# ZINC OF IRELAND NL

(formerly Global Metals Exploration NL)

ABN 23 124 140 889

AND CONTROLLED ENTITIES

ANNUAL REPORT

*For the year ended 30 June 2016*

## *CONTENTS*

# COMPANY DIRECTORY

***NON-EXECUTIVE CHAIRMAN***
Patrick Corr

***NON-EXECUTIVE DIRECTORS***
Benjamin Sharp
Steven Bamford

***COMPANY SECRETARY***
Keith Bowker

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London House, Level 3,
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***SHARE REGISTRAR***
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***STOCK EXCHANGE LISTING***
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: ZMI, ZMICA, ZMIO (formerly GXN, GXNCA, GXNOB)

# DIRECTORS' REPORT

The directors of Zinc of Ireland NL (formerly Global Metals Exploration NL) ("Zinc of Ireland" or "the Company") submit herewith the annual report of Zinc of Ireland and its controlled entities ("the Group") for the financial year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

## 1. DIRECTORS

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

| | |
|---|---|
| Patrick Corr | Non-Executive Chairman (appointed 25 July 2016) |
| Peter Wall | Non-Executive Chairman (resigned 25 July 2016) |
| Benjamin Sharp | Non-Executive Director (appointed 25 July 2016) |
| Lia Darby | Non-Executive Director (resigned 26 October 2015) |
| Steven Bamford | Non-Executive Director |
| Keith Bowker | Non-Executive Director (appointed 26 October 2015, resigned 25 July 2016) |

## 2. PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were mineral exploration and project evaluation.

There were no significant changes in the nature of the Group's principal activities during the financial year.

## 3. OPERATING RESULTS

The consolidated loss of the Group for the financial year, after providing for income tax, amounted to $367,933 (2015: $579,561).

## 4. DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

## 5. REVIEW OF OPERATIONS

### Jutson Rocks

Due to capital restraints, the Company was granted expenditure exemption for E38/1541 and an extension of term for E38/1540. As such, no significant exploration occurred at the Jutson Rocks Project and the tenements were therefore surrendered in March 2016.

### Leonora Project (Gold)

Similarly, work at the Leonora Gold Project was stalled due to capital restraints and the restructuring of the Company prohibited any significant exploration from occurring. Expenditure exemption will be lodged in the 2016-2017 financial year.

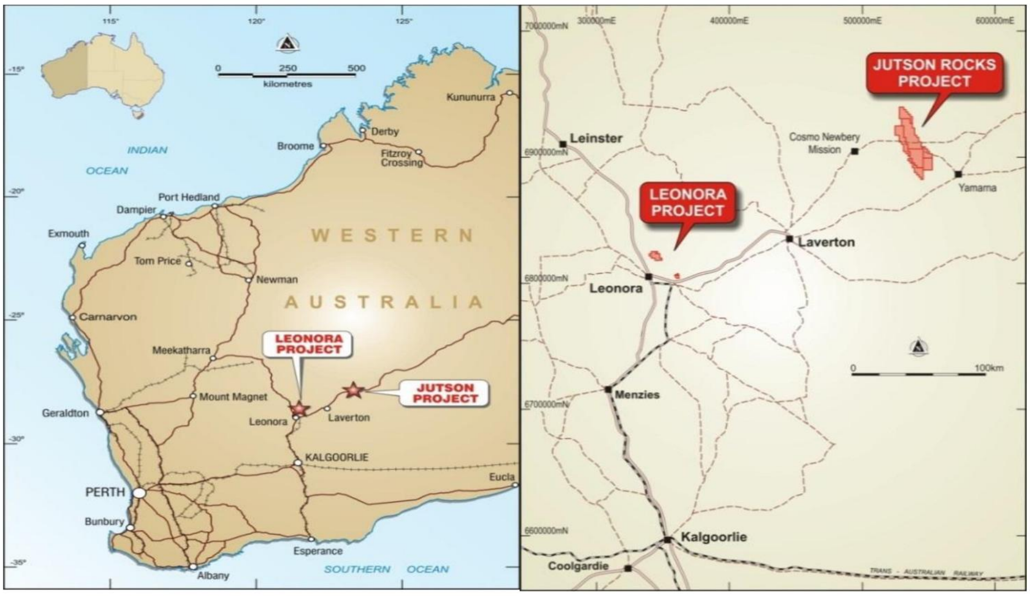


**Figure 1 - Project Locations**

### *Corporate*

On 8 September 2015, the Company announced the conversion of $720,000 convertible notes (“Notes”) and $46,839 of interest accrued (“Interest”) on the Notes as at the conversion date into fully paid ordinary shares (“Shares”) at the request of Notes holders under the terms of the Convertible Notes Deed Polls. A total of 957,987,500 Shares and 447,339,375 unlisted options (1 for 2 free attaching options) exercisable at $0.03 each on or before 31 December 2016 were issued in full conversion of the Notes and Interest altogether (all on a pre-consolidation basis).

