MAGNIS RESOURCES LIMITED
ABN 26 115 111 763

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Sydney NSW 2000

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www.magnis.com.au

ASX Announcement **29 September 2015**

Annual Report for the Financial Year ended 30 June 2015

Magnis Resources Limited (ASX: MNS) advises that the 2015 Annual Report is now available and is included in this announcement.

MNS have adopted the most recent Corporate Governance Principles and Recommendations (3rd edition) released by the Australian Securities Exchange Corporate Governance Council. The MNS Corporate Governance Statement is enclosed within the 2015 Annual Report and is available along with the Securities Trading Policy on the Company's website www.magnis.com.au

Yours Sincerely,

Douglas Richardson
Company Secretary

Magnis Resources
LIMITED

ANNUAL REPORT

2015

CORPORATE DIRECTORY

ABN 26 115 111 763

DIRECTORS
F Poullas
(Chairman)

J C Jooste-Jacobs
(Non-Executive Director)

S B Hunt
(Non-Executive Director)

P Tsegas
(Non-Executive Director)

CHIEF EXECUTIVE OFFICER
F Houllis

COMPANY SECRETARY
D N Richardson

FINANCIAL CONTROLLER
P C Tju

REGISTERED OFFICE
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Sydney NSW 2000 Australia

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Tel 1300 554 474 Fax +61 3 9287 0303

AUDITORS
Ernst & Young, 680 George Street
Sydney NSW 2000 Australia

Tel +61 2 9248 5052

BANKERS
National Australia Bank Ltd
Level 3, 255 George Street
Sydney NSW 2000 Australia

Tel +61 2 9237 9958

STOCK EXCHANGE LISTING/ASX
Magnis Resources Limited shares (code MNS) are listed on the Australian Securities Exchange. Magnis also has listed options (code MNSO) with an exercise price of 10 cents expiring 31 May 2017.

What is Magnis?

Magnis is an Australian based company focused on advancing the Nachu Graphite Project into production during the later stages of 2016. The Project is based in south east Tanzania, circa 220km from the sea port town of Mtwara. The good proportion of super jumbo, jumbo and large flake natural graphite make the Project very unique and demands premium prices as opposed to fine or amorphous flake graphite.

A recent Pre-Feasibility Study conducted shows the Net Present Value of Nachu to be US$1.04B and currently there are two binding offtakes in place to supply 180,000tpa in aggregate for the next 5-10 years. A US$150m debt finance term sheet has been signed for engineering, procurement, construction and financing a 200,000tpa processing plant.

A Special Mining Licence and necessary environmental permits have recently been issued to Magnis to allow the Company to focus on finalising project finance and commence the construction of processing plant and mining facilities.

The Company is well supported by an experienced board and management team with specific skills in the project development, from the exploration phase through to mining and production.

Contents

Annual General Meeting

The 2015 Annual General Meeting of the members of Magnis Resources Limited will be held at The York Conference and Function Centre, Level 2, 99 York Street, Sydney NSW 2000 on Friday 6 November 2015 at 10:00am. A formal notice of meeting and proxy form will be mailed separately to all shareholders. Light refreshments will be served at the conclusion of the meeting.

CHAIRMAN'S STATEMENT

Dear Shareholders,

The 2014/2015 Financial Year has been the most significant year in the history of our Company as we have gone from strength to strength.

The following major milestones were achieved:

1. Maiden JORC Resource for 156Mt @ 5.2% TGC;
2. Pre-Feasibility Study released. Economics show a NPV of US$1.04B using a 10% discount rate, resulting in a 84% IRR. Cash margins of over US$1,600/t;
3. Binding offtakes for 180,000tpa with SINOMA/CNNMI and SINOSTEEL;
4. Financing Term Sheet

More recently we have achieved:

1. All environmental and mining approvals with the granting of our Special Mining License;
2. 99.2% TGC concentrate produced for product below 300 microns, using a basic flotation while retaining our flake size distribution and recoveries.

It's really pleasing that we were able to hit all of our targets on schedule and it's great to see the market beginning to realise that Nachu is a World Class Project in every sense.

The future looks bright, being able to produce an amazing product, with our high purity and large flakes, for the very exciting, high growth lithium-ion battery sector.

The job is not done yet and we are working hard towards finalising project funding, western off-takes with household names and meeting our end goal of production.

I want to take this opportunity to thank the Board members for their tireless efforts. Our Board is very hands on and without my colleagues the Company would not be in this strong position.

Our management team both locally and overseas have done a brilliant job, especially with all the metallurgical testwork, permitting work and community work overseas.

Working with the Tanzanian Government and the local community has been a real pleasure and I look forward to building on our strong relationship.

Not least of all, we also thank the ongoing support of our faithful shareholders, without which, none of the achievements of the past 12 months would be possible.

Lastly, we look forward to the next 12 months with great excitement as we watch closely the developments within the lithium-ion battery sector and move from explorer to building the mine, plant and then production.

F. Poullas

Frank Poullas
Chairman

The past financial year provided key opportunities for Magnis through the exploration and development efforts in Tanzania with the highlight being the highly prospective graphite tenement at Nachu in the south-east of the country. The Company also has a diversified pipeline of uranium projects both in Australia and Africa.

Graphite Industry Developments

- China is now a net importer of graphite on the back of growing consumption needs in their industry. More recently, some existing mines closed or consolidated given environmental concerns and marginal economics. Further consolidation of these graphite mines are expected.
- While supply out of China is slowing, demand is growing strongly through new technology from significant end users.
  - Tesla continues to build their advanced battery (US$5billion) giga factory in the US to better supply exponential growth in hybrid electric vehicle sales and battery storage units. Production from the factory is expected around late 2016. Tesla are aiming to more than double total world existing production of advanced battery power alone.
  - Another major advancement announced by Tesla is the production of the Powerwall and Powerpack products to provide energy to households and business premises. Benchmark Minerals Intelligence indicate that each Powerwall expects to contain 16kgs of spherical graphite derived from 40kgs of flake graphite concentrate. The larger 100kWh Powerpack batteries are expected to contain ten times the required amounts for graphite than the Powerwall.
  - Other battery producers such as LG Chem, FoxConn and BYD and Boston Power are expected to have megafactories up and running by 2020 as production capacity of lithium-ion batteries is anticipated to more than triple.

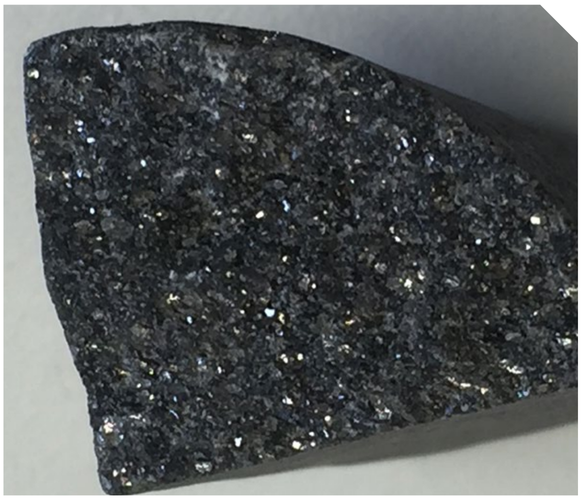
As the Nachu Graphite Project progresses, the Board is focused on the growth of the Company to support the expected growth in the graphite or battery powered industries.

NACHU GRAPHITE PROJECT

(MAGNIS 100%), TANZANIA

The Nachu Project is located near Ruangwa, in Southern Tanzania and approximately 200km to the Tanzanian port of Mtwara.

In the past 12 months to 30 June 2015 (or where indicated otherwise) an extensive exploration and delineation programme was undertaken and achieved. Flowing from these major achievements, the Company achieved the following milestones:



Maiden Mineral Resource defined in November 2014

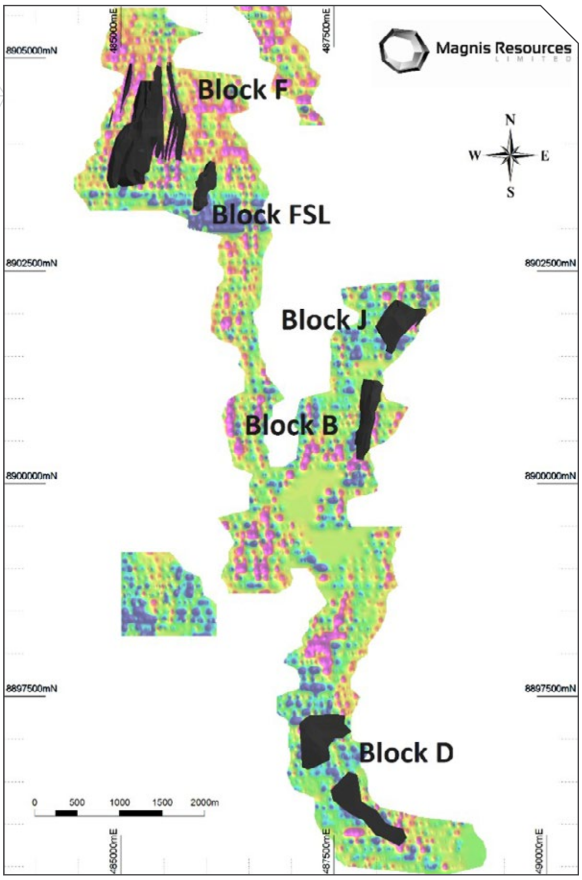
The maiden JORC resource for the Nachu Graphite Project was released in November 2014 on schedule. The Mineral Resource Estimate was carried out by independent mining consultancy firm AMC Consultants Pty Ltd.

Key Points:

- Mineral Resource Estimate of 156Mt at 5.2% graphitic carbon (Cg) at 3% Cg cut-off grade.
- Mineral Resource is inclusive of a total of 104Mt Measured and Indicated Resource and represents 66% of Maiden Mineral Resource Estimate to date.
- Over 8 Mt of contained graphite in the Mineral Resource.
- Mineral Resource derived from only 2% of Nachu tenement land area.

The total Mineral Resource is reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012).

The Nachu tenement covers approximately 199 km^2 in southern Tanzania. The Mineral Resource is split into five deposits (Block B, D, F, FSL & J) with mineralisation hosted in graphitic schist within a sequence of meta-sedimentary schists with minor un-mineralised dolomitic marble and gneisses within the greater Mozambique Metamorphic Belt. All deposits have mineralisation at or near surface. The modelled resource depths vary between deposits with over 85% of the defined total resource less than 150m from surface.



Deposit	Category	Oxidation	Mt	%Cg
All Blocks >3% Cg	Measured	Oxide	0.2	5.2
		Primary	3.7	5.6
	Indicated	Oxide	4	5.5
		Primary	96	5.1
	Inferred	Oxide	2	5.6
		Primary	51	5.7
Sub Total	All Categories	Oxide	6	5.4
		Primary	150	5.2
All	**All Categories**	**All**	**156**	**5.2**

Table 1 Nachu Graphite Global Mineral Resource Estimate as at 26 November 2014

			B		D		F		FSL		J	
		COG	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade
Block		%Cg	Mt	%Cg	Mt	%Cg	Mt	%Cg	Mt	%Cg	Mt	%wCg
Measured	Oxide	3.0							0.2	5.2		
	Primary	3.0							3.7	5.6		
Indicated	Oxide	3.0	0.2	6.5			3	4.8	0.2	5.4	0.7	8.3
	Primary	3.0	6.6	6.3			75	4.7	4.9	5.1	9	8.1
Inferred	Oxide	3.0	0.1	5	0.7	5.9	1	5.1	0.01	3.2	0.04	10.1
	Primary	3.0	0.8	5	19.5	5.9	27	5.0	0.9	4.2	3.2	10.2
Sub Total			7.6	6.1	20.2	5.9	106	4.8	9.8	5.2	12.9	8.6

Table 2 Nachu Graphite Project Mineral Resource Estimate by Block

(Notes for Tables 1 & 2. (a) Cut off 3% graphitic carbon; (b) Rounding may result in differences in total and average grades)

Project Pre-Feasibility Study completed

Completion of the Nachu Graphite Project Study was conducted by Australian engineering consultancy firm BatteryLimits Pty Ltd and South African engineering company Logiman. The project financials show an after tax Net Present Value of $US1.04b (using a discount rate of 10%) and 84% Internal Rate of Return and a capital payback period of 1.4 years.

Two major offtake agreements signed

China based Sinosteel Liaoning signed a binding off-take agreement with the Company for 100,000tpa for 10 years with an option to extend for a further 5 years. Graphite prices will be linked to market prices under the terms, and Sinosteel will process the graphite for the electric vehicle market. Sinosteel has been involved in the graphite industry for decades and has over eight graphite production facilities producing over 220,000tpa.

In the past few months samples were sent to Sinosteel to be tested at its Graphite Processing Plant. These samples were derived from large scale metallurgical work that resulted in an average grade over 95%TGC, with the majority of the product in Super Jumbo, Jumbo and Large categories.

China based SINOMA (a subsidiary of major state owned enterprise China National Materials Group Corporation) has signed an off-take agreement with MNS for 80,000tpa for 5 years with an option to extend. Graphite price will be linked to market prices under the terms. The agreement followed SINOMA's evaluation of graphite samples sent from the Company and following the MOU for off-take that was signed on 11 July 2014.

Project Finance for Nachu

A term sheet with offtake partner SINOMA was signed and announced to the market at the conclusion of the March 2015 quarter. The framework for the term sheet was based on the production of 200,000 tonnes per annum of graphite concentrate with SINOMA proposing to provide finance, engineering goods and services including – mechanical, civil, electrical, instrumentation, piping specifications, construction drawings, construction and project management.

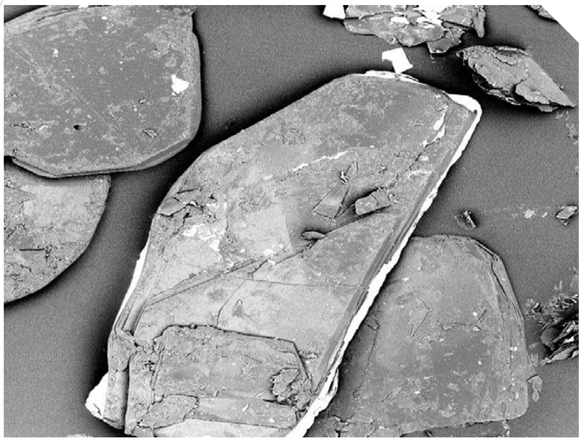
Discussions with SINOMA are continuing on the project finance and the Company is also in discussions and investigating other options with various parties with reference to certain financing aspects of the Nachu Graphite Project.

Sales of the future production have been based on the two offtakes that total 180,000tpa. These offtakes with SINOMA and Sinosteel Liaoning are the largest in the graphite sector.

