Committee. Members of the Remuneration Committee are Denis Geldard and Peter Hepburn-Brown. The Remuneration Committee complies with Recommendation 8.2 in that the committee consists of only non-executive directors.

Executive Officer Remuneration, including Executive Directors

The remuneration structure for Executive Officers, including Executive Directors, is based on a number of factors, including length of service, the particular experience of the individual concerned, and the overall performance of the Company. The contracts for service between the Company and specified Directors and Executives are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement Executive Directors and Executives are paid employee benefit entitlements accrued to the date of retirement.

As an incentive, the Company has adopted an employee share option plan and a bonus plan at the discretion of the remuneration committee. The purpose of the plan is to give employees, directors and officers of the Company an opportunity, in the form of options, to subscribe for shares. The Directors consider the plan will enable the Company to retain and attract skilled and experienced employees, board members and officers, and provide them with the motivation to make the Company more successful.

Details of remuneration for the year ended 30 June 2015

The remuneration for each director and key management executives of the Group during the year was as follows:

	Short term incentives & other benefits							Share Based Payments	Post-employment benefits		
	Base consulting fee	Travel allowance	Vehicle allowance	Other allowances	Key Performance Indicator Bonus (v)	Director's fees	Previously deferred remuneration	Share options		Total	Value of options as proportion of remuneration %
30 June 2015	**A$**	**A$**	**A$**	**A$**		**A$**	**A$**	**A$**	**A$**	**A$**	**%**
Executive Directors									-		
Craig McGuckin (i)	299,983	79,084	10,000	17,500	125,000	-	-	314,050	-	845,617	37.14
Peter Youd (i)	256,666	35,536	12,000	24,383	125,000	-	50,000	314,050	-	817,635	38.41
Non-executive directors											
Peter Hepburn-Brown	45,000	-	-	-	-	25,000	10,416	62,810	-	143,226	43.85
Denis Geldard	-	-	-	-	-	25,000	-	62,810	-	87,810	71.53
Chris Banasik (ii)	9,000	-	-		-	2,083	-	-	-	11,083	0.00
Joel Chong (iii)	6,400	-	-	-	-	10,417	-	-	-	16,817	0.00
Peter Reilly (iv)	-	-	-	-	-	6,250	-	-	-	6,250	0.00
Total	**617,049**	**114,620**	**22,000**	**41,883**	**250,000**	**68,750**	**60,416**	**753,720**	**-**	**1,928,438**	

DIRECTOR'S REPORT *continued*

	Short term incentives & other benefits						Share Based Payments	Post-employment benefits		
30 June 2014	**Base consulting fee A$**	**Travel allowance A$**	**Vehicle allowance A$**	**Other allowances A$**	**Director's fees A$**	**Previously deferred remuneration A$**	**Share options A$**	**A$**	**Total A$**	**Value of options as proportion of remuneration % %**
Executive Directors								-		
Craig McGuckin	205,666	-	12,000	-	-	-	165,512	-	383,178	43.2
Peter Youd	155,000	-	10,000	-	-	-	165,512	-	330,512	50.1
Non-executive directors										
Peter Hepburn-Brown	-	-	-	-	-	-	33,103	-	33,103	100.0
Denis Geldard	-	-	-	-	14,582	-	33,103	-	47,685	69.4
Peter Reilly (iv)	-	-	-	-	32,753	-	33,103	-	65,856	50.3
Total	**360,666**	**-**	**22,000**	**-**	**47,335**	**-**	**430,333**	**-**	**860,334**	

i. Mr Craig McGuckin and Mr Peter Youd do not receive directors fees however are compensated in accordance with their respective consultant agreement.

ii. Appointed 20 May 2015

iii. Appointed 30 September 2014 Resigned 20 May 2015

iv. Resigned 30 September 2014

v. Craig McGuckin and Peter Youd have exceeded the criteria established by the Remuneration Committee which entitle them to the Key Performance Indicator Bonus. While entitled to the bonuses as at the end of the 2014 calendar year Craig McGuckin and Peter Youd have neither billed nor been paid their entitlements.

Service Agreements

Remuneration and other terms of employment for the executives are formalised in service agreements. These agreements specify the components of remuneration benefits and notice periods. The material terms of service agreements with the Executive Directors are noted as follows:

Name	Term of agreement and notice period	Base fee	Termination payment (3)
Mr Craig McGuckin	No fixed term; 12 months(1)	(2)$438,000	None
Mr Peter Youd	No fixed term; 12 months(1)	(2)$306,600	None

1. The twelve month notice period applies only to the Company. The executive is required to give three months' notice.
2. Base fee quoted are for the period ended 30 June 2015 includes vehicle allowance and an additional allowance equal to 9.5% of the base fee. A travel allowance based on the number of days spent away from Australia is also payable. They are reviewed annually by the Board
3. Notice period of termination benefit in lieu of notice (on behalf of the Company), other than for gross misconduct.

There are no other service agreements in place.

Shares-based compensation

Shares issued as part of remuneration for the year ended 30 June 2015

No shares were issued to directors and other key management personnel as part of compensation during the year.

Options issued as part of remuneration for the year ended 30 June 2015

The Black Scholes Model - Simple European Call Option method was used as the basis for valuation of the options granted. The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant Date	Vesting date and exercisable date	Date of Expiry	Exercise price	Fair value per option at grant date	Fair value of options granted	% Vested
9 Jan 2013	9 Jan 2013	17 Oct 16	$0.20	$0.128	$1,344,000	100
28 April 2014	28 April 2014	21 May 2017	$0.10	$0.033	$430,333	100
31 Oct 2014	31 Oct 2014	31 Oct 2017	$0.092	$0.0628	$753,720	100

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Directors	Number of options granted during the year	Number of options vested during the year	Value of options granted	Value of options exercised	Value of options lapsed or forfeited
				$	$
Craig McGuckin	5,000,000	5,000,000	314,050	-	-
Peter Youd	5,000,000	5,000,000	314,050	-	-
Peter Hepburn-Brown	1,000,000	1,000,000	62,810	-	-
Denis Geldard	1,000,000	1,000,000	62,810	-	-
Total	12,000,000	12,000,000	753,720	-	-

These share options do not have service or performance vesting criteria as they have been granted to directors for their commitment and contributions to the Group to date.