During the financial year, Ms Lia Darby stepped down from her role as Non-Executive Director after 8 years with the Company. Mr Keith Bowker replaced Ms Darby on the Board.

On 31 December 2015, the Company raised $134,093 via the issue of 335,231,825 fully paid ordinary shares at $0.0004 each to sophisticated investors of the Company (on a pre-consolidation basis). Funds raised were used for working capital purposes.

On 17 March 2016, the Company announced that it had entered into an agreement with Zinc Mines of Ireland Limited (“Zinc Mines”) and the shareholders thereof, (“Agreement”) pursuant to which Zinc of Ireland NL will acquire all of the issued capital in Zinc Mines (“Acquisition”). The Acquisition was completed subsequent to year end (refer to note 26).

During the financial year, the Company entered into converting loan agreements for $60,000 with the loan monies used to pay creditors and for working capital. Subsequent to the year, shares were issued in full conversion of the convertible loan notes (refer to note 15).

Subsequent to year end, the Company also completed a capital raising of $1,369,000 and changed its name to Zinc of Ireland NL and its ASX ticker code from GXN to ZMI. Further capital raisings of $1.44 million (before costs) and $2.3 million (before costs) were completed subsequent to year end.

## *6. FINANCIAL POSITION*

The net assets of the Group have improved by $514,833 from a deficit of $714,343 at 30 June 2015 to a deficit of $199,510 as at 30 June 2016.

The directors believe the Group is in a financial position to pursue its current operations.

## *7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS*

***Conversion of all issued convertible notes***

The Company converted issued convertible notes in full. $720,000 of convertible notes and $46,839 of accrued interest were converted to fully paid ordinary shares and unlisted options on 8 September 2015. A total of 957,987,500 fully paid ordinary shares and 447,339,375 unlisted options exercisable at $0.03 each on or before 31 December 2016 were issued on conversion (all on a pre-consolidation basis).

***Placement to sophisticated investors***

The Company also raised $134,092 before costs through the issue of 335,231,825 fully paid ordinary shares at an issue price of $0.0004 per share to sophisticated investors (on a pre-consolidation basis). Funds raised were used for working capital purposes.

***Acquisition of Irish Zinc Projects***

On 17 March 2016, the Company announced that it had entered into an agreement (“Agreement”) with Zinc Mines of Ireland Limited (“Zinc Mines”) and the shareholders thereof, pursuant to which Zinc of Ireland NL (formerly Global Metals Exploration NL) will acquire all of the issued capital in Zinc Mines (“Acquisition”).

Zinc Mines is an Australian public company focussed on the identification, acquisition, exploration and development of zinc projects in the Republic of Ireland, in particular, pursuing opportunities in under-explored parts of Ireland’s major mineral provinces that are recognised as hosting known world-class zinc deposits and mines. Zinc Mines currently holds twenty-one (21) prospecting licences in seven (7) project areas for a total landholding of approximately 750km$^2$.

The Acquisition was conditional, *inter alia*, on Zinc of Ireland NL obtaining all necessary regulatory and shareholder approvals required to complete the Acquisition. Shareholder approval was sought and obtained at the General Meeting of the Company held on 5 July 2016. Completion of the Acquisition was announced on 22 July 2016.

## *8. AFTER BALANCE DATE EVENTS*

On 5 July 2016, the Company sought and obtained shareholder approval to complete the Acquisition of Zinc Mines of Ireland Limited at the General Meeting of shareholders. Other approvals obtained at the General Meeting were a significant change to nature and scale of activities, consolidation of capital on a 10 for 1 basis (“Consolidation”), issue of consideration securities, change of Company name from Global Metals Exploration NL to Zinc of Ireland NL, issue of securities, conversion of converting loan agreements, placement of shares and options.

On 22 July 2016, the Company announced the completion of the Acquisition of Zinc Mines. The Company also announced it had raised a total of approximately $1,369,000 (before costs) pursuant to an offer made under a Prospectus dated 19 July 2016, and with over-subscriptions a total amount of approximately $2.2 million would be accepted (subject to shareholder approval being obtained). Messrs Peter Wall and Keith Bowker resigned as directors and Messrs Patrick Corr and Benjamin Sharp were appointed as directors.

On 28 July 2016, the Company confirmed its change of name and listing code from Global Metals Exploration NL (ASX: GXN) to Zinc of Ireland NL (ASX: ZMI).

On 16 August 2016, the Company announced that drilling had commenced at the Kildare Project in Ireland. The drill program is designed to test historical shallow mineralisation and potential extensions to historic mineralisation.

On 30 August 2016, the Company announced a capital raising of $1.44 million (before cots) by way of issue of fully paid ordinary shares at $0.024 per share to professional and sophisticated investors of the Company ("Placement"). Under the Placement, the Company will also issue one free attaching listed option exercisable at $0.02 on or before 21 July 2017 and one free attaching unlisted option exercisable at $0.04 on or before 21 July 2021.