Metallurgical Test work

Significant metallurgical results were achieved through the past 12 months and this has continued into the early period of this new financial year. The Company announced up to 88% of product was in the Super Jumbo (+500 microns), Jumbo (+300 microns) and Large (+180 microns) flake categories. Graphite concentrate was produced consistently above 94% TGC using basic flotation with recoveries exceeding 96%. These metallurgical test results were enhanced recently as announced to the ASX on 20 August 2015 whereby further refinement was achieved to maximise the value of the product to be produced at Nachu.

A -300 micron graphite concentrate of greater than 99%TGC was produced without chemical purification whilst maintaining the recovery and grade of the Super Jumbo and Jumbo product streams. This assists in the ability to supply a premium product at a substantially lower cost than other producers.



SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Environmental Certificate Granted

In August 2015, the Company announced that the Nachu Graphite Project had been issued with an Environmental Certificate by the National Environment Management Council (NEMC) of Tanzania.

The issue of the Environmental Certificate was based on the Environmental Impact Study (EIS) submitted to NEMC by the Company's consultants, MTL Consulting of Tanzania and Digby Wells Environmental of South Africa.

Special Mining Licence Issued

On 8 September 2015, the Company announced that a Special Mining Licence (SML) SML 550/2015 for the Nachu Graphite Project had been granted by the Ministry of Energy and Minerals (MEM) of Tanzania.

The granting of the SML is a key approval for the Project and allows the Company to move forward with finalising funding arrangements for further development. The SML was granted to Uranex Tanzania Ltd, the 100% owned Tanzanian subsidiary of Magnis.

To receive the grant of the SML, the Company's application was initially assessed by the MEM and then recommended to the Mining Advisory Board (MAB) for its endorsement.

A SML is a superior licence to a Mining Licence (ML) as it encompasses projects with an investment over US$100 million. The Company applied for the SML in preference to a standard ML for the following reasons:

1. A SML allows for a larger area to be approved than a ML. A ML is restricted to an area of 10 km^2. Magnis has been granted an area of approximately 30km^2.
2. A SML grants tenure for the period of the development or for a maximum period of 25 years. A ML only allows for a 10 year period.

3. A SML is supplemented with a MDA. The MDA is negotiated with the Government and can encompass Government participation, fiscal stability for the life of the project, dispute resolution mechanisms, environmental conditions etc. While a MDA is viewed as an important component of the development, the Company is in final stages of the advanced discussions with the Ministry. The MDA is not a requirement before the commencement of mining activities.

Other Regional Areas

RUANGWA (MAGNIS 100%)

The Company discovered a new separate tenement demonstrating multiple graphite grades. The Ruangwa tenement (prospecting licence PL7377/2011) is located 35 kilometres north east of the Nachu Graphite Project, covering approximately 168km^2. The tenement has few residents and is predominantly covered by natural vegetation. Exploration was focused on areas where access was possible and included geological mapping and outcrop rock sampling, stream sediment sampling and random ground radiometric surveys. The field mapping identified that the western half of the tenement included basement rock of the Mozambique Belt System, which includes graphitic schist, a similar sequence of metamorphic rocks as at the Nachu Graphite Project.

With the expected ramp up in the commercial development of the Nachu Graphite Project, it is expected that exploration resources will be available after the wet season in 2015 for redeployment to the Ruangwa tenement. The exploration program at the Ruangwa tenement is likely to require a ground electro-magnetic program run in conjunction with extended geological mapping and sampling programs prior to any drill testing of the graphite anomaly.

Uranium

MKUJU URANIUM PROJECT (MAGNIS 100%)

The Mkuju Uranium Project is located in Southern Tanzania, 500km southwest of Dar es Salaam and comprises 6 granted licences (100% Magnis) plus applications. There is currently a Uranium Mineral Resource of 6.1m lbs @ 237ppm U_3O_8 calculated in 2012 under JORC Code 2004.

Mineralisation at Mkuju is exclusively within the sediments of the Karoo Supergroup and is located adjacent to a north-easterly striking crustal scale fault which has juxtaposed Triassic-aged sediments against the younger Upper Mbarangandu Series. This fault extends northeast some 30km along strike to the Nyota Prospect (119.4m lbs @ 290ppm U_3O_8 at a 100ppm U_3O_8 cut-off grade) of the Mkuju River Project owned by Russian Uranium Company, ARMZ. During the year there was no work undertaken on the project.

MANYONI URANIUM PROJECT (MAGNIS 100%)

The Manyoni Uranium Project located in central Tanzania is host to 29Mlbs U_3O_8 at 100ppm cut off calculated in 2010 under JORC Code 2004. During the year there was no work undertaken on the project.

Australia

THATCHER SOAK PROJECT (MAGNIS 100%)

The Thatcher Soak Project is located within the main Yilgarn calcrete province in Western Australia. Uranium Mineral Resources calculated in 2012 under

JORC Code 2004 compliance include 10.8Mlbs U_3O_8 @ 425ppm U_3O_8 at a grade cut off of 150ppm U_3O_8. Other deposits in this province include Yeelirrie, Lake Way, Centipede and Lake Maitland. During the year there was no work undertaken on the project.

ALLIGATOR RIVERS PROJECT

The EL 25165 Alligator Rivers (Swim Creek) tenement in the Northern Territory was relinquished during the December 2014 Quarter.

Competent Persons Statement

All information with respect to geology, assay results, results interpretation or resource statements of the Nachu and Ruangwa tenement has been extracted from ASX announcements made by the Company in the 2014 and 2015 as listed below, and which are available to view at www.magnis.com.au. The Company confirms that it is not aware of any new information or data subsequent to those announcements that materially affects the information included in this document and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially altered.

Previous related ASX announcements include: 25 July 2014; Large Graphite Intercepts at Nachu (B Laws, Exploration Manager Uranex Ltd): 5 August 2014; Large Graphite Intercepts Continue at Nachu (B Laws, Exploration Manager Uranex Ltd): 22 August 2014; Significant Graphite Intercepts Continue at Nachu (B Laws, Exploration Manager Uranex Ltd): 11 September 2014; Initial Substantial Graphite Assay Results From Nachu (B Laws, Exploration Manager Uranex Ltd): 1 October 2014; Further High grade Graphite Intercepts From Nachu (B Laws, Exploration Manager Magnis Resources Ltd): 7 October 2014; New Graphite Discovery in Ruangwa Tenement (B Laws, Exploration Manager Magnis Resources Ltd): 10 October 2014; Exceptional Flake Graphite Metallurgical Results (B Laws, Exploration Manager Magnis Resources Ltd):15 October 2014; Significant Graphite Intercepts Continue at Nachu (B Laws, Exploration Manager Magnis Resources Ltd): 23 October 2014; Exceptional Flake Graphite Metallurgical Results Continue (B Laws, Exploration Manager Magnis Resources Ltd): 30 October 2014; Significant Graphite Intercepts Continue at Nachu (B Laws, Exploration Manager Magnis Resources Ltd): 5 November 2014; Exceptional Flake graphite Metallurgical Results Continue (B Laws, Exploration Manager Magnis Resources Ltd): 13 November 2014; Final Significant Graphite Intercepts From Nachu (B Laws, Exploration Manager Magnis Resources Ltd): 14 November 2014; Exceptional Flake graphite Metallurgical Results Continue (B Laws, Exploration Manager Magnis Resources Ltd). ASX announcement 26 November 2014, Nachu Graphite Project Maiden Mineral Resource, (A Proudman, AMC Consultants and B Laws, Exploration Manager Magnis Resources Ltd).

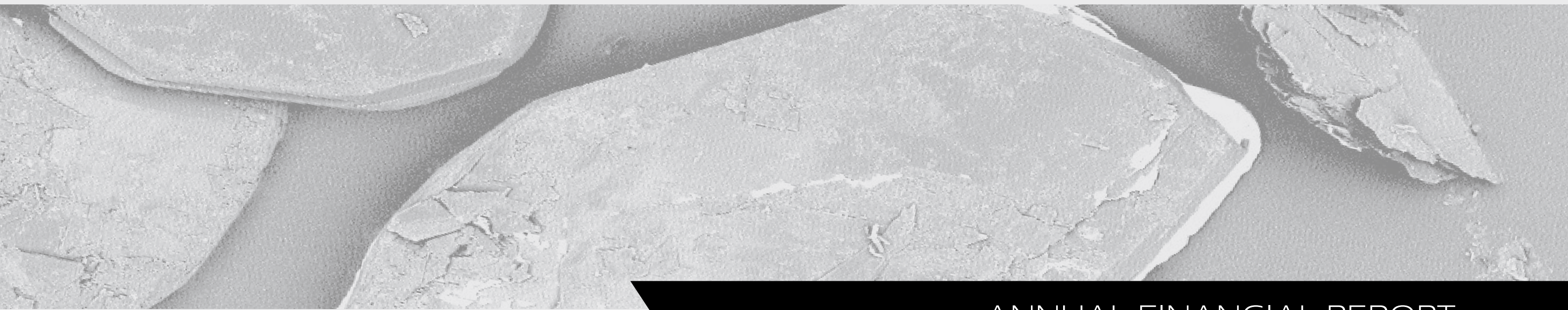
The information in this report that relates to the Mineral Resources is based on information compiled by Mr A Proudman, a Competent Person who is a Fellow and Chartered Professional Geology of the Australian Institute of Mining and Metallurgy. Mr Proudman is employed by AMC Consultants Pty Ltd. Mr Proudman has no financial interests in Magnis Resources Limited and is independent of the company. Mr Proudman has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr A Proudman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Laws is a full time employee of Magnis Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for reporting of Exploration Results.
Mr Laws, a Competent Person who is a registered Member of the Australasian Institute of Mining & Metallurgy, consents to the inclusion of the data in the form and context in which it appears.

SCHEDULE OF MINERAL TENEMENTS

Tenement Number	Project/Tenement Name	Locality	Group Ownership %
E 38/1732	Thatcher Soak	Western Australia	100
M 38/1253 (Pending)	Thatcher Soak	Western Australia	100
P 38/3298	Thatcher Soak	Western Australia	100
PL9018/2013	Manyoni East	Tanzania	100
PL7334/2011	Mkwese	Tanzania	100
PL5832/2009	Kilimatinde	Tanzania	100
PL5834/2009	Kianju	Tanzania	100
PL5830/2009	Mhalala	Tanzania	100
PL9017/2013	Issuna	Tanzania	100
PL4870/2007	Mkuju West	Tanzania	100
PL5726/2009	Mkuju 2	Tanzania	100
PL8076/2012	Mkuju 1	Tanzania	100
PL8418/2012	Ilongo North	Tanzania	100
PL5998/2009	Mkuju East	Tanzania	100
PL6425/2010	Mkuju 3	Tanzania	100
PL7463/2011	Lihehe	Tanzania	100
PL7377/2011	Ruangwa	Tanzania	100
PL8697/2012	Rutamba North	Tanzania	100
PL8696/2012	Lihehe East	Tanzania	100
PL9076/2013	Nachu	Tanzania	100

MAGNIS RESOURCES LIMITED
ABN 26 115 111 763



ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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

DIRECTORS

The following persons were directors of Magnis Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Frank Poullas (Chairman)

Appointed 10 September 2010 (Director), 29 August 2014 (Chairman)

Frank is an information technology consultant and in his personal capacity, a professional investor specialising in the graphite and uranium sectors. For the last nine years he has been involved in various ventures increasing shareholder value in both these sectors. Frank has a significant number of share and options holdings in the Company.

Current and former directorships of listed companies in last three years:
None

Special responsibilities
He is the chairman of Sustainability Committee and a member of the Audit and Remuneration Committee.

Johann C Jooste-Jacobs (Non-Executive Director)
B.Acc, MBL, FCA, FAICD

Appointed 27 August 2010

Johann has more than 30 years experience in the resource sector where he has managed established companies, acquisitions, expansions and start-up mining operations in Australia, South Africa and Indonesia. He is currently Executive Chairman of King Island Scheelite Limited and a Non-Executive Director of Australian Zircon NL. Johann is a Fellow member of both the Institute of Chartered Accountants and the Institute of Company Directors of Australia.

Current and former directorships of listed companies in last three years:
King Island Scheelite Limited (ASX:KIS)
Australian Zircon NL (ASX:AZC)
TW Holdings Limited (ASX:TWH) (Resigned 18 November 2014)
Coalworks Limited (Resigned 19 December 2012)

Special responsibilities:
He is Chairman of the Audit Committee and a member of the Remuneration Committees.

Stephen B Hunt (Non-Executive Director)
B.Bus (Marketing)

Appointed 27 August 2010

Stephen has significant minerals marketing experience gained from more than 14 years with BHP. In addition, Stephen has been a Director of Australian Zircon NL and more recently has been a Director of his own minerals trading business, Standout Enterprises Ltd, as well as iron ore producer, IMX Resources Ltd.

Current and former directorships of listed companies in last three years:
IMX Resources Limited (ASX:IXR) (Resigned 22 August 2013)

Special responsibilities
He is Chairman of the Remuneration Committee and a member of the Audit Committee.

Peter Tsegas (Non-Executive Director)

Appointed 16 June 2015

Peter has over 15 years of experience in Tanzania where he has been a resident for the past 10 years. He has worked to engage both the private and government sectors on a number of projects and was Managing Director of Tancoal Energy Ltd which he successfully took from an exploration company through to a JV with the Tanzanian government and then into production.

Current and former directorships of listed companies in last three years:
None

Special responsibilities
None

Peter Sarantzouklis
B.Bus, Master of Business Administration (Charles Sturt University)

Appointed 23 July 2013 (Director), 4 June 2014 (Chairman), Resigned 29 August 2014

Peter is the Chief Product Officer, Consumer Bank, Westpac Group and has held executive roles within the banking industry with wide ranging experiences over the past 20 years.

Previously, Peter worked in Westpac's New Zealand operations, sitting on their Executive Team. Prior to this, Peter was with the General Electric Group for 10 years. Peter has strong marketing and business development skills to bring to the Board. Over the past 15 years, he has been closely following the resources and energy sectors and has been a long term shareholder of Magnis.

Peter resigned as Chairman and Director on 29 August 2014.

COMPANY SECRETARY

Doug Richardson (Company Secretary)
B.Com (Economics & Finance), Grad Dip. Applied Finance & Investment

Appointed 14 January 2015

Doug Richardson has over 20 years experience in the financial services and resources sectors. His experience has included investment research, analytics and client advising for various organisations including GIO Asset Management, The Australian Prudential Regulation Authority, Suncorp and Philo Capital Advisers.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was prospecting and exploration for graphite on its 100% owned Nachu Project in Tanzania. There was no significant change in the nature of that activity during the year.