Options and rights holdings held by key management personnel

Directors	Balance 01.07.14	Granted	Exercised	Other	Balance 30.06.15	Total vested 30.06.15	Vested & exercisable 30.06.15	Vested & un-exercisable 30.06.15
C McGuckin	11,270,109	5,000,000	-	-	16,270,109	16,270,109	16,270,109	-
P Youd	11,770,109	5,000,000	-	-	16,770,109	16,770,109	16,770,109	-
D Geldard	1,500,000	1,000,000	-	-	2,500,000	2,500,000	2,500,000	-
P Hepburn-Brown	1,000,000	1,000,000	-	-	2,000,000	2,000,000	2,000,000	-
Chris Banasik (i)	-	-	-		-	-	-	-
Joel Chong (i)	-	-	-	-	-	-	-	-
P Reilly(iii)	2,851,795	-	-	(2,851,795)	-	-		-

i. Appointed 20 May 2015

ii. Appointed 30 September 2014 and resigned 20 May 2015

iii. Resigned 30 September 2014

Shareholdings held by key management personnel

Directors	Balance 01.07.14	Granted	Acquired	Other	Balance 30.06.15
C McGuckin	7,085,786	-	-	-	7,085,786
P Youd	6,094,794	-	-	-	6,094,794
D Geldard	1,716,800	-	800,000	-	2,516,800
P Hepburn-Brown	201,600	-	-	-	201,600
Chris Banasik(i)	-	-	500,000	-	500,000
Joel Chong (ii)	-	-	-	-	-
P Reilly (iii)	3,218,523	-	-	(3,218,523)	-

i. Appointed 20 May 2015
ii. Appointed 30 September 2014 and resigned 20 May 2015
iii. Resigned 30 September 2014

Transactions with other related parties

During the reporting period, the group paid director and company secretarial fees to the following companies in which those persons have an interest. These payments were at arm's length:

		2015	2014
		A$	A$
CLEMM Pty Ltd	Craig McGuckin	**406,567**	217,666
Kingston Vale Pty Ltd	Peter Youd	**378,489**	165,000
PHB Consulting Pty Ltd	Peter Hepburn-Brown	**80,416**	-
Winkara Pty Ltd	Denis Geldard	**25,000**	14,582
Geo Ban Consulting Pty Ltd	Chris Banasik	**9,000**	-
Target Engineering Solutions	Joel Chong	**16,817**	-
Parmelia Pty Ltd	Peter Reilly	**6,250**	32,753

There were no loans to/from related parties in 2015 (2014:Nil)

No remuneration consultants were utilised as at this point in the Company's development as this would be a waste of shareholders' valuable funds.

Voting Rights

At the 2014 Annual General Meeting held on 31 October 2014 there were 0.09% of the votes against the adoption of the remuneration report.

End of audited Remuneration Report

AUDITORS INDEPENDENCE DECLARATION

Auditor's independence

The Directors received the independence declaration from the auditor of MRL Corporation Limited as stated on page 21.

Non-audit services

During the period BDO Corporate Tax (WA) Pty Ltd was paid $29,977 for the provision of taxation services (2014: $22,695). BDO Corporate Tax (WA) Pty Ltd is an affiliate member of BDO Audit (WA) Pty Ltd. Refer to Note 24 for further details

Signed in accordance with a Resolution of the Directors.

Craig McGuckin
Managing Director
Dated at Perth this 30th day of September 2015

Corporate Governance Statement

The Company's full Corporate Governance Statement is available on the Company's website, www.mrltd.com.au/corporate/corporate-governance.html.

A completed Appendix 4G and the full Corporate Governance Statement have been lodged with the Australian Securities Exchange as required under Listing Rules 4.7.3 and 4.7.4.

AUDITORS INDEPENDENCE DECLARATION *continued*

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DECLARATION OF INDEPENDENCE BY IAN SKELTON TO THE DIRECTORS OF MRL CORPORATION LIMITED

As lead auditor of MRL Corporation Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of MRL Corporation Limited and the entities it controlled during the period.

Ian Skelton

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

Continuing operations	Note	2015 A$	2014 A$
Other revenue		-	32,579
Revenue	5(a)	-	32,579
Administration expense	5(b)	**(1,026,827)**	(1,021,356)
Insurance		**(58,781)**	(19,776)
Legal fees		**(50,326)**	(74,807)
Employee benefits expense	5(c)	**(15,084)**	(15,028)
Occupancy costs		**(180,197)**	(148,189)
Communication costs		**(51,404)**	(20,908)
Project assessment expense		**(1,433,175)**	(353,082)
Depreciation and amortisation		**(14,998)**	(4,745)
Options expense	5(e)	**(753,720)**	(430,333)
Share based payments expense	5(d)	**(16,500)**	-
Operating loss		**(3,601,012)**	(2,088,224)
Finance income	5(f)	**198,065**	12,353
Finance expense		-	(4,079)
Loss from continuing operations before tax		**(3,402,947)**	(2,047,371)
Income tax (expense)/benefit	6	-	-
Loss after income tax attributable to the owners of MRL Corporation Limited		**(3,402,947)**	(2,047,371)
Other comprehensive income			
Items which may be reclassified to profit and loss			
Exchange differences arising on translation of foreign operations		202,475	143,923
Other comprehensive income for the year		202,475	143,923
Total comprehensive loss for the year attributable to the owners of MRL Corporation Limited		**(3,200,472)**	(1,903,448)
Loss per share for the year attributable to the owners of MRL Corporation Limited			
Basic (loss) per share (cents per share)	7	**(2.03)**	(2.59)
Diluted (loss) per share (cents per share)	7	**(2.03)**	(2.59)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Note	2015 A$	2014 S$
Assets			
Current assets			
Cash and cash equivalents	9	**1,055,093**	1,230,499
Trade and other receivables	10	**36,172**	26,700
Other current assets	11	**32,339**	204,902
Total current assets		**1,123,604**	1,462,101
Non-current assets			
Exploration and evaluation assets	13	**1,910,640**	1,333,325
Property, plant and equipment	14	**61,556**	25,808
Total non-current assets		**1,972,196**	1,359,133
Total assets		**3,095,800**	2,821,234
Liabilities			
Current liabilities			
Trade and other payables	15	**484,782**	226,196
Total current liabilities		**484,782**	226,196
Net assets		**2,611,018**	2,595,038
Equity			
Issued capital	16	**60,743,995**	58,281,263
Reserves		**3,163,058**	2,206,863
Accumulated losses		**(61,296,035)**	(57,893,088)
Total equity		**2,611,018**	2,595,038

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Issued capital	Share based payments reserve	Translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
Consolidated Group							
As at 1 July 2014	**58,281,263**	**2,094,333**	**112,530**	**(57,893,088)**	**2,595,038**	**-**	**2,595,038**
Loss for the year	-	-	-	(3,402,947)	(3,402,947)	-	(3,402,947)
Foreign currency translation	-	-	202,475	-	202,475	-	202,475
Total comprehensive loss for the year	-	-	202,475	(3,402,947)	(3,200,472)	-	(3,200,472)
Transactions with owners in their capacity as owners							
Share placement during the year	2,647,500	-	-	-	2,647,500	-	2,647,500
Share issue costs	(184,768)	-	-	-	(184,768)	-	(184,768)
Issue of options	-	753,720	-	-	753,720	-	753,720
30 June 2015	**60,743,995**	**2,848,053**	**315,005**	**(61,296,035)**	**2,611,018**	**-**	**2,611,018**
As at 1 July 2013	**55,212,885**	**1,664,000**	**(31,393)**	**(55,809,568)**	**1,035,924,**	**(95,433)**	**940,491**
Loss for the year	-	-	-	(2,047,371)	(2,047,371)	-	(2,047,371)
Foreign currency translation	-	-	143,923	-	143,923	-	143,923
Total comprehensive loss for the year	-	-	143,923	(2,047,371)	(1,903,448)	-	(1,903,448)
Transactions with owners in their capacity as owners							
Share placement during the year	2,800,000	-	-	-	2,800,000	-	2,800,000
Share issue costs	(1,224,084)	-	-	-	(1,224,084)	-	(1,224,084)
Rights issue during the year	1,492,462	-	-	-	1,492,462	-	1,492,462
Minority interests disposed	-	-	-	(36,149)	(36,149)	95,433	59,284
Issue of options	-	430,333	-	-	430,333	-	430,333
30 June 2014	**58,281,263**	**2,094,333**	**112,530**	**(57,893,088)**	**2,595,038**	**-**	**2,595,038**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Note	2015 A$	2014 S$
Cash flows from operating activities			
Payments to suppliers and employees		**(2,338,196)**	(1,877,344)
Interest received		**18,663**	12,353
Net cash outflows from operating activities	19	**(2,319,533)**	(1,864,991)
Cash flows from investing activities			
Proceeds from disposal of subsidiary		**-**	57,649
Acquisition of mining assets		**-**	(20,658)
Payments for property, plant and equipment		**(45,175)**	(31,093)
Repayment of loans to related parties		**-**	(319,628)
Net cash outflows from investing activities		**(45,175)**	(313,730)
Cash flow from financing activities			
Proceeds from rights issue/placement of shares		**2,148,000**	2,526,462
Payment of share issue/capital raising costs		**(141,768)**	(158,084)
Net cash inflows from financing activities		**2,006,232**	2,368,378
Net increase/(decrease) in cash and cash equivalents		**(358,476)**	189,657
Cash and cash equivalents at beginning of the year		**1,230,499**	1,065,139
Effect of exchange rate fluctuations on cash held		**183,070**	(24,297)
Cash and cash equivalents at end of the year	9	**1,055,093**	1,230,499