On 7 September 2016, the Company announced it had successfully completed placements at issue prices of $0.008 and $0.024 (being the capital raisings announced on 22 July 2016 and 30 August 2016) thereby raising approximately $2.3 million (before costs).

On 7 September 2016, the Company announced that it had completed 780m of its maiden drilling program at the Kildare Project. A total of three holes have been completed and all holes drilled have contained visual estimations of zinc mineralisation.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## *9. FUTURE DEVELOPMENTS*

The Company plans to continue its mineral exploration activity at the Irish and Australian projects.

Exploration is expected to include but is not limited to geophysical and geochemical analyses, geophysical re-interpretation of historic data, drilling, field surveys, geological interpretations and reviews of historic mineralisation.

The Company expects to consolidate its ground position in areas of interest in order to gain tenure superiority and as a result, additional tenure may be applied for. Projects may also be reviewed from time to time and those that are not considered to have economic potential may be relinquished or disposed of.

## *10. ENVIRONMENTAL ISSUES*

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

The directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

## *11. INFORMATION ON DIRECTORS*

| | |
|---|---|
| **Patrick Corr** | Non-Executive Chairman (appointed 25 July 2016) |
| Qualifications | LLB |
| Experience | Mr Corr is a Barrister and Solicitor of the Supreme Court of Western Australia and has specialised in the laws regulating companies and securities in Australia for over a decade. Mr Corr also has considerable legal and management experience with private, public and ASX listed companies, including companies in the natural resources industry with projects located in Australia, Ireland, Canada and various African countries. |
| Directorships of other listed companies in the past 3 years | Hammer Metals Limited (resigned 8 September 2015)<br>Stirling Resources Limited (since February 2014)<br>Wangle Technologies Limited (resigned 14 August 2014) |
| Interest in shares and options | 37,375,000 fully paid ordinary shares<br>15,687,500 $0.02 21 July 2017 quoted options<br>15,687,500 $0.04 21 July 2021 unquoted options |
| **Benjamin Sharp** | Technical Director (appointed 25 July 2016) |
| Qualifications | Bsc, MAIG |
| Experience | Mr Sharp is a qualified geologist graduating from Curtin University, Western Australia. He has experience in hard rock exploration for base metals (Zn, Pb, Cu), precious metals (Au, PGEs, Ag) and bulk commodities (Fe, Mn) with companies including CSA Global, Zinc Co of Australia and Nautilus Minerals Ltd. He has led successful exploration programs culminating in mineral discoveries in Australia and Greenland as well as exploring for base metals at seafloor vent sites in the Western Pacific for Nautilus. |
| Directorships of other listed companies in the past 3 years | Nil |
| Interest in shares and options | 46,666,700 fully paid ordinary shares<br>23,333,350 $0.02 21 July 2017 quoted options<br>23,333,350 $0.04 21 July 2021 unquoted options |
| **Steven Bamford** | Non-Executive Director |
| Qualifications | - |
| Experience | Mr Steve Bamford has had a number of years' experience with junior ASX listed companies. Most recently he has worked in the oil and gas industry, as Operations and Logistics manager. His responsibilities include New Business Development Manager for a Company that is a key supplier in the Oil and Gas Industry. Mr Bamford's previous experience includes General Manager for a major national company with key roles in whole of group management, including all staff, marketing, financial control, IT upgrade and overall group performance. Mr Bamford brings experience in logistics and deployment of equipment for junior exploration companies to the Company. |

| | |
|---|---|
| Directorships of other listed companies in the past 3 years | Nil |
| Interest in shares and options | Nil |

**Company Secretary**

Mr Keith Bowker held the position of company secretary of Zinc of Ireland NL (formerly Global Metals Exploration NL) at the end of the financial year. Mr Bowker is a founding director of Somerville Advisory Group, a company specialising in providing company secretarial, corporate governance and corporate advisory services.

## *12. OPTIONS*

At the date of this report, the following options over unissued ordinary shares of the Group under option are:

| Date of expiry | Exercise price | Number of Options |
|---|---|---|
| 21 July 2017* | $0.02 | 325,833,333 |
| 31 December 2016 | $0.30 | 48,399,976 |
| 30 April 2020 | $0.02 | 121,800,000 |
| 21 July 2021 | $0.04 | 283,125,000 |

**** Listed options***

These options do not carry any right to participate in any other share issues of the Group.

During the financial year no ordinary shares have been issued as the result of the exercise of options.

There has been no issue of ordinary shares as the result of the exercise of options since the end of the financial year.

## *13. REMUNERATION REPORT (AUDITED)*

This report details the nature and amount of remuneration for each director of Zinc of Ireland NL.

**Remuneration Policy**

The remuneration policy has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The board of Zinc of Ireland believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Group, as well as create goal congruence between directors and shareholders (with recognition that the Company's ability to pay market wages is market dependent and in the past, directors have agreed to write-offs of accrued wages).