DIVIDENDS

No dividends have been paid during the year (2014: $NIL). The Directors do not recommended the payment of a dividend for this financial year.

CORPORATE INFORMATION

Magnis Resources Limited is a Company limited by shares that is incorporated and domiciled in Australia. The shares and options are listed on the Australian Securities Exchange ("ASX") under the ASX codes MNS and MNSO respectively.

With effect from 22 September 2014, Uranex Limited (old ASX code was UNX) changed its Company name to Magnis Resources Limited. For ASX purposes, the effective date for the Company name and ASX code change was 24 September 2014. The "UNX" ASX code was changed to "MNS" for the fully paid ordinary shares; and from "UNXO" to "MNSO" for the listed options in the Company.

The change of the Company's name was approved by shareholders at the Annual General Meeting held on 12 September 2014.

Unlisted options issued to Directors beneficially via the Company's employee option trust scheme are included in the option aggregate.

EMPLOYEES

Magnis Resources Limited had five employees as at 30 June 2015 (2014: five employees).

Category of employee	Total	Gender	
		Male	Female
All Employees and Board	9	9	-
Senior Executives	5	5	-
Board	4	4	-

SUSTAINABILITY

At Magnis, the environmental, safety and social aspects of our projects are treated as core considerations. Communities and governments are consulted prior to exploration and project development activities taking place and the communication is open and respectful. Protecting the environment is a central deliberation in project planning and environmental performance is regarded as critical throughout the project lifecycle. Magnis is committed to using the highest international benchmarks appropriate for project development in addition to satisfying regulatory requirements.

Sustainability highlights during the past year include the following:

» Magnis continued with the key components of compliance with the Tanzanian regulatory approvals process and in accordance with international benchmarks.

» Stakeholder consultation during the past year has included considerable engagement at the district, regional and national levels as well as extensive consultation with local communities. Magnis has an excellent track record on stakeholder engagement and as a result has developed positive relationships with governments and local communities.

» In the area of Occupational Health and Safety, Magnis actively promotes active employee participation in continuous improvement processes. Through employee training and engagement in this area Magnis has achieved an improved standard of safety. Over the past year Magnis has had no serious incidents or near misses, with only one minor first aid treatable injury, however continuous improvement in minimising the risk to employee safety remains a key focus as we move towards construction and mining.

» In the area of Corporate Social Responsibility (CSR), the Magnis Community Partnership Program (MCPP) is ongoing. Of note construction materials have been donated to the villages of Matambarate, Mihewe, Namikulo and Chunyu, for a variety of school and medical clinic building projects. Through the MCPP Magnis contributes various inputs from time and planning skills to materials and equipment for community development programs in areas such as cultural awareness, education, agriculture, environment, sport and health.

» Magnis also contributes to the economic and social development of our host communities in other ways. Our presence benefits local populations by creating direct employment (exploration activities) and indirect economic benefits through the provision of food, accommodation and other supplies.

» In Tanzania, Magnis has been actively engaged in providing valuable practical training to build the broader skill base within the mining industry. Magnis has successfully and is currently hosting geology students from the Universities of Dar es Salaam and the University of Dodoma in order to provide exploration experience and technical training in their final year of studies.

Subsequent to the completion of the financial year end, Magnis was issued an Environmental Certificate by the National Environment Management Council (NEMC) of Tanzania. This certificate is an essential component for the granting of a Mining Licence in Tanzania.

The issue of the Environmental Certificate is based on the Environmental Impact Study (EIS) submitted to NEMC by the Company's consultants, MTL Consulting of Tanzania and Digby Wells Environmental of South Africa.

The aim of the Company was always to complete the EIS to International Finance Corporation (IFC) standards so that it would conform to necessary permitting and funding requirements for the Project. To achieve this, the Company had both the Tanzanian and international consultants conduct the Environmental and Social Impact Assessment (ESIA) which formed the basis for the EIS. MTL Consulting is a very experienced consultancy in Tanzania who has worked on many projects in the country and Digby Wells Environmental have a wide range of international experience. Their efforts combined to produce a thorough study and assessment.

CORPORATE

Directors

Mr Peter Sarantzouklis resigned from his position of Non-Executive Chairman and the Board on 29 August 2014. Mr Frank Poullas was appointed as the Non-Executive Chairman immediately upon Mr Sarantzouklis' resignation.

Mr Peter Tsegas was appointed to the position of Non-Executive Director on 16 June 2015.

Placements

A placement to sophisticated investors was announced on 18 November 2014. The placement raised $3 million at a price of 17c per share.

On 6 June 2014 a placement to sophisticated and institutional investors from Australia and overseas was announced. The amount raised was $6.5 million at 25c per share.

Both placements were undertaken to fast track exploration of the Nachu Graphite Project.

Company Staffing

Dr Frank Houllis was appointed as Magnis Resources Limited's new Chief Executive Office and commenced with the company on 27 August 2014. Dr Houllis brings an incredible depth of experience, which includes over 20 years of practical experience in the development and engineering of metallurgical processes. He has worked on processes for a wide range of commodities, including rare earths, base metals, precious metals, lithium, titanium and uranium. His particular area of expertise is in the application of systems engineering techniques to ensure seamless project development from concept through to commercialisation in a timely and cost effective manner. Front end engineering to take into account technical, economic, regulatory and environmental considerations are central to his approach. Following completion of his doctorate in chemical engineering in 1995, Frank has led process development teams at ANSTO (2008 – present), BHP Billiton (2005 – 2008), and Intec Ltd (1995 – 2005).

Our previous CEO, Mr Rod Chittenden, became Head of Operations thereby allowing him and the Company to focus critically and even more deeply on expanding and optimising metallurgy and attaining our maiden JORC resources and bringing Nachu into production.

Mr Doug Richardson joined the Company as Company Secretary on 14 January 2015. Doug replaced Mr Chris Lioutas who moved into the role of Legal Counsel on a part time basis and then ceased employment with the Company on 5 May 2015.

DIVESTMENT OF NON CORE ASSETS

None

OPERATING RESULTS FOR THE YEAR

The Group incurred an operating loss after tax of $13,244,576 (2014: $5,177,375). Refer to Note 1 of the financial statements for accounting policies used. Summarised segment operating results are as follows:

	2015	
	Income $	Results $
Australia	574,297	(11,820,117)
East Africa	39	(1,044,548)
Intersegment elimination	(497,506)	(379,911)
Income and losses before tax	76,830	(13,244,576)

The Group continued its focus on exploration and evaluation in Tanzania. Exploration costs for the year amounted to $8,890,495 (2014: $2,246,430) of which $8,818,780 was expended in Tanzania. This substantial drilling and evaluation expenditure was spent at the Nachu Graphite Project.

REVIEW OF FINANCIAL CONDITION

Liquidity and Capital Resources

The statement of cash flows shows a decrease in cash and cash equivalents for the year ended 30 June 2015 of $1,835,340 (2014: $2,639,910 increase). During the year the Group raised $9,565,446 (2014: $7,160,620) before costs from a share placement and $394,526 (2014: $10,616) from options exercised. At year end the Group has liquid funds of $2,817,006 (2014: $4,652,346) available for future operational use and has no borrowings (2014: $NIL).

Going concern

In light of the circumstances disclosed in note 1 of the Financial Report, the auditor has included an emphasis of matter in their audit report.

Shares and Options Issues

During the year the Company raised funds from equity as follows:

» $9,565,446 (2014: $7,160,620) from a share placement of 44,052,294 (2014: 50,477,699) ordinary fully paid shares.

» $394,526 (2014: $10,616) from the exercise of options and rights then subsequent issue of 8,070,255 (2014: 106,162) ordinary fully paid shares.

Capital Expenditure

Capital expenditure on property, plant and equipment during the year was $60,940 (2014: $17,191).

GROUP PERFORMANCE

Annual Net Income

	2015	2014	2013	2012	2011	2010
Consolidated loss after tax	13,244,576	5,177,375	4,912,364	11,757,348	11,103,431	10,230,585

Shareholder Returns

	2015	2014
Basic loss per share (cents)	4.22	1.98
Diluted loss per share (cents)	4.22	1.98

RISK MANAGEMENT

The Board is responsible for ensuring that risks are identified on a timely basis and that the Group's activities manage the risks identified by the Board.

The Group believes that it is crucial for all Board members to be a part of this process. The Board has not established a separate risk management committee but reviewed the major risks to the business with management and has the following processes in place to monitor it:

» The Board has undertaken strategic reviews of its activities and conveyed to management and shareholders its objectives.

» The Board approved operating budgets and at its meetings, monitors actual expenditure to budget.

» The Board reviews sovereign, operating and environmental risks with management and from time to time external consultants provide reports on its practices.

» The Board assesses political and sovereign risks relating to its international assets by monitoring local media and politics. Group representatives liaise with all levels of Government to maintain awareness as to matters that may affect the Company.

The Directors have identified risks associated with our business. Inherently, exploration is a risky undertaking that often provides substantial rewards to investors whenever success is achieved. This is the foremost risk that the Board endeavours to mitigate through its strategic identification of potential mineralisation targets and oversight of management subsequently conducting the respective exploration programmes. The Board is very aware of the financial risks associated with the exploration industry. The Group presently accesses funds through the capital markets in order to fund its future business needs. The capital markets are subject to prevailing economic conditions so the Directors are attuned to raising funds to meet future needs when circumstances permit.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company or the Group during the financial year.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's exploration activities, both in Australia and overseas, are subject to environmental regulations and guidelines operating in the licence areas. Failure to meet environmental conditions attaching to the group's mineral tenements could lead to forfeiture of the tenements. No environmental breaches have occurred or have been notified by any government agencies during the year ended 30 June 2015.

DIRECTORS MEETINGS

The number of Directors meetings held (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year are:

	Directors Meeting		Audit Committee		Remuneration Committee		Sustainability Committee	
Number of meetings attended:	A	B	A	B	A	B	A	B
P Sarantzouklis	-	1	*	*	*	*	*	*
J C Jooste-Jacobs	6	6	2	2	-	-	*	*
S B Hunt	6	6	2	2	-	-	*	*
F Poullas	6	6	1	2	-	-	-	-
P Tsegas	-	-	*	*	-	-	*	*

Notes
A Number of meetings attended.
B Number of meetings held during the year whilst the director held office.
* Not a member of the relevant committee.

The Audit Committee comprised J C Jooste-Jacobs (Chairman), F Poullas, and S B Hunt. The Remuneration Committee comprised S B Hunt (Chairman), J C Jooste-Jacobs and F Poullas. The Sustainability Committee comprised of F. Poullas (Chairman), R J Chittenden (Chief Executive Officer), S I Lawley (Sustainability Manager). S I Lawley ceased employment with the Company on 29 August 2014.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and executives.

REMUNERATION POLICY

The Board recognises that the performance of the Group depends upon the quality of its Directors and executives. To achieve its operating and financial activities the Group must attract, motivate and retain highly skilled Directors and executives.

The Group's policy for determining the nature and amount of emoluments of Board members and executives of the Company is assessed annually at the end of each calendar year and are set by reference to the mineral exploration industry market place. The Remuneration Committee submits its recommendation to the Board for its consideration.

All remuneration paid to Directors and executives is valued at the cost to the Group and expensed.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities based on recommendations from the Remuneration Committee. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Furthermore, the Remuneration Committee ensures its remuneration recommendations are free from undue influence either by or to whom its recommendations may relate through the establishment of on an agreed set of protocols previously set by McDonald & Partners, committee members and Key Management Personnel. Having followed these protocols, the Board is satisfied that no such undue influence was exerted upon the Committee.

The current maximum aggregate of Non-Executive Directors fees payable is $400,000; having been approved by members on 14 November 2008. Presently, Non-Executive Directors receive annual fees of $50,000 and the Non-Executive Chairman $100,000. An additional $5,000 per annum is paid to Directors who act as Chairman of Committees.

Any increase in the maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the annual general meeting. Fees for Non-Executive Directors are not linked to the performance of the group. To align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

DIRECTOR AND OTHER EXECUTIVES DETAILS

Listed on pages 16 and 17 of the Directors Report are persons who acted as a director of the Company during or since the end of the financial year.

For the purposes of this report, Key Management Personnel (KMP) of the Group are those persons having authority and responsibility for planning directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company, and senior or key management. In addition to the Directors, the following were KMP during the financial year:

Dr Frank Houllis – Chief Executive Officer

Rod Chittenden – Head of Operations

PERFORMANCE BASED REMUNERATION

The Group currently has no performance based remuneration component built into the Chief Executive Officer's remuneration package. Bonuses may be payable at the Board's discretion following the annual performance review. The Company does not have policies regarding risk management of flexible components of remuneration packages.

COMPANY PERFORMANCE, SHAREHOLDER WEALTH AND DIRECTORS AND EXECUTIVES REMUNERATION

In accordance with the remuneration policy noted above, the Group includes the following principles in its remuneration framework:

- Competitive rewards are set to attract high calibre executives;
- Executive rewards are linked to shareholder value.

For executives the Group's policy is to position total employment costs within a peer group determined by the remuneration consultants. The Remuneration Committee did rely on previous reports of the consultant for determining remuneration during the period. The mix of fixed and variable components of employment costs is derived from data assessing market rate labour costs by position.

There are no financial measures that are included in the assessment but the Remuneration Committee considers the growth in market capitalisation an important parameter. For non-financial measures a range of factors are considered; market position, relationship with a range of stakeholders, risk management, leadership and team contribution.

SHARE OPTION PLAN

Magnis Resources Limited operates an ownership-based scheme for Directors and Employees of the consolidated entity. In accordance with the provisions of the plan, shares and options are held on behalf of Plan Participants by the Trustee of the Uranex Option Share Trust ("UOST").

During the financial year 405,236 shares (2014:1,045,881), NIL right options (2014: 14,000,000), and 6,900,000 options (2014: 2,800,000) on varying terms and conditions were allotted to the Trust under the share scheme.

Performance Income as a proportion of total compensation

The Company's performance as measured by the ordinary shares, share price for the opening and closing of the financial year was $0.16 and $0.24 respectively (50% increase). Also the company has listed options, option price for the opening and closing of the financial year was $0.082 and $0.155 respectively (89% increase). A new capital of $9,960 million was raised during the financial year to conduct exploration and evaluation activities in Southern Tanzania and provide working capital.

4,900,000 options issued to Employees were not tailored to performance target because exploration companies' inherent assets are highly variable in value and are, in effect, unknown until exploration has been completed. As asset values are the key to corporate growth, it is not feasible in these circumstances to set up a fair performance measure.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreement.