The above consolidated statement of cash flows should be read in conjunction with the accompanying note

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The Group is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which fair value basis of accounting has been applied.

These consolidated financial statements are presented in Australian Dollars (A$), which is the Company's functional currency.

The accounting policies detailed below have been consistently applied to all of the period presented unless otherwise stated.

a) Authorisation of financial statements and statement of compliance with IFRS

The financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the consolidated group of MRL Corporation Limited and controlled entities (Group). MRL Corporation Limited (MRL) is a listed public Company, incorporated and domiciled in Australia.

The financial report of the Group complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on the going concern basis of accounting which assumes the group will be able to meet its commitments, realise its assets and discharge its liabilities in the ordinary course of business.

b) Going Concern

The group has incurred a net loss after tax for the year ended 30 June 2015 of $3,402,947 (2014: $2,047,371) and experienced net cash outflows from operating activities of $2,319,533 (2014: $1,864,991). At 30 June 2015, the group's cash at bank and in hand was $1,055,093 (2014: $1,230,499).

The directors believe that at the date of signing the financial report they have reasonable grounds to believe that having regard to the matters set out above, the group will have sufficient funds to meet its obligations as and when they fall due. This includes expenditure on the group's various exploration projects. In arriving at this position, the directors recognise the group is dependent on various funding alternatives to meet these commitments, including share placements.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern.

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

2. Accounting policies

a) Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

The acquisition method of account is used to account for business combinations by the Group.

Intercompany transactions, balance and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

b) Foreign currency translation

The financial report is presented in Australian dollars, which is MRL Corporation Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

c) Taxes

Income taxes

The charge for current income tax expense is based on the profit for the period adjusted for any non- assessable or disallowed items. It is calculated using tax rates which have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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 is calculated at the tax rates which are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss except where it relates to items which may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent it is probable future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for taxable temporary differences arising on the recognition of indefinite life intangibles including goodwill and trademarks.

The amount of benefits brought to account or which may be realised in the future is based on the assumption no adverse change will occur in income taxation legislation and the anticipation the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

MLR formed an income tax Group under the Tax Consolidation Regime effective 1 July 2003, and its wholly-owned Australian subsidiaries were members of the tax consolidated group. Under Australian Accounting Interpretation 1052, each entity in the Group recognises its own current and deferred tax amounts, except for any deferred tax assets resulting from unused tax losses and tax credits assumed by the head entity. A new subsidiary, MRL Corporation Pty Ltd was incorporated in December 2011 and joined as a member of the existing tax consolidated

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 Australian Tax Office. 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.

d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership which are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

2. Accounting policies *(continued)*

e) Financial Instruments

Recognition

Financial instruments are initially measured at fair value on trade date, which includes transaction costs for financial assets and liabilities not at fair value through the profit and loss, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the profit and loss in Statement of profit or loss.

f) Exploration and evaluation assets

Costs associated with the acquisition of areas of interest continue to be capitalised.

The Company will expense exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until such a time where a JORC 2012 compliant resource is announced in relation to the identifiable area of interest.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

i) The expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

ii) Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to this area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide it is not commercial, and accumulated costs in respect of the area are written off in the financial period the decision is made.

g) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit and loss in Statement of profit or loss.

Impairment testing is performed annually for goodwill and other intangible assets.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure which is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment 3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity Gains and losses between the carrying amount and the disposal proceeds are taken to the profit and loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

i) Investments in associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting where significant influence is exercised over an investee. Significant influence exists where the investor has the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those policies. The equity method of accounting recognises the Group's share of post-acquisition reserves of its associates.

j) Contributed equity

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

k) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity which remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits which are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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 an outflow of economic benefits will results and this outflow can be reliably measured.

n) Cash and cash equivalents

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

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

o) Revenue recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

All revenue is stated net of the amount of goods and services tax (GST).

p) Finance costs

Finance costs directly attributable to the acquisition, construction or production of assets which necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in income in the period in which they are incurred.

q) Comparative figures

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

2. Accounting policies *(continued)*

r) Share-based payments transactions

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, which are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model which takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share the expected dividend yield and the risk free interest rate for the term of the option together with non-vesting conditions which do not determine whether the consolidated entity receives the services which entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards which are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at this date multiplied by the expired portion of the vesting period;
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not the market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification which increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Where equity instruments are granted to persons other than directors or employees the consolidated income statement is charged with the fair value of any goods or services received.

s) Earnings per share

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares which have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period which would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

t) New standards and interpretations not yet adopted

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial years ended 30 June 2015. They have not been adopted in preparing the financial statements for the year ended 30 June 2015 and are expected to impact the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the table below.

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date	Impact on Initial Application
AASB 9 (issued December 2014)	Financial Instruments	**Classification and measurement** AASB 9 amendments the classification and measurement of financial assets: • Financial assets will either be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). • Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL. • All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss. The following requirements have generally been carried forward unchanged from AASB 139 *Financial Instruments:* *Recognition and Measurement* into AASB 9: • Classification and measurement of financial liabilities, and • Derecognition requirements for financial assets and liabilities. However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income. **Impairment** The new impairment model in AASB 9 is now based on an 'expected loss' model rather than an 'incurred loss' model. A complex three stage model applies to debt instruments at amortised cost or at fair value through other comprehensive income for recognising impairment losses. A simplified impairment model applies to trade receivables and lease receivables with maturities that are less than 12 months. For trade receivables and lease receivables with maturity longer than 12 months, entities have a choice of applying the complex three stage model or the simplified model.	Annual reporting periods beginning on or after 1 January 2018	Adoption of AASB 9 is only mandatory for the year ending 30 June 2019. The entity has not yet made an assessment of the impact of these amendments.