The board's policy for determining the nature and amount of remuneration for board members is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior staff members, was developed by the Remuneration Committee and approved by the board after seeking professional advice from independent external consultants.
- In determining competitive remuneration rates, the Remuneration Committee seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans, and share plans. Independent advice is obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.
- The Chairman receives an annual fee of $40,000 while the non-executive directors receive an annual fee of $30,000. There are currently no executives employed by the Company.

The Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry. Shares and options issued to Board members have largely been retained which assist in aligning their objectives with overall shareholder value.

Options and performance incentives may also be issued in the event that the entity moves from an exploration entity to a producing entity, and key performance indicators such as profits and growth can then be used as measurements for assessing Board performance.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5% and do not receive any other retirement benefits.

All remuneration paid to directors is valued at the cost to the Group and expensed or capitalised to exploration expenditure where appropriate. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. 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. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group.

### Group Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. This has been achieved by encouraging directors and executives to invest in the Company so as to encourage the alignment of personal and shareholder interest.

### Details of Remuneration for Year Ended 30 June 2016

The remuneration for each key management personnel of the Group during the year was as follows:

| | SHORT-TERM BENEFITS | | | POST EMPLOYMENT | | SHARE-BASED PAYMENT | | TOTAL | % REPRE-SENTED BY OPTIONS |
|---|---|---|---|---|---|---|---|---|---|
| | Salary | Other | Non-Monetary | Superann-uation | Retirement Benefits | Equity | Options | $ | % |
| **Directors** | | | | | | | | | |
| Peter Wall – Non Executive Chairman - resigned 25 July 2016 (i) | | | | | | | | | |
| 2016 | 42,000 | - | - | - | - | - | - | 42,000 | - |
| 2015 | 6,000 | - | - | - | - | - | - | 6,000 | - |
| Lia Darby – Non Executive Director - resigned 26 October 2015 | | | | | | | | | |
| 2016 | 15,000 | - | - | - | - | - | - | 15,000 | - |
| 2015 | 82,419 | - | - | 7,545 | - | - | - | 89,964 | - |
| Steven Bamford – Non Executive Director (ii) | | | | | | | | | |
| 2016 | 36,000 | - | - | 3,420 | - | - | - | 39,420 | - |
| 2015 | 3,000 | - | - | - | - | - | - | 3,000 | - |
| Keith Bowker – Non Executive Director – appointed 26 October 2015 and resigned 25 July 2016 (iii) | | | | | | | | | |
| 2016 | 24,000 | 86,040 | - | - | - | - | - | 110,040 | - |
| 2015 | - | - | - | - | - | - | - | - | - |
| Andrew Muir — Non Executive Director – appointed 31 December 2013 and resigned 30 April 2015 (iv) | | | | | | | | | |
| 2016 | - | - | - | - | - | - | - | - | - |
| 2015 | - | - | - | - | - | - | - | - | - |
| **Total Remuneration Key Management Personnel** | | | | | | | | | |
| 2016 | 117,000 | 86,040 | | 3,420 | | | | 206,460 | - |
| 2015 | 91,419 | | | 7,545 | | | | 98,964 | - |

(i) The amount includes unpaid salary and fees totalling $15,000. As of the date of this report, it still remains unpaid.

(ii) The amount in 'Salary' represents unpaid director fees for the financial year ended 30 June 2016. As of the date of this report, it still remains unpaid.

(iii) The amount in 'Other' represents company secretarial and accounting fees as per an engagement with Somerville Advisory Group (Somerville). Mr Bowker is a director of Somerville.

(iv) The amount owing to Mr Andrew Muir was forgiven during the financial year.

## RELATED PARTY TRANSACTIONS

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

Remuneration (excluding the reimbursement of costs) received or receivable by the directors of the Group and aggregate amounts paid to superannuation plans in connection with the retirement of directors are disclosed above.

## Options to Directors

During the financial year no options were issued to Directors as part of remuneration and no other options have been issued to Directors as remuneration since the end of the financial year. Except as disclosed below, no options issued to Directors have been exercised or have lapsed during or since the end of the financial year.

## Option Holdings

No Options held by Key Management Personnel are subject to vesting conditions and are freely tradable as listed securities.

| Number of Options Held by Key Management Personnel | | | | | | |
|---|---|---|---|---|---|---|
| **2016** | **Balance 1 July 2015** | **Granted as remuneration** | **Options Exercised** | **Net Change - Other** | **Outstanding at 30 June 2016** | **Exercisable at 30 June 2016** |
| Peter Wall (i) | - | - | - | 20,250,000 | 20,250,000 | 20,250,000 |
| Lia Darby (ii) | 269,182 | - | - | (269,182) | - | - |
| Steven Bamford | - | - | - | - | - | - |
| Keith Bowker (iii) | - | - | - | 20,000,000 | 20,000,000 | 20,000,000 |

(i) Issued on 8 September 2015 following the conversion of convertible notes (refer to ASX announcement dated 8 September 2015). Exercisable at $0.003 each on or before 31/12/16.
(ii) Balance held on resignation. Ms Lia Darby resigned on 26 October 2015.
(iii) Appointed on 26 October 2015. Unlisted options exercisable at $0.002 each expiring 30 April 2020.

| 2015 | Balance 1 July 2014 | Granted as remuneration | Options Exercised | Net Change - Other | Outstanding at 30 June 2015* | Exercisable at 30 June 2015 |
|---|---|---|---|---|---|---|
| Peter Wall(i) | - | - | - | - | - | - |
| Lia Darby | 269,182 | - | - | - | 269,182 | 269,182 |
| Andrew Muir(i) | - | - | - | - | - | - |
| Steven Bamford | - | - | - | - | - | - |

(i) Peter Wall was appointed and Andrew Muir resigned during the year.