Remuneration agreements are set out below:

Dr Frank Houllis – Chief Executive Officer

» No agreement expiry date;

» Remuneration is $286,000 per annum plus statutory superannuation guarantee (9.5% for the year ended 30 June 2015);

» The agreement and the employment created by it may be terminated by either Magnis Resources Limited or Dr Houllis giving the other party 12 months' notice. The agreement also includes a 6 month 'non-compete' clause for Dr Houllis; and

» The agreement is subject to annual review.

Rodney Chittenden – Head of Operations

» No agreement expiry date;

» Remuneration is $260,000 per annum plus statutory superannuation guarantee (9.5% for the year ended 30 June 2015);

» The agreement and the employment created by it may be terminated by either Magnis Resources Limited or Mr Chittenden giving the other party 12 months' notice. The agreement also includes a 6 month 'non-compete' clause for Mr Chittenden; and

» The agreement is subject to annual review.

Table 1: Remuneration for the year ended 30 June 2015

	Short term benefits Salary & Fees $	Termination Benefits $	Post Employment Benefits^ $	Share Based Payments options# $	Total~ $
Non Executive Directors					
F Poullas*	92,663	-	8,803	10,885[1]	112,351
J C Jooste-Jacobs	55,000	-	5,225	10,885[2]	71,110
S B Hunt*	75,000	-	5,225	10,885[3]	91,110
P Tsegas	2,197	-	-	-	2,197
P Sarantzouklis (resigned 29 August 14)	16,304	-	1,549	(45,260)[4]	(27,407)
Key management personnel					
F Houllis!	249,677	-	23,006	189,225[5]	461,908
R J Chittenden	260,000	-	24,700	43,500[6]	328,200
	750,841	**-**	**68,508**	**220,120**	**1,039,469**

* Fees paid to related entities.
^ Includes superannuation and movements in employee entitlements.
# Share based payments consist of shares, options and rights issued.
~ Other than where indicated, no remuneration was performance based.
! Dr Frank Houllis started on 27 August 2014.

1 Represents ($12,500) unvested rights, $20,698 vested rights and $2,687 rights
2 Represents ($12,500) unvested rights, $20,698 vested rights and $2,687 rights
3 Represents ($12,500) unvested rights, $20,698 vested rights and $2,687 rights
4 Represents ($45,260) unvested right options
5 Represents $189,225 options
6 Represents $43,500 options

Table 2: Remuneration for the year ended 30 June 2014

	Short term benefits Salary & Fees $	Termination Benefits $	Post Employment Benefits^ $	Share Based Payments options# $	Total~ $
Non Executive Directors					
P Sarantzouklis (resigned 29 August 14)	9,487	-	4,689	109,043[7]	123,219
J C Jooste-Jacobs	33,816	-	-	128,848[8]	162,664
S B Hunt	18,803	-	-	93,082[9]	111,885
F Poullas*	13,750	-	5,053	92,708[10]	111,511
Key management personnel					
R J Chittenden	260,000	-	24,050	-	284,050
	335,856	-	33,792	423,681	793,329

* Fees paid to related entities.
^ Includes superannuation and movements in employee entitlements.
# Share based payments consist of shares, options and rights issued.
~ Other than where indicated, no remuneration was performance based.

7 Represents $16,575 options, $45,260 Rights, $30,888 shares and $16,320 shares to be issued
8 Represents $45,260 rights, $61,777 shares and $21,811 shares to be issued
9 Represents $45,260 rights, $33,977 shares and $13,844 shares to be issued
10 Represents $45,260 rights, $33,977 shares and $13,471 shares to be issued

Compensation options granted and vested

During the financial year, the following share-based payments were awarded, vested or lapsed:

Table 1: Options

Options Issued	Grant Date and Vesting Date	Expiry Date	Grant Date Fair Value $	Number	Exercise Price $
Jul-11	11-Jul-11	11-Jul-14	0.139 - 0.148	250,000*	0.45 - 0.54
Jul-11	11-Jul-11	11-Jul-14	0.161 - 0.168	500,000	0.51 - 0.61
Aug-11	26-Aug-11	25-Aug-14	0.155 - 0.174	3,500,000	0.63 - 0.84
Sep-13	3-Sep-13	3-Sep-16	0.009 - 0.013	1,500,000	0.1 - 0.15
Nov-13	17-Nov-13	17-Nov-16	0.0327	125,000*	0.18
Aug-14	11-Aug-14	11-Aug-17	0.0546	300,000*	0.27
Nov-14	17-Nov-14	17-Nov-17	0.053 - 0.065	1,500,000	0.225 - 0.3
Jan-15	30-Jan-15	30-Jun-18	0.058 - 0.083	3,600,000*	0.35
Jan-15	30-Jan-15	30-Jan-18	0.58	1,500,000	0.35

*Non Director or KMP Options.

Table 2: Rights

Rights Issued	Grant Date	Expiry Date	Grant Date Fair Value $	Number	Exercise Price $
Sep-13	3-Sep-13	30-Jun-14	0.025	2,000,000	0
Sep-13	3-Sep-13	31-Dec-14	0.0375	2,000,000	0
Sep-13	3-Sep-13	31-Dec-14	0.04	2,000,000	0
Sep-13	3-Sep-13	31-Mar-15	0.025	2,000,000	0
Sep-13	3-Sep-13	31-Dec-15	0.0125	500,000	0

Table 3: Shares

Shares Issued	Grant Date and Vesting Date	Grant Date Fair Value $	Number
Jul-14	30-Jun-14	0.1615	405,236

The following table summarises the value of options granted, exercised or lapsed during the financial year to directors and other key management personnel:

Name	Value of options granted at grant date $	Value of options exercised at the exercise date $	Value of options lapsed at the date of lapse $
F Poullas	-	-	164,500
J C Jooste-Jacobs	-	-	246,750
S B Hunt	-	-	164,500
P Tsegas	-	-	-
P Sarantzouklis (resigned 29 August 2014)	-	16,575	-
F Houllis	189,225	-	-
R J Chittenden	43,500	-	-

The following table summarises the value of rights granted, exercised or lapsed during the financial year to directors and other key management personnel:

Name	Value of rights granted at grant date $	Value of rights exercised at the exercise date $	Value of rights lapsed at the date of lapse (i) $
F Poullas	2,687	20,689	(12,500)
J C Jooste-Jacobs	2,687	20,068	(12,500)
S B Hunt	2,687	20,689	(12,500)
P Tsegas	-	-	-
P Sarantzouklis (resigned 29 August 2014)	-	-	(45,260)
F Houllis	-	-	-
R J Chittenden	-	-	-

(i) The value of options lapsing during the period due to the failure to satisfy a vesting condition is determined assuming the vesting condition has been satisfied.

Shares Issued on exercise of rights

During the financial year, 4,500,000 shares were issued to Directors upon exercise of rights.

Tranche	Performance Condition at Nachu Graphite Project	Service Condition
Tranche 4 - 500,000	Completion of Pre-feasibility Study by 31 December 2014	Hold role of Director at time of completion of Pre-feasibility Study
Tranche 5 - 500,000	Signed Off-take Agreement by 31 December 2014	Hold role of Director at time of signing of Off-take Agreement
Tranche 6 - 500,000	Signed Project Finance Agreement by 31 March 2015	Hold role of Director at time of signing of Project Finance Agreement

ADDITIONAL INFORMATION

The earnings of the consolidated entity for the five years to 30 June 2015 are summarised below:

	2015 $	2014 $	2013 $	2012 $	2011 $
Income	76,830	64,020	659,266	1,194,028	386,154
EBITDA	(13,137,448)	(5,075,705)	(4,768,580)	(11,594,887)	(10,855,503)
EBIT	(13,244,576)	(5,177,375)	(4,912,052)	(11,757,166)	(11,103,212)
Profit after income tax	(13,244,576)	(5,177,375)	(4,912,364)	(11,757,348)	(11,103,431)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2015	2014	2013	2012	2011
Share price at financial year end ($)	0.24	0.16	0.049	0.14	0.38
Total dividends declared (cents per share)	-	-	-	-	-
Basic loss per share (cents per share)	4.22	1.98	2.32	6.27	7.41

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Ordinary Shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
F Poullas	5,286,149	1,583,411	772,655	-	7,642,215
J C Jooste-Jacobs	2,715,119	1,635,050	-	-	4,350,169
S B Hunt	1,781,815	1,585,723	-	-	3,367,538
P Tsegas	-	-	-	-	-
P Sarantzouklis (resigned 29 August 2014)*	2,701,131	101,052	-	-	2,802,183
F Houllis	-	-	56,727	-	56,727
R J Chittenden	900,167	-	-	-	900,167
	13,384,381	4,905,236	829,382	-	19,118,999

*at time of resignation as Director.

Option holding

The number options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Options over ordinary shares	Balance at the start of the year	Granted	Additions/ Disposals	Exercised/ Lapsed	Balance at the end of the year
F Poullas	6,540,500	-	20,000	(1,000,000)	5,560,500
J C Jooste-Jacobs	2,812,857	-	60,000	(1,500,000)	1,372,857
S B Hunt	1,850,000	-	-	(1,000,000)	850,000
P Tsegas	-	-	-	-	-
P Sarantzouklis (resigned 29 August 2014)*	4,000,000	-	-	-	4,000,000
F Houllis	-	2,250,000	28,486	-	2,278,486
R J Chittenden	2,100,167	750,000	-	(500,000)	2,350,167
	17,303,524	3,000,000	108,486	(4,000,000)	16,412,010

*at time of resignation as Director.

Right holding

The number of rights to shares in the company tied to seven tranches of performance hurdles held during the financial year by each director is set out below:

Rights over ordinary shares	Balance at the start of the year	Granted	Exercised/ Lapsed	Balance at the end of the year
F Poullas	2,500,000	-	(2,000,000)	500,000
J C Jooste-Jacobs	2,500,000	-	(2,000,000)	500,000
S B Hunt	2,500,000	-	(2,000,000)	500,000
P Tsegas	-	-	-	-
P Sarantzouklis (resigned 29August 2014)*	2,500,000	-	(2,500,000)	-
F Houllis	-		-	-
R J Chittenden	-	-	-	-
	10,000,000	-	(8,500,000)	1,500,000

*at time of resignation as Director.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

During or since the financial year, no Director of the Company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the consolidated accounts, by reason of a contract entered into by the Company or an entity that the Company controlled or a body corporate that was related to the Company when the contract was made or when the Director received, or became entitled to receive, the benefit with:

» a Director, or

» a firm of which a Director is a member, or

» an entity in which a Director has substantial financial interest except the usual professional fees for their services paid by the Company to:

Identity of Related Party	Nature of Relationship	Type of Transaction	Terms & Conditions of Transaction	Aggregate Amount 2015 $	2014 $
Strong Solutions Pty Limited	Frank Poullas is a related party of Strong Solutions Pty Limited and a director of Magnis Resources Limited	Consulting fees and PP&E purchases	Normal commercial terms	159,765	65,413
Minerals and Metal Marketing	Stephen Hunt is a related party of Minerals and Metal marketing and a director of Magnis Resources Limited	Consulting Fees	Normal commercial terms	63,000	-

2014 REMUNERATION REPORT

The Remuneration Report received positive shareholder support from members (91%) at the 2014 Annual General Meeting.

This concludes the remuneration report, which has been audited

SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

Details of unissued shares or interests under option as at 30 June 2015 in Magnis Resources Limited are:

Number of Ordinary Shares under Option	Class of Shares	Exercise Price of Option $	Expiry Date of Option	Number of Holders
1,500,000	Ordinary	0.175	19-Nov-15	3
1,500,000	Ordinary	0	31-Dec-15	3
750,000	Ordinary	0.1	14-Jun-16	1
750,000	Ordinary	0.15	14-Jun-16	1
375,000	Ordinary	0.18	17-Nov-16	3
500,000	Ordinary	0.29	31-Mar-17	1
300,000	Ordinary	0.2	31-May-17	1
300,000	Ordinary	0.27	11-Aug-17	1
750,000	Ordinary	0.225	17-Nov-17	1
750,000	Ordinary	0.3	17-Nov-17	1
4,100,000	Ordinary	0.35	30-Jan-18	9
209,329,289	Ordinary	0.1	31-May-17	N/A

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme. No voting rights attached to the options.

2,070,255 (2014:106,162) number of shares issued during or since the end of the financial year as a result of exercise of option.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the directors and executive officers for any breach of laws by the Company for which they may be held personally liable. The agreement provides for the Company to pay liabilities or legal expenses to the extent permitted by law.

During or since the financial year, the Company has paid premiums insuring all the Directors of Magnis Resources Limited against costs incurred in defending proceedings for conduct other than:

(a) a wilful breach of duty;

(b) a contravention of sections 182 or 183 of the Corporations Act 2001,

as permitted by section 199B of the Corporations Act 2001.

The total amount of insurance contract premiums paid is confidential under the terms of the insurance policy.

INDEMNIFICATION AND INSURANCE OF AUDITOR

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined below:

» Taxation compliance services – Tanzania $35,249.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 19 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

» all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and

» none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest dollar.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 28.

Signed in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

F. Poullas

F Poullas
Non-Executive Chairman
Sydney, 28 September 2015

Building a better working world

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Auditor's Independence Declaration to the Directors of Magnis Resources Limited

In relation to our audit of the financial report of Magnis Resources Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Scott Jarrett
Partner
28 September 2015

The Company is committed to the pursuit of creating value for shareholders, while at the same meeting shareholders' expectations of sound corporate governance practices. As with all its business activities, the Company is proactive in respect of corporate governance and puts in place those arrangements which it considers are in the best interests of shareholders, and consistent with its responsibilities to other stakeholders.

THE BOARD OF DIRECTORS

The Board determines the corporate governance arrangements of the Company.

This statement discloses the Company's adoption of the Corporate Governance Principles and Recommendations (3rd edition) (the "Principles") released by the Australian Securities Exchange Corporate Governance Council in March 2014, effective 1 July 2014. The Principles can be viewed at www.asx.com.au. The Principles are not prescriptive; however, listed entities (including the Company) are required to disclose the extent of their compliance with the Principles, and to explain why they have not adopted a Principle (the 'if not, why not' approach). The Principles have operated throughout the year unless otherwise indicated.

The table at the end of this statement provides cross references between the disclosures and statements in this Corporate Governance Statement and the relevant Principles

ROLE OF THE BOARD

The Directors must act in the best interest of the Company and in general are responsible for, and have the authority to determine, all matters relating to the policies, management and operations of the Company.