2. Accounting policies *(continued)*

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date	Impact on Initial Application
		Hedge accounting Under the new hedge accounting requirements: • The 80-125% highly effective threshold has been removed • Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable • An aggregated position (i.e. combination of a derivative and a non-derivative) can qualify for hedge accounting provided that it is managed as one risk exposure • When entities designate the intrinsic value of options, the initial time value is deferred in OCI and subsequent changes in time value are recognised in OCI • When entities designate only the spot element of a forward contract, the forward points can be deferred in OCI and subsequent changes in forward points are recognised in OCI. Initial foreign currency basis spread can also be deferred in OCI with subsequent changes be recognised in OCI • Net foreign exchange cash flow positions can qualify for hedge accounting.		
AASB 2015-2 (issued January 2015)	Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101	Amends AASB 101 *Presentation of Financial Statements* to clarify that: • Materiality applies to all primary financial statements and notes, and applies even to a list of specific, minimum disclosures • Line items can be disaggregated if doing so could influence a user's decision • Subtotals must be made up of items recognised in accordance with Australian Accounting Standards • Additional subtotals in the Statement of Profit or Loss and Other Comprehensive Income must be reconciled back to subtotals required by AASB 101 • Notes no longer need to follow the order of items in the financial statements and related items can be grouped together (e.g. all financial instruments) • Accounting policies can be placed at the end of the notes to the financial statements • Share of other comprehensive income of associates and joint ventures must be separately classified into amounts that will be reclassified to profit or loss in future, and amounts that will not be reclassified to profit or loss in future.	Annual reporting periods beginning on or after 1 January 2016	These amendments affect presentation and disclosures only. Therefore on first time adoption of these amendments on 1 July 2016, comparatives will need to be restated in line with presentation and note ordering.

u) Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The area that may have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period is:

Key Estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group which may lead to impairment of exploration and evaluation assets, and plant and equipment. Where an impairment trigger exists under the relevant standard the recoverable amount of the asset is determined. The recoverable amount of the asset is the higher of its value in use and its fair value less cost to sell. Value-in-use calculations performed in assessing the recoverable amounts incorporate a number of key estimates and fair value less cost to sell is determined using market rates.

Exploration and evaluation expenditure

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a Black-Scholes model, using the assumptions detailed in Note 17.

v) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates - impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group which may lead to the impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined.

Share-based payment transactions

The consolidated entity 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 using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

3. Financial Risk Management

(a) Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency risk and interest rate risk). The Group's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade and other receivables, deposits with banks, local money market instruments and short-term investments. The accounting policy with respect to these financial instruments is described in note 2.

Financial risk management structure:

Board of Directors

The Board is ultimately responsible for ensuring there are adequate policies in relation to risk oversight and management and internal control systems. The Group's policies are designed to ensure financial risks are identified, assessed, addressed and monitored to enable achievement of the Group's business objectives.

(b) Financial risks

Credit risk

Credit risk refers to the risk a counterparty will default on its contractual obligation resulting in financial loss to the Group. Credit risk is managed on a group basis and structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty or group of counterparties. The Group has no significant concentrations of credit risk.

It is the Group's policy to place funds generated internally and from deposits with clients with high quality fi institutions. The Group does not employ a formalised internal ratings system for the assessment of credit exposures. Amounts due from and to clients and dealers represents receivables sold and payables for securities purchased which have been contracted for but not yet settled on the reporting date, respectively. The majority of these transactions are carried out on a delivery versus payment basis, which results in securities and cash being exchanged within a very close timeframe. Settlement balances outside standard terms are monitored on a daily basis.

Exposure to credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the reporting date to recognised financial assets, is the carrying amount, net of any provision for impairment of those assets, as disclosed in the statement of financial position and the notes to the financial statements. The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The Group's maximum exposure to credit risk without taking account of any collateral or other credit enhancements at the reporting date was $1,055,093 (2014: $1,230,499).

The Company banks with Westpac Banking Corporation (Westpac). Westpac is rated AA- and Stable by Standard and Poor's rating agency

	Group	
	2015	**2014**
	A$	A$
Cash and cash equivalents	**1,055,093**	1,230,499
	1,055,093	1,230,499

Impairment and provisioning policies

Impairment provisions are recognised for financial reporting purposes only for losses which have been incurred at the reporting date, based on objective evidence of impairment. All credit exposures are reviewed at least annually. Impairment allowances on credit exposures are determined by an evaluation of the incurred loss at the reporting date. For the purposes of the Group's disclosures regarding credit quality, its financial assets have been analysed as follows:

	Neither Past Due nor individually impaired	Past due but not individually impaired	Individually impaired	Total	Impairment allowance	Total carrying amount
Consolidated 30 June 2015	**$**	**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents	1,055,093	-	-	1,055,093	-	1,055,093
	1,055,093	-	-	1,055,093	-	1,055,093
Consolidated 30 June 2014						
Cash and cash equivalents	1,230,499	-	-	1,230,499	-	1,230,499
	1,230,499	-	-	1,230,499	-	1,230,499

Financial assets past due but not individually impaired

For the purpose of this analysis an asset is considered past due when any payment due under the contractual terms is received one day past the contractual due date. The majority of these transactions are carried out on a delivery versus payment basis, which results in securities and cash being exchanged within a very close timeframe. Settlement balances outside standard terms are monitored on a daily basis. Credit risk is also mitigated as securities held for the counterparty by the Group can ultimately be sold should the counterparty default. There were no renegotiated financial assets during the year.

Collateral pledged or held

There is no collateral held as security by the Group or its controlled entities.

Liquidity risk

Liquidity risk is the risk the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by monitoring forecast cash requirements and cash flows.

The primary objective of the Group is to manage short-term liquidity requirements in such a way as to minimise financial risk. The Group maintains sufficient cash resources to meet its obligations, cash deposits are repayable on demand.

The tables below present the cash flows receivable and payable by the Group under financial assets and liabilities by remaining contractual maturities at the reporting date. The amounts disclosed are the contractual, undiscounted cash flows.

3. Financial Risk Management *(continued)*

Interest rate risk

	Weighted average effective interest rate	Floating interest rate	Fixed interest		Non-interest bearing		
		Within one year	Within one year	1 – 5 years	Within one year	1 – 5 years	Total
30 June 2015	**%**	**$**	**$**	**$**	**$**	**$**	**$**
Financial assets							
Cash and cash equivalents	0.31	**1,055,093**	**-**	**-**	**-**	**-**	**1,055,093**
Total Financial assets at 30 June 2015		**1,055,093**	**-**	**-**	**-**	**-**	**1,055,093**
Financial liabilities							
Trade and other payables	n/a	**-**	**-**	**-**	**484,782**	**-**	**484,782**
Total financial liabilities at 30 June 2015		**-**	**-**	**-**	**484,782**	**-**	**484,782**
30 June 2014							
Financial assets							
Cash and cash equivalents	2.72	1,230,499	-	-	-	-	1,230,499
Total financial assets at 30 June 2014		1,230,499	-	-	-	-	1,230,499
Financial liabilities							
Trade and other payables	n/a	-	-	-	226,196	-	226,196
Total financial liabilities at 30 June 2014		-	-	-	226,196	-	226,196

Trade and other payables and loans to related parties and shareholders are expected to be paid as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
30 June 2015				
Trade and other payables (refer note 15)	**484,782**	**-**	**-**	**-**
	484,782	**-**	**-**	**-**
30 June 2014				
Trade and other payables (refer note 15)	**226,196**	**-**	**-**	**-**
	226,196	**-**	**-**	**-**

Market Risk

Market risk is the risk the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group's activities expose it primarily to the financial risks of changes in equity prices.