## Shareholdings

| Number of Fully Paid Shares held by Key Management Personnel | | | | | |
|---|---|---|---|---|---|
| **2016** | **Balance 1 July 2015** | **Granted as remuneration** | **Received on exercise of options** | **Net Change - Other** | **Balance 30 June 2016** |
| Peter Wall (i) | - | - | - | 40,500,000 | 40,500,000 |
| Lia Darby (ii) | 2,005,394 | - | - | (2,005,394) | - |
| Steven Bamford | - | - | - | - | - |
| Keith Bowker (iii) | - | - | - | 18,000,000 | 18,000,000 |

(i) Issued on 8 September 2015 following the conversion of convertible notes (refer to ASX announcement dated 8 September 2015).
(ii) Balance held on resignation. Ms Lia Darby resigned on 26 October 2015.
(iii) Appointed on 26 October 2016.

| **2015** | **Balance 1 July 2014** | **Granted as remuneration** | **Received on exercise of options** | **Net Change - Other** | **Balance 30 June 2015** |
|---|---|---|---|---|---|
| Peter Wall | - | - | - | - | - |
| Lia Darby | 4,850,883 | - | - | (2,845,489) | 2,005,394 |
| Andrew Muir | - | - | - | - | - |
| Steven Bamford | - | - | - | - | - |

| Number of Partly Paid Shares held by Key Management Personnel | | | | |
|---|---|---|---|---|
| **2016** | **Balance 1 July 2015** | **Granted as remuneration** | **Net Change - Other** | **Balance 30 June 2016** |
| Peter Wall | - | - | - | - |
| Lia Darby (i) | 1,022,290 | - | (1,022,290) | - |
| Steven Bamford | - | - | - | - |
| Keith Bowker (ii) | - | - | - | - |

(i) Balance held on resignation. Ms Lia Darby resigned on 26 October 2015.
(ii) Appointed on 26 October 2015.

| **2015** | **Balance 1 July 2014** | **Granted as remuneration** | **Net Change - Other** | **Balance 30 June 2015** |
|---|---|---|---|---|
| Peter Wall | - | - | - | - |
| Lia Darby | 1,022,290 | - | - | 1,022,290 |
| Andrew Muir | - | - | - | - |
| Steven Bamford | - | - | - | - |

## REMUNERATION POLICY CONSIDERATIONS

The Group's policy for determining the nature and amount of emoluments of board members and senior executives of the Group is as follows:

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

## SHARE BASED PAYMENTS

No share and option based payments were made during the financial year to related parties (2015: nil).

## *14. MEETINGS OF DIRECTORS*

No meetings of the board of directors were held during or since the end of the financial year. The directors maintained frequent communications and as such, all important issues and decisions were authorised and resolved via circular resolution.

## *15. PROCEEDINGS ON BEHALF OF COMPANY*

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

## *16. INDEMNIFICATION OF OFFICERS AND AUDITORS*

During the financial year, the Group paid a premium in respect of a contract insuring the directors of the Company, the company secretary, Mr Keith Bowker, and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not paid for insurance of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Group, other than conduct involving a wilful breach of duty in relation to the Group. The disclosure of the amount of the premium is prohibited by the insurance policy.

## *17. NON-AUDIT SERVICES*

No non-audit services were provided by the external auditors during the year ended 30 June 2016.

## *18. CORPORATE GOVERNANCE*

The directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The Company's Corporate Governance Statement and its compliance with ASX guidelines can be found on the Company's website at www.zincofireland.com. The policies and compliance as stated were in place for the whole year and are current as at the date of this report.

## *19. AUDITOR'S INDEPENDENCE DECLARATION*

A copy of the auditor's independence declaration required by Section 307C of the *Corporations Act 2001* is set out on the next page.

The report of Directors' incorporating the Remuneration report is signed in accordance with a resolution of the Board of Directors.

Patrick Corr
**Chairman**
Perth, 29 September 2016

Bentleys
THINKING AHEAD

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To The Board of Directors

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Zinc of Ireland NL for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Bentleys

**BENTLEYS**
**Chartered Accountants**

**DOUG BELL CA**
**Director**

Dated at Perth this 29th day of September 2016

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# Independent Auditor's Report

## To the Members of Zinc of Ireland NL

We have audited the accompanying financial report of Zinc of Ireland NL ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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*.