The Board's responsibilities, in summary, include:

» providing strategic direction and reviewing and approving corporate strategic initiatives;

» overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;

» appointing, monitoring the performance of, and, if necessary, removing the Managing Director;

» ratifying the appointment or removal, and contributing to the performance assessment of the members of the senior management team;

» planning for Board and executive succession;

» ensuring there are effective management processes in place and approving major corporate initiatives;

» adopting an annual budget and monitoring management and financial performance and plans;

» monitoring the adequacy, appropriateness and operation of internal controls;

» identifying significant business risks and reviewing how they are managed;

» considering and approving the Company's Annual Financial Report and the interim financial and activities reports;

» enhancing and protecting the reputation of the Company;

» reporting to, and communicating with, shareholders; and

» setting business standards and standards for social and ethical practices.

Day to day management of the Company and implementation of Board policies and strategies has been formally delegated to senior executives and management. It is the responsibility of the Board to oversee the activities of management in executing delegated tasks. In particular, the Board has delegated management responsibility for:

» delivering key objectives and milestones in accordance with market expectation as are set by the Company;

» developing project budgets for capital and operating expenditure for Board review and if appropriate, approval;

» developing and maintaining an effective risk management framework and keeping the Board and the market fully informed about risk;

» the prudent management of the Company's cash reserves in accordance with the approved annual operating budget;

» regulatory compliance across all jurisdictions in which the Company undertakes business covering amongst other things health and safety, tax, accounting and company reporting.

COMPOSITION OF THE BOARD

The entire Board comprises non-executive Directors with a broad range of skills, expertise and experience, and all of whom add value to the operation of the Board. The Board comprises a majority of independent Directors (three out of four), while the Non Executive Chairman is a significant shareholder.

The independence of Directors is important to the Board. Independence is determined by objective criteria acknowledged as being desirable to protect investor interests and optimise value to investors. The Board regularly assesses the independence of its Directors. In determining the status of a Director, the Company considers that a Director is independent when he or she is independent of management and free of any business or other relationship (for example a significant shareholding) that could materially interfere with, or could reasonably be perceived to interfere with the exercise of unfettered and independent judgement. The Company's criteria for assessing independence are in line with standards set by the Principles.

The appointment and removal of Directors is governed by Company's constitution. Under the Constitution the Board must comprise of a minimum of three Directors. Given the Board is completely Non Executive, and by a significant majority independent, the Board does not maintain a Nomination Committee, and is itself responsible for selecting and approving its own candidates to fill any casual vacancies that may arise on the Board from time to time. Directors who have been appointed to fill casual vacancies must offer themselves for re-election at the next annual general meeting of the Company. In addition, at each annual general meeting, at least one Director must be a candidate for re-election and no Director shall serve more than three years without being a candidate for re-election.

In making decisions regarding the appointment of Directors, the Board assesses the appropriate mix of skills, experience and expertise required by the Board and assesses the extent to which the required skills and experience are represented on the Board. When a vacancy exists, the Board determines the selection criteria based on the skills deemed necessary. The Board identifies potential candidates, and if appropriate, will utilise an external consultant to assist in identifying potential candidates. The Board then appoints the most suitable candidate.

The Board will undertake appropriate background checks and screening checks prior to nominating a Director for election by shareholders and provides to shareholders all material information in its possession concerning the Director standing for election or re-election in the explanatory notes to accompany the notice of meeting. New Directors will participate in an induction program to assist them to understand the Company's business and the particular issues it faces.

The Board collectively has the right to seek independent professional advice as it sees fit. Each Director individually has the right to seek independent professional advice, subject to the approval of the Chairman. All Directors have direct access to the Company Secretary.

Directors also have complete access to the senior management team. In addition to regular reports by senior management to the Board meetings, Directors may seek briefings from senior management on specific matters and are entitled to request additional information at any time when they consider it appropriate.

BOARD COMMITTEES

The Board generally operates as a whole across the range of its responsibilities but, to increase its effectiveness, uses committees where closer attention to particular matters is required given the nature and scale of the Company's operations.

The Board maintains three Board Committees covering Remuneration, Audit, and Sustainability. Details regarding the number of Board meeting and committee meetings held during the year and the attendance of each member will be set out in the 2015 Annual Report.

Remuneration Committee

The Remuneration Committee comprises three Non-Executive Directors, which during the reporting period comprised Mr. S B Hunt (Chairman), Mr. J C Jooste-Jacobs and Mr. F Poullas.

The Remuneration Committee advises the Board on remuneration and incentive policies and practices. It makes specific recommendations on remuneration packages and other terms of employment for senior executives and Non Executive Directors.

Any increase in the maximum remuneration of Non Executive Directors is the subject of shareholder resolution in accordance with the Company's constitution, the Corporations Act and the ASX Listing Rules, as applicable. The apportionment of Non Executive Director remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non Executive Director.

The Board may award additional remuneration to Non Executive Directors called upon to perform extra services or undertake special duties on behalf of the Company.

Audit Committee

The Audit Committee also comprises three Non Executive Directors which for the reporting period comprised Mr. J C Jooste-Jacobs (Chairman), Mr. F Poullas, and Mr.S B Hunt.

The main responsibilities of the Audit Committee are to:

» review and report to the Board on the periodic reports and financial statements;

» provide assurance to the Board that it is receiving adequate, timely and reliable information;

» assist the Board in reviewing effectiveness of the Company's internal control environment covering;

- compliance with applicable laws and regulations;
- reliability of financial reporting; and
- liaise with the external auditors and ensure that the annual audit and half-year review are conducted in an efficient manner.

The Audit Committee reviews the performance of the external auditors on an annual basis. A representative of the committee meets with them during the year to discuss the external audit plan, any significant problems that may arise, and to review the fees proposed for the audit work to be performed.

Any written matters raised by the auditors are discussed and dealt with at full board meetings. The auditors, by request, may attend audit committee meetings and board meetings to discuss any matter that they believe warrants attention by the Board. The auditors also attend shareholder meetings of the Company.

Sustainability Committee

The Sustainability Committee members for the reporting period comprised Mr. F Poullas (Chairman), and Mr. R J Chittenden (Head of Operations). The main responsibility of the Sustainability Committee is to be satisfied that effective measures, systems and controls, are in place in relation to:

- environmental, community, occupational health and safety, radiation protection and other sustainability issues that have material strategic and business implications;
- significant safety, health and environmental incidents;
- reporting by the Company should accord with the Global Reporting Initiative guidelines; and
- the integrity of the Company and the ethical standards of the Directors and the employees, are maintained to the highest levels.

PERFORMANCE EVALUATION AND REMUNERATION

Performance Evaluation

In prior reporting periods, the Board has not undertaken any level of formal performance evaluation of Directors. At an informal level however, the Chairman frequently consults in each reporting period with the other Directors seeking guidance on ways in which the Board as a whole, as well as each individual Director, can improve its contribution and performance to the execution by the Board of its responsibilities. It is the Board's intention in the current reporting period to commence a formal annual performance and evaluation process to be led by the Chairman prior to the end of the financial year 2016.

It is proposed that the review will be annual and will involve all Directors completing a questionnaire including allowance for additional comments or raising any issues relating to the Board's or a Committee's operation. The results of the review will be compiled by the Chairman and discussed with Board members as a whole at an appropriate Board meeting. The purpose of the review is to assess the strengths and weakness of the Board and Committees, and identify areas that might be improved. The findings of the performance review will be considered by the Board and continue to be taken into account in identifying and nominating new candidates for appointment as Director, and in planning and conducting Board and committee matters. Directors are able to raise concerns regarding an individual Director's performance with the Chairman at any time during the year.

The performance of the Chief Executive Officer (CEO) is reviewed by the Board on a periodic basis. The Chairman co-ordinates the comments of all directors to provide a written assessment to the CEO.

The performance of the Company's senior executives is reviewed by the Chief Executive Officer as part of the annual remuneration review process and reported to the Remuneration Committee. The reviews usually take place in July/August of each year. Further details regarding the remuneration review process are set out in the Remuneration Report.

Director and Executive Remuneration

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced personnel. Performance, duties and responsibilities, market comparison and independent advice are all considered as part of the remuneration process. The total remuneration paid to Directors and key management personnel for the reporting period is set out in the Remuneration Report.

Directors' fees are reviewed annually and are benchmarked against fees paid to Directors of similar organisations. Directors are not provided with retirement benefits other than statutory superannuation and do not participate in employee incentive schemes although are issued share based payment options as is set out in the Directors Report of the Annual Report.

To ensure that the Company's senior executives properly perform their duties, the following procedures are in place:

- performance is formally assessed twice each year as part of the Company's formal employee performance review process; the full year achievement review takes place in June at the end of the financial year;
- all senior management were assessed in terms of their achievement of agreed KPI's (both financial and non-financial) for the period;

- there is a strong link between the outcomes of this performance review process and the subsequent remuneration review as outlined in the Remuneration Report; and,
- senior management are provided with access to continuing education to update and enhance their skills and knowledge.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Company has a formalised risk management framework encompassing market, financial, liquidity and corporate governance risk. The identification and effective management of risk, including calculated risk taking is viewed as an essential part of the Company's approach to creating long term shareholder value. Compliance with risk management policies is monitored by the Board.

GOVERNANCE POLICIES

Integrity, ethical standards and compliance

The Company is committed to being a good corporate citizen within all jurisdictions that it undertakes its business activities, and the Board has undertaken to ensure that the Company implements:

- practices necessary to maintain confidence in the company's integrity;
- practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and,
- responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

While the Company has not as yet adopted a Code of Conduct for its Directors and employees, it has delegated the responsibility of maintaining corporate integrity and ethical behaviour to the Sustainability Committee. That Committee seeks to set the standards for dealing ethically with employees, investors, customers, regulatory bodies and the financial and wider community, and the responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour.

Directors are provided with Board reports in advance of Board meetings which contain sufficient information to enable informed discussion of all agenda items.

The Board has the responsibility for the integrity of the Company's financial reporting. To assist the Board in fulfilling its responsibility, the processes discussed below have been adopted with a view to ensuring that the Company's financial reporting is a truthful and factual presentation of the Company's financial performance and position.

Dealing in Securities

The Company has in place a formal Security Trading Policy which regulates the manner in which Directors and staff involved in the management of the Company can deal in Company securities. It requires that they conduct their personal investment activities in a manner that is lawful and avoids conflicts between their own interests and those of the Company and contains all contents suggested in the ASX Corporate Governance Principles and Recommendations.

The policy specifies trading blackouts as the periods during which trading securities cannot occur. Trading is always prohibited if the relevant person is in possession of non-public price sensitive information regarding the Company. A copy of the current Security Trading Policy is available on the Company's website.

Diversity

The Company recognises the value contributed by employing people with varying skills, cultural backgrounds, ethnicity and experience and believes its diverse workforce is the key to its continued growth, improved productivity and performance.

The Company actively values and embraces the diversity of its employees and is committed to creating an inclusive workplace where everyone is treated equally and fairly and where discrimination, harassment and inequity is not tolerated. The Company is committed to fostering diversity at all levels. However, no measurable objectives were set during the reporting period.

The Company's gender diversification targets were not met during the year owing to unfavourable fiscal circumstances for our industry that resulted in workforce numbers remaining the same, which precluded any increased employment opportunities.

Health, safety and environment

The Company has continued its emphasis on health and safety in the workplace with the aim of ensuring that people achieve outcomes in a safe manner, thereby contributing to operational effectiveness and business sustainability. The Company has an occupational health and safety plan and a management system in place. The Company's safety performance is reported regularly to the Board to assist the Board in monitoring compliance with the Company's policy and the relevant regulatory requirements.

During the reporting period there were no reported environmental incidents and no Lost Time Injuries (LTI's).

CONTINUOUS DISCLOSURE AND COMMUNICATIONS WITH SHAREHOLDERS

The Company is committed to providing relevant and timely information to its shareholders and to the broader market, in accordance with its obligations under the ASX continuous disclosure regime.

The Board complies with the following processes to ensure that information is communicated to shareholders and the wider market:

- the Company's website is updated regularly with business activity information and is linked to all announcements published on the ASX www.magnis.com.au;
- the Annual Report is distributed to eligible shareholders. The Board ensures that the Annual Report includes relevant information about the operations of the group during the year, changes in the state of affairs of the group and details of future developments, in addition to other disclosures required by Corporations Act 2001;
- quarterly reports and half-yearly financial statements are lodged with the ASX and copies are sent to any shareholder upon request;
- any proposed major changes in the group which may impact on the share ownership rights would be submitted to a vote of shareholders;
- the Board ensures that the continuous disclosure requirements of the ASX are fully complied with, ensuring that shareholders are kept informed on significant events affecting the group; and
- investor roadshows are held periodically throughout Australia and internationally. Where they contain new information, investor and roadshow presentations are released to the ASX and included on the Company's website.

CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. Such information must be sufficient from time to time in light of changing circumstances and economic conditions. The Directors recognise that mineral exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

ASX CORPORATE GOVERNANCE COUNCIL'S PRINCIPLES AND RECOMMENDATIONS

ASX Principle		Compliance
Principle 1: Lay solid foundation for management and oversight		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its Board and management; and, (b) those matters expressly reserved to the Board and those delegated to management.	Comply
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and, (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.	Comply
1.3	A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Comply
1.4	The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	Comply
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and, (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant Committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Does not comply. Refer to "Diversity" in the Corporate Governance Statement
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Comply
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and, (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Comply

ASX Principle		Compliance
Principle 2: Structure the Board to add value		
2.1	The Board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent Directors; and (2) is chaired by an independent Director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have the nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Does not comply. Refer to "Composition of the Board" in the Corporate Governance Statement
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	Does not Comply. The Board intends however to implement a skills matrix in the current financial year.
2.3	A listed entity should disclose: (a) the names of the Directors considered by the Board to be independent Directors; (b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each Director.	Comply
2.4	A majority of the Board of a listed entity should be independent Directors.	Comply
2.5	The chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	Does not comply. The Chairman is a significant shareholder. However all other Directors are all Non Executive and independent. The Chairman is not the same person as the CEO of the Company.
2.6	A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.	Comply
Principle 3: Act ethically and responsibly		
3.1	A listed entity should: (a) have a code of conduct for its Directors, senior executives and employees; and (b) disclose that code or a summary of it.	Does not comply. However, the Sustainability Committee has been delegated the task of monitoring and ensuring the integrity of the Directors and employees and their ethical behaviour.

ASX Principle		Compliance
Principle 4: Safeguard integrity in corporate reporting		
4.1	The Board of a listed entity should: (a) have an Audit Committee which: (1) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (2) is chaired by an independent Director, who is not the chair of the Board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Comply
4.2	The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Comply
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Comply
Principle 5: Make timely and balanced disclosure		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and, (b) disclose that policy or a summary of it.	Comply
Principle 6: Respect the rights of security holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Comply
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Comply
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Comply
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Comply
Principle 7: Recognise and manage risk		
7.1	The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent Directors; and (2) is chaired by an independent Director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;	Do not comply. Currently risk and risk mitigation is managed by the Board as a whole.
7.2	The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Comply
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Comply
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Comply

ASX Principle		Compliance
Principle 8: Remunerate fairly and responsibly		
8.1	The Board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent Directors; and (2) is chaired by an independent Director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Comply
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.	Comply
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Does not comply. The current Remuneration Policy that is disclosed in the Annual Report document does not cover the areas of use of derivatives or otherwise, however the Remuneration Committee intends to implement changes this financial year.