(i) Foreign exchange risk

The consolidated entity undertakes certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency which is not the entity's functional currency. The risk is measured using sensitivity analysis and cashflow forecasting.

The Group's profitability can be significantly affected by movements in the USD/AUD exchange rates, and to a lesser degree, though movements in the Sri Lankan Rupee verses the Australian dollar. Through reference to industry standard practices, and open market foreign currency trading patterns within the past 12 months, the group set the level of acceptable foreign exchange risk.

The Group seeks to manage this risk by holding foreign currency in USD and Sri Lankan Rupee.

Sensitivity analysis

The following table does not include intra group financial assets and liabilities. It summaries the sensitivity of the Group's financial assets and liabilities to external parties at 30 June 2015 to foreign exchange risk, based on foreign exchange rates as at 30 June 2015 and sensitivity of +/-10%:

	30 June 2015 rate (cents)
USD/AUD	1.3051
LKR/AUD	0.00986

Market Risk

	Foreign exchange risk	
2015	**2015**	**2014**
Change in profit/loss due to:	**A$**	**A$**
Improvement in AUD by 5%	(40,741)	(17,531)
Decline in AUD by 5%	40,741	17,531
Change in equity due to:		
Improvement in AUD by 5%	(40,741)	(17,531)
Decline in AUD by 5%	40,741	17,531

(ii) Interest rate risk

Group

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash position. A change of 10 basis points in interest rates at the reporting date would result in a change of profit or loss by the amounts shown below. This analysis assumes all other factors remain constant.

3. Financial Risk Management *(continued)*

Profile

At reporting date the interest rate profile of the Group's financial instruments was:

	2015 A$	Interest rate risk -10bps Profit	Equity	+10bps Profit	Equity
Floating rate instruments					
Cash at bank	**1,055,093**	(356)	-	356	-
	1,055,093	(356)	-	356	-

	2014 A$	Interest rate risk -10bps Profit	Equity	+10bps Profit	Equity
Floating rate instruments					
Cash at bank	**1,230,499**	(1,728)	-	1,728	-
	1,230,499	(1,728)	-	1,728	-

(c) Net fair values

Fair value versus carrying amount

Fair value of financial instruments

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments which are carried in the financial statements.

Methodologies and assumptions

For financial assets and liabilities which are liquid or have short term maturities it is assumed the carrying amounts approximate to their fair value.

	Note	30 June 2015 Carrying amount	30 June 2015 Net fair value	30 June 2014 Carrying amount	30 June 2014 Net fair value
		A$	A$	A$	A$
Assets carried at amortised cost					
Trade and other receivables	10	**36,172**	**36,172**	26,700	26,700
Total financial assets		**36,172**	**36,172**	26,700	26,700
Liabilities carried at amortised cost					
Trade and other payables	15	**484,782**	**484,782**	226,196	226,196
Total Financial Liabilities		**484,782**	**484,782**	226,196	226,196

4. Segment reporting

(a) Identification of reportable segments

The Group has identified its operating segments based on the internal reports which are reviewed and used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The existing operating segments are identified by management based on the manner in which the Group's operations were carried out during the financial year. Discrete financial information about each of these operating businesses is reported to the Board on a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the asset base and revenue or income streams, as these are the sources of the Group's major risks and have the most effect on the rates of return. The Group's segment information for the current reporting period is reported based on the following segments:

Mining and exploration activities

The Board has determined the Company has one reportable segment, being mineral exploration and development in Sri Lanka. As the Company is focused on mineral exploration, the Board monitors the Company based on actual verses budgeted exploration expenditure incurred by area of interest.

Corporate services

This segment reflects the overheads associated with maintaining the ASX listed MRL corporate structure, identification of new assets and general management of an ASX listed entity.

Business Segment	Exploration		Corporate Services		Total	
	2015	2014	**2015**	2014	**2015**	2014
	A$	A$	**A$**	A$	**A$**	A$
Revenue from external customers	**-**	32,579	**-**	-	**-**	32,579
Interest revenue	**11,117**	1,109	**7,546**	11,244	**18,663**	12,353
Operating loss	**(2,271,621)**	(335,572)	**(1,131,326)**	(1,711,799)	**(3,402,947)**	(2,047,371)
Depreciation expense	**12,297**	2,922	**2,701**	1,823	**14,998**	4,745
Segment assets	**1,541,325**	1,494,545	**1,554,475**	1,326,689	**3,095,800**	2,821,234
Segment liabilities	**21,851**	31,696	**462,931**	194,500	**484,782**	226,196

(b) Geographical areas

In presenting the information on the basis of geographical areas, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	2015		2014	
Geographical segments	**Revenue**	**Total Assets**	Revenue	Total Assets
Australia	**7,546**	**1,554,475**	11,244	1,326,689
Sri Lanka	**11,117**	**1,541,325**	33,688	1,494,545
Total	**18,663**	**3,095,800**	44,932	2,821,234

4. Segment reporting *(continued)*

(c) Reconciliation of segment assets and liabilities to the Statement of Financial Position

Reconciliation of segment assets to the Statement of Financial Position

	2015	2014
Total segments assets	**5,602,951**	4,703,992
Inter-segment elimination	**(2,507,151)**	(1,882,758)
Total assets per statement of financial position	**3,095,800**	2,821,234

Reconciliation of segment liabilities to the Statement of Financial Position

	2015	2014
Total segments liabilities	**2,864,307**	3,109,761
Inter-segment elimination	**(2,379,525)**	(2,883,565)
Total liabilities per statement of financial position	**484,782**	226,196

5. Operating profit and finance income and expense

Revenue and expenses from continuing operations

	Notes	2015	2014
(a) Other revenue		**A$**	A$
Profit from sale of subsidiary		**-**	32,579
		-	32,579
(b) Other administrative expenses includes:			
Financial administration and other consultancy		**108,784**	285,365
Directors fee and directors consulting fee		**564,237**	314,419
Audit and accounting fees		**28,755**	52,710
Other accounting services		**31,352**	14,206
ASX listing and share registry fees		**103,529**	135,585
Travel and accommodation		**128,705**	144,262
(c) Employee benefits expense			
As at 30 June 2015: 14 employees remained within the group (2014: 6)		**15,084**	15,028
(d) Share based payments expense	17	**16,500**	430,333
(e) Options expense	17	**753,720**	-
(f) Finance income and expense			
Interest income on bank deposits		**18,663**	12,353
Foreign exchange gain		**179,402**	-
		198,065	12,353

6. Income tax

The major components of income tax expense are:

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	2015	2014
Total loss before income tax from all activities	**(3,402,947)**	(2,047,371)
Prima facie tax benefit on loss before income tax at 30% (2014: 30%)	**(1,020,884)**	(614,211)
Unrecognised temporary differences	**49,778**	14,235
Unrecognised tax losses	**971,106**	599,976
Income tax expense	**-**	-
Income tax expense from continuing activities	**-**	-
Total income tax expense	**-**	-
Unused tax losses for which no deferred tax has been recognised	**(7,942,097)**	(8,248,451)
Potential tax benefit at 30%	**(2,382,629)**	(2,474,535)

The Group has Australian revenue losses from previous years for which no deferred tax assets have been recognised. The availability to utilise these losses in future periods is subject to review in the relevant jurisdictions.