## Opinion

In our opinion:

a. The financial report of Zinc of Ireland NL 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 2016 and of its performance for the year ended on that date; and

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

b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.

## Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. 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 Zinc of Ireland NL for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Bentleys

**BENTLEYS**
**Chartered Accountants**

**DOUG BELL CA**
**Director**

Dated at Perth this 29th day of September 2016

## *CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME*
### *For the year ended 30 June 2016*

| | Note | 2016 $ | 2015 $ |
|---|---|---|---|
| Interest Received | | 2,218 | 732 |
| Debt forgiveness | | 23,000 | 54,211 |
| Other income | | 18,705 | - |
| Revenue and other income | 2 | 43,923 | 54,943 |
| | | | |
| Administrative expense | | (41,151) | (28,633) |
| Consultancy expenses | | (85,077) | (59,013) |
| Compliance and regulatory expenses | | (119,181) | (164,663) |
| Employee benefits expense | 3 | (86,159) | (98,964) |
| Occupancy expenses | | - | (12,000) |
| Share based payments | | - | (46,035) |
| Depreciation and amortisation expense | | (6,600) | (6,600) |
| Borrowing costs | 3 | - | (76,474) |
| Impairment of exploration assets | 13 | (73,688) | (142,122) |
| | | | |
| **Loss before income tax** | | **(367,933)** | **(579,561)** |
| Income tax expense | **5** | - | - |
| **Loss for the year** | | **(367,933)** | **(579,561)** |
| Other comprehensive income, net of income tax | | | |
| *Items that will not be reclassified subsequently to profit or loss* | | - | - |
| *Items that may be reclassified subsequently to profit or loss* | | - | - |
| Other comprehensive income for the year, net of income tax | | - | - |
| **Total comprehensive loss for the year** | | **(367,933)** | **(579,561)** |
| Loss and total comprehensive loss for the year attributable to Owners of Zinc of Ireland NL | | **(367,933)** | **(579,561)** |
| **Loss per share:** | | | |
| Basic and diluted (cents per share)* | 7 | (0.16) | (1.85) |

** The loss per share for 2015 and 2016 has been restated for the 1:10 consolidation which occurred on 5 July 2016 as per AASB 133.*

*The accompanying notes form part of these financial statements.*

***CONSOLIDATED STATEMENT OF FINANCIAL POSITION***
***As at 30 June 2016***

| | Note | 2016 $ | 2015 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 8 | 72,303 | 421,641 |
| Trade and other receivables | 9 | 17,411 | 20,110 |
| Financial assets | 10 | - | 3,770 |
| **TOTAL CURRENT ASSETS** | | 89,714 | 445,521 |
| **NON CURRENT ASSETS** | | | |
| Exploration and evaluation expenditure | 13 | - | - |
| Trade and other receivables | 9 | 25,568 | 25,568 |
| Plant and equipment | 12 | - | 6,601 |
| **TOTAL NON CURRENT ASSETS** | | 25,568 | 32,169 |
| **TOTAL ASSETS** | | **115,282** | **477,690** |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 14 | 254,793 | 431,891 |
| Borrowings | 15 | 60,000 | 760,142 |
| **TOTAL CURRENT LIABILITIES** | | 314,793 | 1,192,033 |
| **TOTAL LIABILITIES** | | **314,793** | **1,192,033** |
| **NET LIABILITIES** | | **(199,511)** | **(714,343)** |
| **EQUITY** | | | |
| Issued capital | 16 | 19,951,554 | 19,068,789 |
| Reserves | 17 | 2,146,253 | 2,146,253 |
| Accumulated losses | | (22,297,318) | (21,929,385) |
| **TOTAL DEFICIENCY** | | **(199,511)** | **(714,343)** |

*The accompanying notes form part of these financial statements.*

## *CONSOLIDATED STATEMENT OF CASH FLOWS*
## *For the year ended 30 June 2016*

| | Note | 2016<br>$ | 2015<br>$ |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Payments to suppliers and employees | | (470,188) | (265,502) |
| Interest received | | 2,218 | 732 |
| Insurance refund | | 15,944 | - |
| Payments for exploration and evaluation | 13 | (73,688) | (207,887) |
| *Net cash used in operating activities* | 20(ii) | (525,714) | (472,657) |
| **Cash Flows From Investing Activities** | | | |
| *Net cash used in investing activities* | | - | - |
| **Cash Flows from Financing Activities** | | | |
| Proceeds from equity instruments of the Company | | 134,092 | 600,100 |
| Proceeds from borrowings | 15 | 60,000 | - |
| Payment for costs of issue of securities | | (17,716) | (2,503) |
| *Net cash provided by financing activities* | | 176,376 | 597,597 |
| **Net (decrease)/increase in cash and cash equivalents** | | (349,338) | 124,940 |
| **Cash and cash equivalents at beginning of the year** | | 421,641 | 296,701 |
| **Cash and cash equivalents at end of the year** | 20(i) | **72,303** | **421,641** |