All references are to sections of this Corporate Governance Statement unless otherwise stated.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2015

		Consolidated	
	Notes	2015 $	2014 $
Income			
Interest received		59,347	37,120
Rent received		-	26,495
Gain on sale of plant and equipment		-	405
Other revenue		17,483	-
Total income		**76,830**	**64,020**
Expenditure			
Audit fees		84,486	153,665
Consulting fees		257,214	9,657
Depreciation		107,128	101,670
Marketing and Investor Relations		966,747	51,543
Directors fees		261,967	311,664
Share remuneration		438,001	267,606
Exploration and evaluation expenditure		8,890,495	2,246,432
Insurance		56,771	28,211
Legal expenses		55,881	42,311
Foreign exchange loss		394,537	305,756
Rental expenses		137,373	104,277
Salaries and wages		782,134	761,043
Superannuation		107,036	89,031
Taxes and duties		-	114,927
Travel costs		215,231	108,634
Other expenses		566,405	544,968
Total expenditure		**13,321,406**	**5,241,395**
(Loss) before income tax expense		**(13,244,576)**	**(5,177,375)**
Income tax expense	5	-	-
Net (loss) for the year		**(13,244,576)**	**(5,177,375)**
Other comprehensive income/(loss)			
Items that may be subsequently reclassified to comprehensive income			
Foreign currency translation		568,957	243,446
Other comprehensive income/(loss) for the year, net of tax		**568,957**	**243,446**
Total comprehensive income/(loss) for the year, net of tax		**(12,675,619)**	**(4,933,929)**
Basic loss per share (cents per share)	20	4.22	1.98
Diluted loss per share (cents per share)	20	4.22	1.98

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

YEAR ENDED 30 JUNE 2015

	Notes	Consolidated 2015 $	2014 $
Current assets			
Cash and cash equivalents	6, 15(b)	2,817,006	4,652,346
Trade and other receivables	7	2,905,486	1,422,811
Total current assets		5,722,492	6,075,157
Non current assets			
Other receivables	8	50,000	86,385
Property, plant & equipment	9	69,545	105,647
Total non current assets		119,545	192,032
Total assets		5,842,037	6,267,189
Current liabilities			
Trade and other payables	10(a)	3,363,704	1,023,073
Provisions	11	193,848	172,196
Total current liabilities		3,557,552	1,195,269
Non current liabilities			
Provisions	11	56,871	155,519
Total non current liabilities		56,871	155,519
Total liabilities		3,614,423	1,350,788
Net assets		2,227,614	4,916,401
Equity			
Contributed equity	12(a)	72,137,802	62,705,970
Reserves	14	6,490,695	5,366,738
Accumulated Profits/(Losses)		(76,400,883)	(63,156,307)
Total equity		2,227,614	4,916,401

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2015

	Issued Capital $	Options $	Share Based Payment Reserves $	Foreign Currency Translation Reserve $	Accumulated (Losses) $	Total Equity $
At 1 July 2014	60,731,047	1,974,923	1,337,579	4,029,159	(63,156,307)	4,916,401
Loss for the period	-	-	-	-	(13,244,576)	(13,244,576)
Other comprehensive income/(loss)	-	-	-	568,957	-	568,957
Total comprehensive income/(loss) for the year	-	-	-	568,957	(13,244,576)	(12,675,619)
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs	9,431,832	-	-	-	-	9,431,832
Options issued/exercised	-	-	-	-	-	-
Share based payments	-	-	555,000	-	-	555,000
At 30 June 2015	70,162,879	1,974,923	1,892,579	4,598,116	(76,400,883)	2,227,614

	Issued Capital $	Options $	Share Based Payment Reserves $	Foreign Currency Translation Reserve $	Accumulated (Losses) $	Total Equity $
At 1 July 2013	53,920,623	1,695,282	1,069,973	3,785,713	(57,978,932)	2,492,659
Loss for the period	-	-	-	-	(5,177,375)	(5,177,375)
Other comprehensive income/(loss)	-	-	-	243,446	-	243,446
Total comprehensive income/(loss) for the year	-	-	-	243,446	(5,177,375)	(4,933,929)
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs	6,810,424	-	-	-	-	6,810,424
Options issued/exercised	-	279,641	-	-	-	279,641
Share based payments	-	-	267,606	-	-	267,606
At 30 June 2014	60,731,047	1,974,923	1,337,579	4,029,159	(63,156,307)	4,916,401

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2015

	Notes	Consolidated 2015 $	2014 $
Cash flows from operating activities			
Payments to suppliers and employees		(3,268,768)	(2,009,931)
Payment of exploration expenditure		(8,040,873)	(2,456,059)
Interest received		60,537	39,782
Other receipts		17,483	-
Net cash from/(used in) operating activities	15(a)	**(11,231,621)**	**(4,426,208)**
Cash flows from investing activities			
Acquisition of property, plant & equipment		(60,940)	(17,191)
Proceeds from sale of property, plant and equipment		-	1,032
Net cash flows (used in) investing activities		**(60,940)**	**(16,159)**
Cash flows from financing activities			
Proceeds from issues/sale of ordinary shares and options		9,959,971	7,172,298
Proceeds from options to be issued		-	279,641
Capital raising expenses		(528,140)	(361,874)
Net cash flows from/(used in) financing activities		**9,431,831**	**7,090,065**
Net increase/(decrease) in cash and cash equivalents		(1,860,729)	2,647,698
Net foreign exchange differences		25,389	(7,788)
Add opening cash and cash equivalents		4,652,346	2,012,436
Closing cash and cash equivalents	15(b)	**2,817,006**	**4,652,346**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report covers the consolidated group of Magnis Resources Limited and controlled entities ("the Group"). Magnis Resources Limited is a company, limited by shares, incorporated in Australia whose shares are publicly traded on Australian Securities Exchange ("ASX").

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

Basis of preparation

The financial report is a general purpose financial report for a 'for-profit' entity that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on an accruals basis under the historical cost convention, as modified by the revaluation of selected non current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial report is prepared in Australian dollars.

Going concern

The Group is involved in the exploration and evaluation of mineral tenements. Further expenditure will be required upon these tenements to ascertain whether they contain economically recoverable reserves.

For the year ended 30 June 2015 the Group reported a net loss of $13,244,576 (2014: $5,177,375) and net operating cash outflows of $11,231,621 (2014: $4,426,208). The operating cash outflows have been funded by cash inflows from equity raisings of $9,959,971 (2014: $7,451,939) during the year. As at 30 June 2015 the Group had net current assets of $ 2,164,941 (2014: $4,879,888) including cash reserves of $2,817,006 (2014: $4,652,346).

The balance of these cash reserves may not be sufficient to meet the Group's planned expenditure budget, including exploration activities, and operating and administrative expenditure, for the 12 months to 30 June 2015. The Group has exploration commitments over the next 12 months totalling $2,012,874 and additional planned expenditure. In order to fully implement its exploration strategy the Group will require additional funds.

Notwithstanding the above, the financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

To continue as a going concern, the Group requires additional funding to be secured from sources including but not limited to:

» The successful completion of the sale of the uranium assets;

» A further equity capital raising including the exercise of options;

» The potential farm out of participating interests in the Group's tenements; and/or

» The generation of sufficient funds from operating activities including the successful development of the existing tenements.

Having carefully assessed the uncertainties relating to the likelihood of securing additional funding, the Group's ability to effectively manage their expenditures and cash flows from operations and the opportunity to farm out participating interests in existing permits, the Directors believe that the Group will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

In the event that the assumptions underpinning the basis of preparation do not occur as anticipated, there is significant uncertainty whether the Group will continue to operate as a going concern. If the Group is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the classification of liabilities that might be necessary should the Group not continue as a going concern.

Compliance with IFRS

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

New accounting standards and interpretations

(i) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2014; none of which had a material impact on the financial statements:

- AASB 2012-3 – Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities effective 1 January 2014
- AASB 2013-3 – Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets effective 1 January 2014
- AASB 1031 – Materiality effective 1 January 2014
- AASB 2013-9 - Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments effective 1 January 2014
- AASB 2014-1 – Amendments to Australian Accounting Standards arising from Annual Improvements 2010-2012 Cycle and Annual Improvements 2011-2013 Cycle effective 1 July 2014
- AASB 1053 – Amendments to AASB 1053 Application of Tiers of Australian Accounting Standards effective 1 July 2014

(ii) Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2015 are outlined in the table below:

Standard/Interpretation	Effective for the annual reporting period beginning on	Expected to be initially applied in the financial year ending
AASB 9 Financial Instruments	January 1, 2018	June 30, 2019
AASB 2014- 4 Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	January 1, 2016	June 30, 2017
AASB 15 Revenue from Contracts with Customers	January 1, 2017	June 30, 2018
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	January 1, 2016	June 30, 2017
Annual Improvements 2012-2014 Cycle	January 1, 2016	June 30, 2017
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	January 1, 2016	June 30, 2017
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawl of AASB 1031 Materiality	July 1, 2015	June 30, 2016

The Directors have not yet assessed whether the above amendments and interpretations will have a material impact on the financial report of the Group in the year or period of initial application.

Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Magnis Resources Limited (the parent entity), special purpose entities and all entities which Magnis Resources Limited controlled from time to time during the year and at reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee

A list of controlled entities and special purpose entities is contained in note 24.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

» De-recognises the assets (including goodwill) and liabilities of the subsidiary

» De-recognises the carrying amount of any non-controlling interests

» De-recognises the cumulative translation differences recorded in equity

» Recognises the fair value of the consideration received

» Recognises the fair value of any investment retained

» Recognises any surplus or deficit in profit or loss

» Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

» Derecognises the assets (including goodwill) and liabilities of the subsidiary

» Derecognises the carrying amount of any non-controlling interest

» Derecognises the cumulative translation differences recorded in equity

» Recognises the fair value of the consideration received

» Recognises the fair value of any investment retained

» Recognises any surplus or deficit in profit or loss

» Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate

Segment reporting

An operating segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other operating segments.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Depreciation

Depreciation is provided on plant and equipment, motor vehicles, office equipment, furniture and fittings, and is calculated on a straight line basis, commencing from the time the asset is first used, so as to write off the net costs of each asset over the expected useful life. The following useful lives are used in the calculation of depreciation;

» Plant & equipment 2 to 5 years

» Vehicles 2 to 5 years

» Office equipment, furniture & fittings 2 to 20 years

Both asset residual value and useful life are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Impairment of assets

At each reporting date, the Group reviews the carrying values of its property, plant & equipment assets to determine whether there is any indication that 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 profit or loss.

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.

Exploration and evaluation costs

Exploration and evaluation expenditure is expensed directly to profit and loss when incurred.

Operating leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use a specific asset or assets and the arrangement conveys a right to use the asset.

Leases under which the lessor retains substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised in profit or loss on a straight-line basis over the lease term.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Income tax

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

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

» where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

» when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

» where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- when the deductible temporary differences is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be applied.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of financial position.

Deferred tax assets and deferred tax liabilities are offset only where a legally enforceable right of set off exists and the deferred tax assets and liabilities relate to the same taxable entity.

Deferred tax assets are not brought to account unless it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Goods and services tax (GST and/or VAT)

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

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

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

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

Withholding tax and other indirect taxes are incurred on amounts of VAT recoverable from, or payable to, the taxation authority.

Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Financial statements of foreign operations

The financial results and position of foreign operations whose functional currency is not Australian dollars, the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for each month during the period.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in other comprehensive income. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are uncollectible are written off when identified. An impairment provision is recognised where there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated cash flows, discounted at the original effective interest rate.

Accounts payable

Trade and other payables are recognised when the Group becomes obliged to make further payments resulting from the purchase of goods and services and are measured at amortised cost using the effective interest method, less any impairment losses.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave when it is probable that settlement will be required.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled including related on-costs, such as workers compensation and payroll tax. Non accumulating non monetary benefits, such as medical care, cars or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

Share based payment transactions

The Group provides benefits to employees (including directors) of, and consultants to, the Group in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value of options and performance rights with market based performance criteria is determined by an external valuer using a binomial option pricing model. The fair value of performance plan rights with non-market performance criteria is determined by reference to the Company's share price at date of grant.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the recipient becomes fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors, based on the best available information at reporting date will ultimately vest. No adjustment is made for the likelihood of market conditions being met as the effect of these conditions is included in determination of fair value at grant date. The charge or credit for the period represents the movement in cumulative expense recognised as at the beginning and end of the period. Where awards vest immediately, the expense is also recognised in profit or loss.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Revenue recognition

Interest revenue is recognised as interest accrues using the effective interest method.

Rental revenue is accounted for on a straight line basis over the lease term. Contingent rental revenue is recognised as income in the periods in which it is earned.

Contributed equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Earnings per share (EPS)

Basic earnings per share

Basic EPS is calculated as the profit (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Where applicable, bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Investments (held to maturity)

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as term deposits, are subsequently measured at amortised cost.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Financial Instruments – initial recognition and subsequent measurement

Financial Assets

Initial recognition and measurement

Financial assets within the scope of AASB 139 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Initial recognition and measurement

The Group's financial assets include cash and short-term deposits and trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

» The rights to receive cash flows from the asset have expired

» The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlated with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of AASB 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributed transaction costs. The Group's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, described as follows:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

» There is a currently enforceable legal right to offset the recognised amounts

» There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using a binomial option pricing model that uses the assumptions detailed in note 25(e).

Indirect tax receivables and liabilities

The Group is subject to indirect taxes in Australia and the jurisdiction where it has foreign operations. Significant judgement is required in determining the amounts recorded as receivables for recovery of such taxes and payables for payment of such taxes. The Group is subject to an audit by a tax authority in a jurisdiction in which it operates. The tax authority is disputing the quantum of goods and services tax receivable and withholding taxes payable. Discussions with the relevant tax authority are ongoing. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The Group has adequately recorded receivables and payables for the amounts it believes will ultimately be payable. Where the final outcome of any matters is different from amounts recorded, such differences will impact the indirect tax receivables or provision in the period in which such determination is made.