7. Earnings per share

	2015	2014
	A$	A$
Net loss used in calculating basic loss per share	**(3,402,947)**	(2,047,371)
Net loss used in calculating diluted loss per share	**(3,402,947)**	(2,047,371)
	Number of shares	Number of shares
Weighted average ordinary shares used in calculating basic earnings per share	**167,830,971**	79,097,345
Weighted average ordinary shares used in calculating basic earnings per share	**167,830,971**	79,097,345
Basic loss per share - cents per share	**(2.03)**	(2.59)
Diluted loss per share - cents per share	**(2.03)**	(2.59)

8. Dividends paid and proposed

No final dividend has been proposed or paid during the year (2014: $nil)

9. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	2015	2014
	A$	A$
Cash at bank and in hand	**1,055,093**	1,230,499
	1,055,093	1,230,499

The Group's maximum exposure to financial risk is disclosed in note 3.

10. Trade and other receivables

	2015	2014
	A$	A$
GST / VAT Receivables	**36,172**	26,700
	36,172	26,700

Due to their short term nature the carrying value of trade and other receivables is assumed to approximate their future value.

11. Other current assets

	2015	2014
	A$	A$
Security deposit	**7,040**	7,040
Other receivable	**-**	10,000
Prepayments of corporate and engineering fees	**25,299**	187,862
	32,339	204,902

12. Interests in other entities

	Principal activity in the year	Proportion of voting rights and shares held		Class of shares held	Place of Incorporation
		2015	2014		
MRL Investments (Pvt) Ltd	Holding company	100%	100%	Ordinary	Sri Lanka
MRL Graphite (Pvt) Ltd	Graphite exploration and mining	100%	100%	Ordinary	Sri Lanka
Kumai Energy Pty Ltd(i)	Holding company	-	100%	Ordinary	Australia
Kumai Energy (Pte) Ltd(ii)	Holding company	-	100%	Ordinary	Singapore

(i) Kumai Energy Pty Ltd is a dormant company and was deregistered by the Australian Securities and Investment Commission (ASIC) on 9 July 2014.

(ii) Kumai Energy (Pte) Ltd is a dormant company and was struck off by the Accounting and Corporate Regulatory Authority (ACRA) on 20 November 2014.

13. Exploration and evaluation assets

	2015	2014
	A$	A$
Opening balance	1,333,325	-
Cash paid for acquisition of exploration interest	-	594,142
Share based payments for acquisition of exploration interest [i]	450,000	700,000
Foreign currency translation adjustment	127,315	39,183
Carrying amount	1,910,640	1,333,325

i) In accordance with the second stage of the agreement with The Supreme Group of Sri Lanka for the acquisition of graphite exploration licences, 5,000,000 vendor shares in MRL were issued to the Supreme Group at $0.09 per share.

The recoverability of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

14. Property, plant and equipment

Reconciliations of the carrying value for each class of property, plant and equipment is set out below:

	2015	2014
Exploration equipment:	**A$**	A$
Carrying amount at beginning of year	**14,024**	-
- Additions	**-**	21,910
- Depreciation	**(6,626)**	(2,407)
- Movement due to foreign exchange	**3,005**	(5,479)
Carrying amount at year end	**10,403**	14,024
Capital Work in Progress:		
Carrying amount at beginning of year	**-**	-
- Additions	**25,907**	-
- Depreciation	**-**	-
- Movement due to foreign exchange	**-**	-
Carrying amount at year end	**25,907**	-
Plant & equipment:		
Carrying amount at beginning of year	**10,799**	5,139
- Additions	**15,852**	8,007
- Depreciation	**(7,209)**	(2,202)
- Movement due to foreign exchange	**2,007**	(145)
Carrying amount at year end	**21,449**	10,799
Office equipment:		
Carrying amount at beginning of year	**985**	-
- Additions	**1,665**	1,174
- Depreciation	**(721)**	(136)
- Movement due to foreign exchange	**321**	(53)
Carrying amount at year end	**2,250**	985
Motor vehicles:		
Carrying amount at beginning of year	**-**	-
- Additions	**1,751**	-
- Depreciation	**(442)**	-
- Movement due to foreign exchange	**238**	-
Carrying amount at year end	**1,547**	-
Total carrying amount at year end	**61,556**	25,808

15. Trade and other payables

	2015	2014
Current	**A$**	A$
Trade and other payables	**484,782**	226,196
	484,782	226,196

The Group's maximum exposure to financial risk is disclosed in note 3. Due to their short term nature the carrying value of trade and other payables is assumed to approximate their future value.

Trade payables are non-interest bearing, unsecured and are normally settled on 30 day terms from end of month in which the invoice is received.

16. Issued capital

(a) Ordinary shares	2015	2014	2015	2014
	$	$	**Number**	Number
Issued and fully paid	**60,743,995**	58,281,263	**196,716,587**	149,191,587
Movements in shares on issue				
At the beginning of the period	**58,281,263**	55,212,885	**149,191,587**	58,773,104
Shares issued in accordance with the Share Sale Deed to Supreme Solutions (Pvt) Ltd		700,000	**-**	5,000,000
Shares issued via Prospectus dated 12 September 2013		1,100,000	**-**	5,500,000
Placement/management fee to consultants [1]		1,000,000	**-**	5,000,000
Entitlement issue		1,492,462	**-**	59,418,483
Placement approved by shareholders 28 April 2014	**-**	-	**-**	15,500,000
Share issue costs	**(184,768)**	(1,224,084)	**-**	-
Placement to senior employee	**16,500**		**300,000**	-
Placement to investors September 2014	**1,148,000**		**16,400,000**	-
Shares issued to Supreme Global Holdings (Pvt) Ltd [2]	**450,000**		**5,000,000**	
Placement to investors May 2015	**810,000**		**20,250,000**	
Placement to investors June 2015	**190,000**		**4,750,000**	
Placement/management fee to consultants [3]	**33,000**		**825,000**	-
At the end of the period	**60,743,995**	58,281,263	**196,716,587**	149,191,587

(b) Share options	2015	2014
	Number	Number
Listed share options		
At the beginning of the period	**25,054,053**	19,554,053
Options expired	**(7,054,053)**	-
Options issued	**8,200,000**	5,500,000
Options released from escrow	**23,198,551**	-
At the end of the period	**49,398,551**	25,054,053

1 Share based payment was valued at the time of the transactions at the fair value of the instruments issued as the Company was unable to fair value the services acquired

2 In accordance with the second stage of the agreement with The Supreme Group of Sri Lanka for the acquisition of graphite exploration licences, 5,000,000 vendor shares in MRL were issued to the Supreme Group at $0.09 per share.

3 Share based payment was valued at the time of the transactions at the fair value of the instruments issued as the Company was unable to fair value the services acquired

4 Issued 8,200,000 listed options, as free attaching to the 16,400,000 placement shares to investors in September 2014, exercisable at 20 cent on or before 17 October 2016.