*The accompanying notes form part of these financial statements*

## *CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*
## *For the year ended 30 June 2016*

| | Note | Issued Capital<br>$ | Accumulated Losses<br>$ | Option Reserve<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Balance at 1 July 2015** | | **19,068,789** | **(21,929,385)** | **2,146,253** | **(714,343)** |
| Loss for the year | | - | (367,933) | - | (367,933) |
| Other comprehensive income/(loss) | | - | - | - | - |
| Total comprehensive income/(loss) | | - | (367,933) | - | (367,933) |
| *Transactions with owners, directly recorded in equity:* | | | | | |
| Issue of ordinary shares | | 900,481 | - | - | 900,481 |
| Share issue costs | | (17,716) | - | - | (17,716) |
| **Balance at 30 June 2016** | | **19,951,554** | **(22,297,318)** | **2,146,253** | **(199,511)** |

| | Note | Issued Capital<br>$ | Accumulated Losses<br>$ | Option Reserve<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Balance at 1 July 2014** | | **18,354,308** | **(21,349,824)** | **2,100,218** | **(895,298)** |
| Loss for the year | | - | (579,561) | - | (579,561) |
| Other comprehensive income/(loss) | | - | - | - | - |
| Total comprehensive income/(loss) | | - | (579,561) | - | (579,561) |
| *Transactions with owners, directly recorded in equity:* | | | | | |
| Issue of ordinary shares | | 716,984 | - | - | 716,984 |
| Share issue costs | | (2,503) | - | - | (2,503) |
| Recognition of share based payments | | - | - | 46,035 | 46,035 |
| **Balance at 30 June 2015** | | **19,068,789** | **(21,929,385)** | **2,146,253** | **(714,343)** |

*The accompanying notes form part of these financial statements.*

**NOTES TO THE FINANCIAL STATEMENTS**
**For the year ended 30 June 2016**

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable by the measurement at fair value of non-current assets and financial liabilities.

The financial report is presented in Australian dollars.

The financial report covers the Group of Zinc of Ireland NL (formerly Global Metals Exploration NL) and Controlled Entities. Zinc of Ireland NL is a listed public company, incorporated and domiciled in Australia.

The financial report was authorised for issue on 29 September 2016 by the board of directors.

### (a) Going concern

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

The Group incurred a loss for the year of $367,933 (2015: $579,561) and net cash outflows from operating activities of $525,714 (2015: $472,657). Included within the loss was the impairment of exploration expenditure of $73,688 (2015:$ $142,122).

As at 30 June 2016, the Group had a working capital deficit of $225,078 (2015: $746,512). On 22 July 2016, the Company announced the completion of the acquisition of 100% of Zinc Mines of Ireland Limited as initially announced on 17 March 2016 and has raised $3,698,000 in new equity (before costs).

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing of this financial report.

### (b) Principles of Consolidation

A controlled entity is any entity over which Zinc of Ireland NL has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in note 11 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

***(c) Taxation***

The income tax revenue for the year comprises current income tax income and deferred tax income.

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

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

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

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

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

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

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

### *(d) Plant and Equipment*

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciation rates used for each class of depreciable assets are:

| **Class of Fixed Asset** | **Depreciation Rate** |
|---|---|
| Plant and equipment | 40.00% |
| Motor Vehicles | 33.33% |

### *(e) Exploration, Evaluation and Development Expenditure*

Costs related to an area of interest incurred during the exploration and evaluation phase are accumulated. Costs carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not at balance date reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. In these instances the entity must have rights of tenure to the area of interest and must be continuing to undertake exploration operations in the area.

These assets are considered for impairment on an annual basis, depending on the existence of impairment indicators including:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and
- sufficient key data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

### *(f) Operating Segments*

The consolidated group has applied AASB 8, it requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes and provided to the chief operating decision maker (the Board).

### *(g) Financial Instruments*

*Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

*De-recognition*

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

*Classification and Subsequent Measurement*

*i. Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

*ii. Loans and receivables*

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

*iii. Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

*iv. Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**Fair value**

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

**Impairment**

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

***(h) Impairment of Assets***

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication 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 the Statement of Comprehensive Income.

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.

***(i) Foreign Currency Transactions***

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the 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 determined.

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

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

***(j) Employee Benefits***

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

***(k) Provisions***

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

***(l) Cash and Cash Equivalents***

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

***(m) Revenue***

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

Research and Development tax incentive refunds are recognised as income in the period to which the research and development activities occurred.

***(n) Goods and Services Tax (GST)***

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

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

***(o) Trade and Other Receivables***

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the entity will not be able to collect the debts. Bad debts are written off when identified.

***(p) Trade and Other Payables***

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

***(q) Issued Capital***

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

***(r) Share Based Payments***

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

***(s) Loss per share***

Basic loss per share is calculated as net loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for an bonus element.

***(t) Critical accounting judgements, estimates and assumptions***

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

***Share based payment transactions***

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes option pricing model.