3. SEGMENT INFORMATION

Identification of reportable segments

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

The operating segments are identified by management based on the manner in which the exploration expenditure is allocated to the geographical region. Discrete financial information about each of these operating segments is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the exploration expenditure, as these are the source of the Group's major risks.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are per note 1 of the accounts. To avoid asymmetrical allocation within segments which management believe would be inconsistent policy is that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to segments.

	2015 Profit/(loss) before tax $	2015 Segment revenue $	2014 Profit/(loss) before tax $	2014 Segment revenue $
Segment results and revenues				
Segments				
Australia	(11,820,117)	574,297	(5,052,650)	108,609
East Africa	(1,044,548)	39	(4,240,999)	411
Inter-segment elimination	(379,911)	(497,506)	4,116,274	(45,000)
Consolidated	(13,244,576)	76,830	(5,177,375)	64,020

	2015 Segment assets $	2015 Segment liabilities $	2014 Segment assets $	2014 Segment liabilities $
Segment assets and liabilities				
Segments				
Australia	2,890,575	621,177	4,694,465	611,334
East Africa	2,975,860	46,600,362	1,572,815	36,127,976
Inter-segment elimination	(24,398)	(43,607,116)	(91)	(35,388,522)
Consolidated	5,842,037	3,614,423	6,267,189	1,350,788

4. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

5. INCOME TAX

	Consolidated	
	2015 $	2014 $
Current income tax		
Current income tax credit/(expense)	3,957,184	1,369,191
Tax losses not recognised as not probable	(6,575,491)	(1,246,907)
	(2,618,307)	122,284
Deferred income tax		
Relating to origination and reversal of temporary differences	2,618,307	(122,284)
Tax losses brought to account to offset net deferred tax liability	-	-
	-	-
Income tax credit/(expense) reported in the Statement of Comprehensive Income	-	-

a) Statement of Changes in Equity

	Consolidated	
	2015 $	2014 $
Deferred income tax related to items charged or credited directly to equity		
Share issue costs	37,865	83,372
Deferred tax offset	(37,865)	(83,372)
Income tax benefit reported in Equity	-	-

b) Tax Reconciliation

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:

Accounting (loss) before tax	(13,244,576)	(5,177,375)
At the Group's statutory 30% tax rate (2014: 30%)	3,973,373	1,553,213
Share based payment expense	(131,400)	(150,004)
Movement in temporary differences not recognised in the current year	2,612,941	(261,833)
Deductible option issue costs	120,577	105,532
Tax losses not brought to account	(6,575,491)	(1,246,907)
Income tax (expense) reported in the Statement of Comprehensive Income	-	-

At the reporting date, the Group has estimated tax losses of $76,147,879 (2014: 54,229,575) available to offset against future taxable income subject to continuing to meet relevant statutory tests. To the extent that it does not offset a deferred tax liability, a deferred tax asset has not been recognised for these losses because it is not probable that future taxable income will be available to use against such losses.

6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Consolidated	
	2015 $	2014 $
Cash on hand	16,976	797
Cash at bank	2,800,030	1,636,549
Cash on deposit	-	3,015,000
	2,817,006	4,652,346

7. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2015 $	2014 $
Accrued interest	171	1,361
Goods and services tax recoverable	2,670,777	1,157,659
Prepayments and other receivables	234,539	263,791
	2,905,487	1,422,811

8. OTHER RECEIVABLES

	Consolidated	
	2015 $	2014 $
Bond	-	6,463
Security deposit	50,000	79,922
	50,000	86,385

The $50,000 bank guarantee for NAB overdraft facility. This receivable is not past due nor impaired.

9. PROPERTY PLANT AND EQUIPMENT

Reconciliation of carrying amounts at the beginning and end of the year.

	Consolidated						
	Plant & equipment $	Office equipment $	Software $	Office furniture & fittings $	Office improve-ments $	Motor vehicles $	Total $
Year ended 30 June 2015							
Balance at 1 July 2014 net of accumulated depreciation	70,474	27,741	824	5,564	-	1,044	105,647
Additions	29,771	30,521	-	648	-	-	60,940
Disposals	-	(24)	-	(2,014)	-	-	(2,038)
Currency translation differences	10,929	979	-	-	-	216	12,124
Depreciation charge for the year	(86,738)	(17,552)	(336)	(2,225)	-	(277)	(107,128)
Balance at 30 June 2015 net of accumulated depreciation	24,436	41,665	488	1,973	-	983	69,545
At 30 June 2015							
Cost	365,213	75,843	717	10,214	-	1,511	453,498
Accumulated depreciation and impairment	(340,777)	(34,178)	(229)	(8,241)	-	(528)	(383,953)
Net carrying amount	24,436	41,665	488	1,973	-	983	69,545
Year ended 30 June 2014							
Balance at 1 July 2013 net of accumulated depreciation	163,431	28,220	559	7,948	2,863	-	203,021
Additions	-	15,232	717	-	-	1,242	17,191
Disposals	-	(627)	-	-	-	-	(627)
Currency translation differences	(13,814)	1,560	-	-	-	(14)	(12,268)
Depreciation charge for the year	(79,143)	(16,644)	(452)	(2,384)	(2,863)	(184)	(101,670)
Balance at 30 June 2014 net of accumulated depreciation	70,474	27,741	824	5,564	-	1,044	105,647
At 30 June 2014							
Cost	270,365	91,058	2,327	15,302	23,033	1,228	403,313
Accumulated depreciation and impairment	(199,891)	(63,317)	(1,503)	(9,738)	(23,033)	(184)	(297,666)
Net carrying amount	70,474	27,741	824	5,564	-	1,044	105,647

10. TRADE AND OTHER PAYABLES

	Consolidated	
	2015 $	2014 $
(a) Current		
Trade payables	-	16,562
Other payables and accruals	3,331,874	1,006,511
	3,331,874	1,023,073
Related party payables and accruals	31,830	-
	3,363,704	1,023,073

11. PROVISIONS

	Consolidated	
	2015 $	2014 $
Current		
Provision for annual leave (a)	98,474	80,490
Provision for onerous lease (b)	95,374	91,706
	193,848	172,196
Non-current		
Provision for long service leave (c)	9,391	12,664
Provision for make-good (d)	47,480	47,480
Provision for onerous lease (b)	-	95,375
	56,871	155,519

Movements in provisions

Movements in each class of provision during the financial year, other than provisions relating to employee benefits, are set out as follows:

	Onerous Lease $	Make-good Costs $
At 1 July 2014	187,081	47,480
Additions/(utilised)	(91,707)	-
At 30 June 2015	95,374	47,480

(a) Annual Leave

An estimate of annual leave is provided after reviewing relevant workplace agreements and industrial awards for respective employees and determining entitlement at the reporting date. The cost includes an account of direct employment costs.

(b) Onerous lease

The lease for the company's former registered office in Melbourne, which has been vacated, expires on 30 June 2016. As the office has not been and is not expected to be sublet, a provision has been established for this onerous lease.

(c) Long Service Leave

The significant assumptions applied in the measurement of this provision include devising probabilities for employees complying with the legislative requirements (years of service) and the computed employment costs discounted by using the relevant RBA bond rate applied for the respective years of service.

(d) Make – good

Provision has been made for make – good of the company's premises.

12. CONTRIBUTED EQUITY

	Number of shares and options	2015 $
(a) Issued capital and options		
Ordinary shares fully paid	314,212,116	70,162,879
Options – listed	209,329,289	1,974,923
	523,541,405	72,137,802
(b) Movements in fully paid shares		
At 1 July 2014	262,089,567	60,731,047
Shares issued	44,052,294	9,565,446
Exercise of listed options	2,070,255	207,026
Exercise of unlisted rights and options	6,000,000	187,500
Transaction costs	-	(528,140)
At 30 June 2015	314,212,116	70,162,879

	Number of shares and options	2015 $
(c) Movements in options		
At 1 July 2014	211,399,544	1,974,923
Options exercised	(2,070,255)	-
At 30 June 2015	209,329,289	1,974,923

During the year the Company raised funds from equity as follows:

» $9,565,446 (2014: $7,160,620) from share placement of 44,052,294 (2014: 50,477,699). Transaction costs amounted to $528,140.

» $394,526 (2014: $10,616) from the exercise of rights and options, subsequent issue of 8,070,255 (2014: 106,162) ordinary fully paid shares.

(d) Capital management

Management's prime objective when managing the Group's capital is to ensure the entity continues as a going concern as well as ensuring that funds expended provide shareholders with optimal returns. The capital structure is intended to provide the lowest cost of capital available to the Group considering its present phase of operations.

Management is continually reviewing the Group's equity needs. During the financial year the entity raised $9,959,971 (2014: $7,451,939) through options and shares issue before costs of $528,140 (2014: $361,874).

The Group is undertaking an exploration and evaluation program that requires a significant outlay of funds. Management monitors this expenditure against the budget approved by the Board. A new term capital raising or asset sale should ensure the Group has a safety margin of funds available to continue with its desired level of operations - refer Note 1.

Capital risk management

During the previous year the Company used an equity instrument combination of shares and options to raise funds. The group is undertaking an exploration program that requires a significant outlay of funds. Management monitors this expenditure against the budget approved by the Board. A new term capital raising or asset sale should ensure the group has a safety margin of funds available to continue with its desired level of operations – refer Note 1.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2014 Annual Report.

13. FAIR VALUE MEASUREMENT

The fair value of financial assets and financial liabilities are the equivalent of the net carrying amount as the financial assets and liabilities are short term instruments. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying amounts of cash, trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

There are no other financial assets or liabilities as at 30 June 2015.

14.RESERVES

	Consolidated	
	2015 $	2014 $
(a) Reserves		
Foreign currency translation	4,598,116	4,029,159
Share based payment	1,892,579	1,377,579
	6,490,695	5,406,738

(b) Nature and purpose of reserves

i. Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in note 1. The reserve is recognised in profit or loss when the net investment is disposed of.

ii. Equity-settled employee benefits reserve

The equity-settled employee benefits reserve is used to recognise the fair value of partly paid shares and options issued to Directors and employees.

15. STATEMENT OF CASH FLOWS

	Consolidated	
	2015 $	2014 $
(a) Reconciliation of the net loss after income tax to the net cash flows from operating activities		
Operating activities		
Net loss	(13,244,576)	(5,177,375)
Non cash and non operating items		
Depreciation of non current assets	107,128	101,670
Share based payment	555,000	267,708
(Profit)/Loss on sale of assets	-	(405)
Net foreign currency translation gain (loss)	533,483	263,400
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(1,511,927)	262,843
(Increase)/decrease in prepayments	29,252	(10,388)
(Increase)/decrease in security bonds	36,385	153,236
Increase/(decrease) in trade and other payables	2,340,630	(461,871)
Increase/(decrease) in provisions	(76,996)	174,974
Net cash outflow from operating activities	(11,231,621)	(4,426,208)
(b) Reconciliation of cash and cash equivalents		
Cash at bank		
Cash at bank and in hand	2,817,006	1,637,346
Short term deposits	-	3,015,000
	2,817,006	4,652,346

16. COMMITMENTS

(a) Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets in which it has an interest. Note 1 outlines the Group's future funding options to meet its commitments. Outstanding exploration commitments are as follows:

	Consolidated	
	2015 $	2014 $
Not later than one year	2,012,874	760,052
1 to 5 years	1,930,715	1,849,028
	3,943,589	2,609,080

(b) Remuneration

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in note 21 and other senior employees that are not recognised as liabilities and are not included in the key management personnel compensation.

	Consolidated	
	2015 $	2014 $
Not later than one year	446,655	174,152
Later than one year and no later than five years	-	-
	446,655	**174,152**

(c) Leasing

Operating lease commitments – the Group as lessee

The Group has commercial leases on commercial property and equipment. These leases now have an average life of between one and three years with renewal options included in the property leases. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2015 are as follows:

	Consolidated	
	2015 $	2014 $
Within one year	95,374	91,706
After one year but not more than five years	-	95,374
Total minimum lease payment	**95,374**	**187,080**

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or assets at 30 June 2015. The group has guarantees for property leases and banking finance facilities of $50,000 (2014: $86,385).

18. SUBSEQUENT EVENTS

No other matter or circumstance has arisen since 30 June 2015, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations or the state of the affairs of the Group in subsequent years.

19. AUDITORS' REMUNERATION

	Consolidated	
	2015 $	2014 $
The auditor of Magnis Resources Limited in the current year is Ernst & Young.		
(a) Amounts received or due and receivable by Ernst & Young (Australia) for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	81,130	123,698
Other services in relation of the entity and any other entity in the consolidated group	-	-
	81,130	**123,698**
(b) Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:		
An audit or review of the financial report of the entity and any other entities in the consolidated group	4,182	10,894
Other services in relation of other entities in the consolidated group		
- Taxation compliance services	35,249	6,755
	39,431	**17,649**
(c) Amounts received or due and receivable by non Ernst & Young firms for:		
An audit or review of the financial report of other entities in the consolidated group	3,919	1,002
Other services in relation of other entities in the consolidated group	13,891	15,492
	17,810	**16,494**

20. LOSS PER SHARE

(a) Reconciliation of earnings to profit or loss

	Consolidated	
	2015 $	2014 $
Net loss	-	-
Loss used in calculating basic loss per share	13,244,576	5,177,375

(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share

	Number of shares 2015	Number of shares 2014
Weighted average number of ordinary shares used in calculating basic loss per share	314,212,116	262,089,567

(c) Effect of dilutive securities

For the year ended 30 June 2015 and for the comparative period there are no dilutive ordinary shares because conversion of share options and performance rights would decrease the loss per share and hence be non-dilutive.

21. KEY MANAGEMENT PERSONNEL

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2015 $	2014 $
Short-term employee benefits	750,841	335,856
Termination benefits	-	-
Post-employment benefits	68,508	33,792
Share-based payments	220,120	423,681
	1,039,469	793,329

(a) Other transactions and balances with key management personnel and their related parties

Transactions with Directors' related entities

Identity of Related Party	Nature of Relationship	Type of Transaction	Terms & Conditions of Transaction	Aggregate Amount 2015 $	Aggregate Amount 2014 $
Strong Solutions Pty Limited	Frank Poullas is a related party of Strong Solutions Pty Limited and a director of Magnis Resources Limited	Consulting fees and PP&E purchases	Normal commercial terms	159,765	65,413
Minerals and Metal Marketing	Stephen Hunt is a related party of Minerals and Metal Marketing and a Director of Magnis Resources Limited	Consulting	Normal commercial terms	63,000	-

Amounts recognised at the reporting date in relation to other transactions with key management personnel.