16. Issued capital *(continued)*

(c) Share options	2015	2014
	Number	Number
Unlisted share options		
At the beginning of the period	**48,698,551**	23,198,551
Options issued [5]	**12,000,000**	25,500,000
Options issued [6]	**28,500,000**	-
Options released from escrow	**(23,198,551)**	-
At the end of the period	**66,000,000**	48,698,551

Refer note 17 for further details

17. Share based payments

(a) Employee Share option Plan

The Company provides directors, certain employees and advisors with share options. The options are exercisable at set prices and the vesting and exercisable terms varied to suit each grant of options.

	2015		2014	
	Number of Options	**Weighted average exercise price (cents)**	Number of Options	Weighted average exercise price (cents)
Outstanding 1 July	**36,198,551**	**16.4**	23,198,551	20.0
Issued[5]	**12,000,000**	**9.2**	13,000,000	10.0
Outstanding 30 June	**48,198,551**	**14.6**	36,198,551	16.4

12,000,000 unlisted options were granted to directors on 31 October 2014, with an exercise price of $0.092, in accordance with the Employee Share Options Plan. The options expire on 31 October 2017.

The pricing of the options at the time of issue was calculated using the Black-Scholes option valuation method applying the following inputs.

Exercise price range	**$0.092**
List of options range	**3 years**
Underlying share price	**$0.090**
Expected share volatility	**117%**
Dividend yield	**0%**
Risk free interest rate	**2.59%**
Fair value of options	**$0.0628**

[5] 12,000,000 options issued to directors, exercisable at $0.092 cents on or before 31 October 2017.

[6] 28,500,000 options issued to placement participants, exercisable at $0.10 cents on or before 21 May 2017.

Historical volatility has been the basis for determining expected share price volatility as it assumes this is indicative of future tender, which may not eventuate. When applicable, market conditions have been built into the options pricing model to reflect the likelihood of those conditions being met. Historical data has been used to determine dividend yield and option life. The fair value of the consultants' and directors' option is not based on the fair value of the services provided but on the Black Scholes option pricing model.

Share-based payments and options issued to directors and consultants

The table below summarises options granted to directors, employees and consultants:

Grant Date	Expiry Date	Exercise price	Balance at start of the year Number	Granted at start of the year Number	Exercised during the year Number	Expired during the year Number	Balance during the year Number	Vested and exercisable during the year Number
31 Oct 2014	31 Oct 2017	$0.092	-	12,000,000	-	-	12,000,000	12,000,000
28 Apr 2014	21 May 2017	$0.10	13,000,000	-	-	-	13,000,000	13,000,000
9 Jan 2013	17 Oct 2016	$0.20	13,000,000	-	-	-	13,000,000	13,000,000

The weighted average remaining contractual life of the options is 2.8 years (2014: 3.2 years).

	2015	2014
Share based payments expense – options issued to directors	**753,720**	430,333
Share based payments expense – shares issued to a senior employee	**16,500**	-
Total	**770,220**	430,333

18. Reserves and accumulated losses

The share based payments reserve holds the directly attributable cost of services provided pursuant to the options issued to corporate advisors, directors, employees and past directors of the Group.

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

19. Statement of cash flow reconciliation

	2014	2013
(a) Reconciliation of net loss after tax to net cash flows from operations	**A$**	A$
Net Loss	**(3,402,947)**	(2,047,371)
Adjusted for:		
Depreciation	**14,998**	4,745
Share based payments expensed	**16,500**	-
Options expensed	**753,720**	430,333
(Profit)/loss on sale of subsidiaries	**-**	(32,579)
Foreign exchange gains	**(113,483)**	-
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	**(9,472)**	30,820
(Increase)/decrease in prepayments	**162,563**	(187,862)
Decrease in trade and other payables	**258,588**	(63,077)
Net cash used in operating activities	**(2,319,533)**	(1,864,991)

(b) Non-cash investing and financing activities

During the reporting period the company acquired exploration and evaluation properties in consideration for the issue of 5,000,000 shares of MRL valued at $450,000 as approved at the shareholder meeting on 31 October 2014. Refer to note 16.

20. Commitments and contingencies

	2015	2014
	A$	A$
(a) Lease expenditure commitments		
Operating leases (non-cancellable):		
Minimum lease payments		
- Not later than one year	**18,689**	17,600
- Later than one year and not later than five years	**-**	-
- Later than five years	**-**	-
Total operating leases (non-cancellable)	**18,689**	17,600

The operating leases are entered into for the purposes of leasing company premises.

(b) Contingent liabilities

On 9 April 2013 the Company announced it had reached agreed terms with The Supreme Group of Sri Lanka for the acquisition of 45km^2 of graphite exploration licences representing 45 Grids. The remaining terms of the acquisition are;

1. Payment of US$500,000 at the time of commencement of commercial mining activities.

(c) The Group had committed to acquire a drill. The full purchase price of USD 188,500 less the USD 20,000 deposit paid in June 2015, is to be paid in instalments over a six month period.

The Directors do not believe there are any grounds for any other claims of a material nature as at the date of this report and as at the reporting date.

21. Results of the parent company

	2015	2014
	A$	A$
Current Assets		
Cash and cash equivalents	**1,042,544**	949,124
Trade and other receivables	**10,649**	21,398
Other current assets	**7,040**	17,040
Other financial assets	**-**	134,500
Total current assets	**1,060,233**	1,122,062
Non-current assets		
Property, plant and equipment	**29,489**	6,283
Intercompany loans receivable	**1,984,231**	1,660,789
	2,013,720	1,667,072
Total assets	**3,073,953**	2,789,134
Liabilities		
Current liabilities		
Trade and other payables	**462,931**	194,500
Total current liabilities	**462,931**	194,500
Total liabilities	**462,931**	194,500
Net Assets	**2,611,022**	2,594,634
Equity		
Issued capital	**60,743,995**	58,281,263
Share based payments reserve	**2,848,053**	2,094,333
Accumulated losses	**(60,981,026)**	(57,780,962)
Total equity	**2,611,022**	2,594,634
Results of the parent entity:		
Loss for the period	**(3,200,064)**	(2,371,581)
	(3,200,064)	(2,371,581)

22. Events since the end of the financial year

There are no known subsequent events of a material nature other than the following:

On 4 September 2015 the Company announced it would proceed with a Share Purchase Plan of up to 29 million shares at an issue price of $0.055 per share to raise $1.595m (before costs). It is intended that the proceeds from the SPP will used:

- to fund development of mining shafts;
- to expand the Company's drilling activities;
- to meet the costs of marketing the Company's graphite and graphene products; and
- for working capital purposes.

23. Related party transactions

(a) Compensation for key management personnel

The aggregate compensation made to directors and other key management personnel is set out below:

	2015	2014
	A$	A$
Short term employee benefits	**1,174,718**	430,001
Share based payments	**753,720**	430,333
	1,928,438	860,334

(b) Transactions with other related parties

During the reporting period, the group paid director and company secretarial fees to the following companies in which those persons have an interest. These payments were at arm's length:

		2015	2014
		A$	A$
CLEMM Pty Ltd	Craig McGuckin	**406,567**	217,666
Kingston Vale Pty Ltd	Peter Youd	**378,585**	165,000
PHB Consulting Pty Ltd	Peter Hepburn-Brown	**80,416**	-
Winkara Pty Ltd	Denis Geldard	**25,000**	14,582
Geo Ban Consulting Pty Ltd	Chris Banasik	**9,000**	-
Target Engineering Solutions	Joel Chong	**16,817**	-
Parmelia Pty Ltd	Peter Reilly	**6,250**	32,753

There were no loans to/from related parties in 2015 (2014:Nil)

24. Auditors' remuneration

Services provided by the Group's auditor (in tenure as auditor) and associated firms

During the year, the Group (including its overseas subsidiaries) obtained the following services from BDO Audit (W.A.) Pty Ltd as detailed below:

Auditors' remuneration	**2015**	2014
Remuneration of the auditor of the Group for:	**A$**	A$
- Audit services – BDO Audit (WA) Pty Ltd	**28,755**	19,697
- Other services – BDO Corporate Tax (WA) Pty Ltd	**29,977**	22,695
- Auditing and reviewing the financial report – Grant Thornton Pty Ltd	**-**	17,481
	58,732	59,873

DIRECTOR'S DECLARATION

The Directors declare:

1. the financial statements and notes, as set out on pages 22 to 50 are in accordance with the Corporations Act 2001 and:
    a. comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on this date of the consolidated group;
2. the Chief Executive Officer and Chief Finance Officer have each declared:
    a. the financial records of the consolidated group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
    b. the financial statements, and the notes for the financial year comply with the accounting standards; and
    c. the financial statements and notes for the financial year give a true and fair view; and
3. in the directors' opinion, there are reasonable grounds to believe the consolidated group will be able to pay its debts as and when they become due and payable.
4. the consolidated group has included in the notes to the financial statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards
5. the remuneration disclosures set out in the Directors' Report on pages 13 to 19 (as the audited Remuneration Report) comply with section 300A of the Corporations Act 2001;

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001. On behalf of the Directors

Craig McGuckin
Managing Director

30 September 2015

INDEPENDENT AUDIT REPORT

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INDEPENDENT AUDITOR'S REPORT

To the members of MRL Corporation Limited

Report on the Financial Report

We have audited the accompanying financial report of MRL Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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 Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of MRL Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of MRL Corporation Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a).

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(b) in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon various funding alternatives to meet its commitments, including share placements. These conditions, along with other matters as set out in Note 1(b), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of MRL Corporation Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Ian Skelton

Director

Perth, 30 September 2015

ADDITIONAL SECURITIES EXCHANGE INFORMATION

(note, this information does not form part of the audited financial statements)

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. This information is complete as at 25 September 2015.

(a) Distribution of Shareholdings – Fully Paid Ordinary Shares:

Size of Holding	Number of Shareholders	Number of Shares
1 – 1,000	66	12,437
1,001 – 5,000	51	171,419
5,001 – 10,000	107	921,584
10,001 – 100,000	525	24,885,867
100,001 and over	267	170,725,280
	1,016	196,716,587

Equity Security	Quoted	Unquoted
Fully Paid ordinary shares	191,716,587	5,000,000
Options	49,398,551	66,000,000

(b) Top 20 Security Holders – Fully Paid Ordinary Shares (MRF) at 25 September 2015

	Name of Holder	Number of Shares	%
1	Citicorp Nominees Pty Limited	10,215,068	5.19
2	McGuckin Family	7,085,786	3.60
3	Emerpus Asia Ltd	6,250,000	3.18
4	Hallidaf Management	6,094,794	3.10
5	Haydos Corporation Pty Ltd	6,000,000	3.05
6	Mr Jason Peterson & Mrs Lisa Peterson <J & L Peterson S/F A/C>	5,537,354	2.81
7	Gregorach Pty Ltd	5,150,000	2.62
8	IPS Nominees Ltd	5,000,000	2.54
9	Mr Ryan Jehan Rockwood	4,500,000	2.29
10	Grande Prosperity Resources Limited	4,380,907	2.23
11	Mr Chin Yong Chong	3,518,994	1.79
12	Winkara Pty Ltd	3,516,800	1.79
13	HSBC Custody Nominees(Australia) Limited	2,598,281	1.32
14	SDG Nominees	2,350,000	1.19
15	Mr Darren Michael Warne	2,142,675	1.09
16	UOB Kay Hian Private Limited <Clients A/C>	2,054,680	1.04
17	Mr Han Keong Ang	2,000,000	1.02
18	Mr Steven Dan Tuong	2,000,000	1.02
19	Nefco Nominees Pty Ltd	1,750,675	0.89
20	Varra Pty Ltd <Farmer Family A/C>	1,750,000	0.89
	Total Top 20 shareholders	83,896,014	42.65
	Other shareholders	112,820,573	57.35
	Total issued shares	196,716,587	100.00

Shareholders with less than a marketable parcel

At 25 September 2015, there were 160 shareholders holding less than a marketable parcel of 8,334 shares ($0.056 cents on this date) in the Company totalling 489,143 ordinary shares.

(c) Top 20 Security Holders – Listed Options (MRFOA) expiring 17 October 2016

	Name of Holder	Number of Shares	%
1	McGuckin Family	6,270,109	12.69
2	Hallidaf Management	5,600,000	11.34
3	Grande Prosperity Resources Limited	3,000,000	6.07
4	Mr Alan Wesley Patterson-Kane	2,655,713	5.38
5	Mr Jason Peterson & Mrs Lisa Peterson <J & L Peterson S/F A/C>	1,700,000	3.44
6	Mr Anthony Milenko Skender	1,400,000	2.83
7	Redhill Partners Pte Ltd	1,375,000	2.78
8	Mr Christian West	1,000,000	2.02
9	International Business Network (Services) Pty Ltd	1,000,000	2.02
10	Celtic Capital Pty Ltd <The Celtic Capital A/C>	944,263	1.91
11	Songlake Pty Ltd <Songlake Super Fund A/C>	905,250	1.83
12	Mr Paul Stewart Dunshea	654,545	1.33
13	Mr David Ian McCall	630,000	1.28
14	Saddique Nasser Omar Hassan	625,000	1.27
15	Samada Street Nominees Pty Ltd <Giles Family No 2 A/C>	618,690	1.25
16	St Jude Progeny Pty Ltd	600,000	1.21
17	Mr Terrance David Boag & Mrs Joan Melva Boag <Boag Superannuation A/C>	520,000	1.05
18	Parmelia Pty Ltd	500,000	1.01
19	Ms Nerida Schmidt	500,000	1.01
20	Parmelia Pty Ltd <The Reilly Family Superannuation Fund>	500,000	1.01
	Total Top 20 option holders	30,998,570	62.75
	Other option holders	18,400,011	37.25
	Total option holders	49,398,581	100.00

All granted licenses are in good standing and comply with the reporting requirements of the relevant licence.

Licence Number	MRL Interest - %	Status	General Location
IML/C/HO/8416	100	Granted	Western
EL/225	100	Granted	Central
EL/226	100	Granted	Central
EL/227	100	Granted	South central
EL/228	100	Granted	Central
EL/231	100	Granted	South West
EL/243	100	Granted	Central
EL/244	100	Granted	South West
EL/262	100	Granted	Central

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