	2015 $	2014 $
Assets and liabilities		
Current assets		
Trade and other Receivables	3,830	-
Non-Current assets		
Property Plant and Equipment	6,434	14,622
Total assets	10,264	14,622
Current liabilities		
Trade and other payables	31,830	-
Total liabilities	31,830	-
Revenue and expenses		
Consulting fees	212,501	50,791
Total expenses	212,501	50,791

22. RELATED PARTY DISCLOSURES

Parent entity

Magnis Resources Limited is the ultimate Australian parent entity of the consolidated entity. Its interests in controlled entities are set out in note 24.

Wholly owned group transactions

Controlled entities made payments and received funds on behalf of Magnis Resources Limited and other controlled entities by way of inter-company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand. However, demand for repayment is not expected in the next twelve months.

Transactions and balances between the Company and its controlled entities were eliminated in the preparation and consolidation of the financial statements of the group.

Key management personnel

Details relating to key management personnel, including remuneration paid, are included in note 21 and the Remuneration Report in the Directors Report.

Transactions with related parties

All amounts payable to related parties are unsecured and at no interest cost.

The amount outstanding will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year (for information regarding outstanding balances on related party trade payables at year-end, refer to note 10).

	Year	Other transactions with related parties
Related party		
Entities with significant influence over the Group:		
Mazzdel Pty Ltd	2015	-

Entity with significant influence over the Group

MAZZDEL PTY LIMITED controls 7.91% of the ordinary shares (fully diluted) in Magnis Resources Limited (2014: 8.1%) and 16.15% of the listed options in Magnis Resources Limited (2014: 19.7%).

23. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

	Parent	
	2015 $	2014 $
Statement of profit or loss and other comprehensive income		
Profit after income tax	(11,758,338)	(4,831,949)
Total comprehensive income	(11,758,338)	(4,831,949)
Statement of financial position		
Total current assets	2,771,419	1,582,980
Total assets	2,859,458	4,711,018
Total current liabilities	170,808	267,510
Total liabilities	269,452	349,505
Equity		
Issued capital	72,138,856	62,707,024
Equity settled employee benefits reserve	1,892,579	1,337,579
Retained profits	(71,441,429)	(59,683,090)
Total equity	2,590,006	4,361,513

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2015 and 30 June 2014.

Remuneration commitments

The parent entity has a remuneration commitment of $446,655 as at 30 June 2015 (2014: $174,152).

24. INTERESTS IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

			Equity Holding*	
Name	Country of incorporation	Class of shares	2015 $	2014 $
Uranex Tanzania Limited	Tanzania	Ordinary	100	100
Uranex Mozambique Limitada	Mozambique	Ordinary	100	100
Uranex ESIP Pty Ltd	Australia	Ordinary	100	100
Faru Resources Limited	Tanzania	Ordinary	100	100
Juhudi Minerals Limited	Tanzania	Ordinary	100	100
Investor Resources Services Pty Ltd	Australia	Ordinary	100	100
Uranex Option Share Trust#	Australia	Ordinary	-	-

*percentage of voting power is in proportion to ownership.
#special purpose entity consolidated under AASB 10.

25. SHARE-BASED PAYMENT PLANS

(a) Recognised share-based payment expenses

The expense recognised for employee services received during the year is shown below:

	Consolidated	
	2015 $	2014 $
Expense arising from the issue of options	450,605	86,565
Expense arising from the options to be issued	117,000	-
Expense arising from the issue of rights	(12,605)	181,040
Expense arising from the issue of shares	-	160,619
Total expense arising from share-based payment transactions	555,000	428,224

The share-based payment plans are described below.

(b) Types of share-based payment plans

Employee share option plan (ESOP)

Share options are granted to Directors, other Key Management Personnel (KMP) and other employees. The ESOP is designed to align participants' interests with those of shareholders by increasing the value of the Company's shares. Under the ESOP, the exercise price of the options is set by the Board on the date of grant.

The life of options to KMP and other employees granted are for 3 years but these must be exercised within 3 months of the option holder ceasing employment with Magnis Resources Limited. There are no cash settlement alternatives.

(c) Summaries of options and rights granted under ESOP

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year.

	2015 No.	2015 WAEP	2014 No.	2014 WAEP
Outstanding at the beginning of the year	20,050,000	0.20	8,250,000	0.46
Granted during the year	6,900,000	0.33	16,800,000	0.03
Exercised during the year	(6,000,000)	0.03	-	-
Expired during the year	(9,375,000)	0.36	(5,000,000)	0.10
Exercisable at the end of the year	11,575,000	0.23	20,050,000	0.20

The range of exercise prices for rights and options outstanding at the end of the year was between $0.00 and $0.35 (2014: $0.00 and $0.815).

The weighted average share price at the date of exercise was nil (2014: nil).

Weighted average remaining estimated life

The weighted average remaining estimated life for the share options outstanding as at 30 June 2015 is 1.69 years (2014: 0.93 years).

(d) Weighted average fair value

The weighted average fair value of options granted during the year was $0.065 (2014: $0.037).

(e) Option pricing model: ESOP

Equity-settled transactions

The fair value of the equity-settled share options granted under the ESOP is estimated as at the date of grant using a Binomial Model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the models used for the year ended 30 June 2015.

	ESOP 2015
Dividend yield (%)	Nil
Expected volatility (%)	66 - 100
Risk-free interest rate (%)	1.79 - 2.52
Expected life of option (years)	3
Option exercise price (cents)	22.5 - 35
Weighted average share price at measurement dates (cents)	18.5 - 21
Exercise price multiple	2
Model used	Binomial

The effects of early exercise have been incorporated into calculations by using an expected life for the option that is shorter than the estimated life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future. The expected volatility was determined using a historical sample of Company share-prices. The resulting expected volatility therefore reflects the assumption that the historical volatility is indicative of future trends which may also not necessarily be the actual outcome. The option holders were assumed to exercise prior to expiry date when the price is twice that of the exercise price. This reflects the restrictions to trading of directors and employees outlined in the Company's share trading policy.

During the financial year the UOST acquired and was issued with 6,900,000 options on varying terms and conditions for allotment to Key Management Personnel (refer to Remuneration Report for details),Employees and Contractors.

Employees and Contractors were granted 6,900,000, 3 year options with an exercise price range of $0.225 to $0.35.

26. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's principal financial instruments consist of short term deposits, receivables and payables. These activities expose the Group to a variety of financial risks: market risk, i.e. (interest rate risk and foreign exchange risks), credit risk and liquidity risk.

The overall objective of the Group's financial risk management policies is to meet its financial targets whilst protecting future financial security.

The Board fulfils its corporate governance and oversight responsibilities by monitoring and reviewing the integrity of financial statements, the effectiveness of internal financial control and the policies on risk oversight and management. Management is charged with implementing the policies. The management manages the different types of risks to which the Group is exposed by considering risk and monitoring levels of exposure to interest risk and by being aware of market forecasts for interest rates. Liquidity risk is monitored through general business budgets and forecasts. The Board reviews and agrees on policies for managing these risks.

(b) Market Risk

Interest rate risk

The Group is exposed to movements in market interest rates on short-term deposits. Management ensures a balance is maintained between the liquidity of cash assets and the interest rate return. Presently, the Group has no interest bearing liabilities.

At reporting date, the Group had the following financial assets and liabilities exposed mostly to Australian variable interest rates and are unhedged.

	Consolidated	
	2015 $	2014 $
Cash and cash equivalents	2,817,006	4,652,346

The weighted average interest rate for the Group at reporting date was 3.38% (2014: 3.29%).

In accordance with the Group policy of reviewing this risk, the following sensitivity analysis based on interest rate exposures at reporting date where the interest rate movement varies and other variables remain constant, post tax loss and equity would have been affected as shown. The analysis has been performed on the same basis for both 2015 and 2014.

	Carrying Amount	Interest Rate Risk -1% Net Loss $	Interest Rate Risk -1% Equity $	Interest Rate Risk +1% Net Loss $	Interest Rate Risk +1% Equity $
30 June 2015					
Consolidated Entity					
Financial asset					
Cash and cash equivalents	2,817,006	(28,170)	(28,170)	28,170	28,170
30 June 2014					
Consolidated Entity					
Financial asset					
Cash and cash equivalents	4,652,346	(46,523)	(46,523)	46,523	46,523

The movements in losses are due to lower interest receivable from cash balances. The sensitivity is higher in 2015 than 2014 because of a combination of higher cash balances. The analysis assumes the carrying amounts noted will be maintained over the next financial year.

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from transactions including exploration commitments in currencies other than Australian dollars, the Group's presentation currency.

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the United States dollar and to the Tanzanian shilling.

The net exposure to financial assets and liabilities denominated in currencies other than the functional currency of each entity in the Group were immaterial at reporting date.

(c) Credit risk

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at reporting date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Group does not presently have any lending or any other credit risk and low level of debtors, a formal credit risk management policy is not maintained nor a sensitivity analysis prepared.

(d) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility as to its source.

The Directors monitor cash flow monthly and increase the frequency of review when the safety margin is or is nearly breached. The Board formulates plans to replenish its cash resources when required and implements cost reduction programmes to reduce cash expenditure.

The table below reflects all contractually fixed pay-offs, repayments and interest from recognised financial liabilities. For these obligations the undiscounted cash flows for the respective upcoming financial years are presented. Cash flows for financial assets and liabilities without fixed timing or amount are based on the conditions existing at 30 June 2015.

The remaining contractual maturities of the Group entity's financial liabilities consisting of trade and other payables are:

	Consolidated 2015 $	Consolidated 2014 $
On demand	-	-
Less than 1 year	3,363,703	1,023,073
1-5 years	-	-
> 5 years	-	-
	3,363,703	1,023,073

(e) Net Fair Values

The carrying amounts of financial assets and liabilities as shown in the statement of financial position approximate their fair value.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Magnis Resources Limited, I state that:

1. In the opinion of the Directors:
   (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
      (i) Giving a true and fair view of its financial position as at 30 June 2015 and performance for the financial year ended on that date.
      (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
   (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.
   (c) There are reasonable grounds to believe that the Company, as noted by Directors in Note 1 – Going concern, will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

On behalf of the board

F. Poullas

F Poullas
Non-Executive Chairman

Sydney, 28 September 2015

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Independent auditor's report to the members of Magnis Resources Limited

Report on the financial report

We have audited the accompanying financial report of Magnis Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit and 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Building a better working world

Opinion

In our opinion:

a. the financial report of Magnis Resources 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.

Emphasis of Matter

Without qualification to the opinion expressed above, attention is drawn to the following matter. In the event that the consolidated entity is unable to raise additional funding from the sources as described in Note 1 to the financial report and based on the current exploration commitments and planned expenditure, there is material uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to recoverability and classification of recorded assets amounts nor to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Report on the remuneration report

We have audited the Remuneration Report included in pages 20 to 26 of 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 Magnis Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Scott Jarrett
Partner
Sydney
28 September 2015

ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 30 June 2015.

(a) Distribution of equity securities

The numbers of shareholders, by size of holding, in each class of share are:

	Ordinary shares		Listed options	
	Number of shares	Number of option holders	Number of options	Equity $
1 – 1,000	279	122,716	23	13,445
1,001 – 5,000	869	2,724,849	95	298,230
5,001 – 10,000	557	4,548,466	77	621,425
10,001 – 100,000	1,408	53,379,910	250	10,523,172
100,001 and over	435	253,436,175	196	197,873,017
	3,548	**314,212,116**	**641**	**209,329,289**
The number of shareholders holding less than a marketable parcel of shares are:	520	520,948	77	125,649

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

Name	Number of Shares	% of Ordinary Shares
MAZZDEL PTY LIMITED	24,850,975	7.91
NATIONAL NOMINEES LIMITED	13,505,948	4.30
CITICORP NOMINEES PTY LIMITED	8,063,580	2.57
MR FRANK POULLAS	7,642,215	2.43
M & A GROUP PTY LTD	4,682,195	1.49
FINMIN SOLUTIONS PTY LTD	4,350,169	1.38
4F INVESTMENTS PTY LTD	3,993,000	1.27
MR PETER SARANTZOUKLIS	3,852,183	1.23
MINERALS AND METALS MARKETING	3,367,538	1.07
ABN AMRO CLEARING SYDNEY	3,258,796	1.04
BOEMI INVESTMENTS PTY LTD	3,223,358	1.03
MR JURGEN BEHRENS	3,060,000	0.97
HSBC CUSTODY NOMINEES	2,907,052	0.93
MR MARLON PATHER	2,900,000	0.92
J P MORGAN NOMINEES AUSTRALIA	2,638,555	0.84
MR MARK ANTHONY O'SULLIVAN	2,628,987	0.84
MRS HAZEL DARCY	2,593,486	0.83
S P ANDREWS & CO PTY LTD	2,436,484	0.78
MRS ESTHER POULLAS	2,240,171	0.71
A & E PATTERSON INVESTMENTS	2,198,724	0.70
	104,393,416	33.24

The names of the twenty largest holders of quoted options are:

Name	Number of Options	% of Options
MAZZDEL PTY LIMITED	33,796,259	16.15
MRS JACLYN STOJANOVSKI &	9,900,000	4.73
MR MATTHEW JOHN BOYSEN	8,000,000	3.82
MR JURGEN BEHRENS	5,400,000	2.58
M & K KORKIDAS PTY LTD	5,130,134	2.45
MR FRANK POULLAS	5,060,500	2.42
MRS HAZEL DARCY	3,704,217	1.77
MR EMMANUEL POULLAS	3,500,000	1.67
QUAY AVENUE INVESTMENTS	3,250,000	1.55
MR MINA NAROUZ	3,212,000	1.53
MR JOSHUA TUTAWAKE JOHNS	3,100,667	1.48
GIBBS PLUMBING SERVICES PTY	3,058,000	1.46
MR JOHN PETER SAUNIG	3,000,000	1.43
MR ANTHONY JOHN O'TOOLE	2,824,557	1.35
BOEMI INVESTMENTS PTY LTD	2,665,000	1.27
MR TRAVIS PELUSO	2,480,000	1.18
MR JOHN PICCININ	2,431,416	1.16
MR MARLON PATHER	2,409,950	1.15
S P ANDREWS & CO PTY LTD	2,388,058	1.14
MR DAVID BYEONG YEON CHO	2,334,794	1.12
	107,645,552	51.41

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Fully Paid Number of Shares	Percentage %
MAZZDEL PTY LIMITED	24,850,975	7.91

Voting rights

All ordinary shares carry one vote per share without restriction.

(d) Stock Exchange Listing

Magnis Resources Limited is listed on the Australian Stock Exchange.

The Company's ASX code for ordinary shares is MNS and for options it is MNSO

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KEY
Magnis Resources Licences
Key terminals
Major roads
Major towns
Rivers
Water features
Kilwa Kivinje
TANZANIA
PROJECT
LOCATION
RUANGWA
NACHU
Lindi
Ruangwa
Mtwara
Mikindani
Nachingwea
50km

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