For equity settled transactions with consultants and other non-employees the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black and Scholes option pricing model.

***Exploration and evaluation costs***

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest.  These costs are carried forward in respect of an area that has not at statement of financial position date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

***Environmental Issues***

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

***Taxation***

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

***(u) Convertible Note***

Convertible notes which are convertible to a variable number of shares at a variable price are a financial liability measured at amortised cost. Upon conversion the liability is derecognised and converted to equity at the rate designated by the agreement.

***(v) Fair Value of Assets and Liabilities***

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

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

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

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

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

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

***Valuation techniques***

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

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

***Fair value hierarchy***

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

*Level 1*

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

*Level 2*

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

*Level 3*

Measurements based on unobservable inputs for the asset or liability.

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

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

### *(w) Application of New and Revised Standards*

***Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year***

In the current year, the Group has applied one amendment to AASBs issued by the Australian Accounting Standards Board (AASB) that is mandatorily effective from an accounting period that begins on or after 1 July 2015, and therefore are relevant for the current year end.

| | |
|---|---|
| AASB 2015-4 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality' | This amendment completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. |

The application of this amendment does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

***Standards and Interpretations in issue not yet adopted***

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

| **Standard/Interpretation** | **Effective for annual reporting periods beginning on or after** | **Expected to be initially applied in the financial year ending** |
|---|---|---|
| AASB 9 'Financial Instruments', and the relevant amending standards | 1 January 2018 | 30 June 2019 |
| AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15' | 1 January 2018 | 30 June 2019 |
| AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation' | 1 January 2016 | 30 June 2017 |
| AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements' | 1 January 2016 | 30 June 2017 |
| AASB 16 'Leases' | 1 January 2019 | 30 June 2020 |
| AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101' | 1 January 2016 | 30 June 2017 |
| AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception' | 1 January 2016 | 30 June 2017 |
| AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107' | 1 January 2017 | 30 June 2018 |

| | 2016 $ | 2015 $ |
|---|---|---|

## 2. *REVENUE & OTHER INCOME*

| | 2016 $ | 2015 $ |
|---|---|---|
| **Other Revenue** | | |
| Interest received | 2,218 | 732 |
| Debt forgiveness | 23,000 | 54,211 |
| Other income | 18,705 | - |
| | 43,923 | 54,943 |

## 3. *LOSS FOR THE YEAR*

Loss for the year includes the following expenses:

| | 2016 $ | 2015 $ |
|---|---|---|
| ***(a) Expenses*** | | |
| Employee benefits expense | | |
| - Salaries and fees | 82,739 | 91,419 |
| - Superannuation | 3,420 | 7,545 |
| | **86,159** | **98,964** |
| ***(b) Borrowing Costs*** (i) | **-** | **76,474** |

(i) Borrowing cost consists of fees and interest in relation to the Funding Loan and Convertible Note Mandates entered into during the 2015 financial year with RM Corporate.

## 4. *PARENT ENTITY DISCLOSURES*

| | 2016 $ | 2015 $ |
|---|---|---|
| **(a) Financial Position** | | |
| **Assets** | | |
| Current assets | 89,710 | 445,518 |
| Non-current assets | 157,621 | 32,169 |
| **Total assets** | **247,331** | **477,687** |
| **Liabilities** | | |
| Current liabilities | 279,677 | 1,137,833 |
| **Total liabilities** | **279,677** | **1,137,833** |
| **Net liabilities** | **(32,346)** | **(660,146)** |
| **Equity** | | |
| Issued capital | 19,951,554 | 19,068,789 |
| Reserves | 2,146,253 | 2,146,253 |
| Accumulated losses | (22,130,153) | (21,875,188) |
| **Total deficiency** | **(32,346)** | **(660,146)** |
| **(b) Financial Performance** | | |
| Loss for the year | **(254,965)** | **(587,464)** |

**(c) Contingent Liabilities of Parent Entity**

Contingent liabilities are consistent with those of the Group (refer note 18).

## 5. *INCOME TAX EXPENSE*

| | 2016 $ | 2015 $ |
|---|---|---|
| **(a) The components of the tax expense/(income) comprise:** | | |
| Current tax | - | - |
| Deferred tax | - | - |
| | - | - |
| **(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:** | | |
| Net loss before tax | (367,933) | (579,561) |
| Prima facie tax (benefit) on loss from ordinary activities before income tax at 30% (2015: 30%) | (110,180) | (173,868) |
| Increase in income tax due to: | | |
| Non-deductible expenses | 541 | 16,724 |
| Effect of current year tax losses derecognised/(recognised) | 162,241 | 238,908 |
| Derecognition of previously recognised tax losses | - | - |
| Movement in unrecognised temporary differences | - | - |
| Current year capital losses not recognised | - | - |
| | 52,602 | 81,764 |
| Decrease in income tax expense due to: | | |
| Movement in unrecognised temporary differences | (22,082) | (30,573) |
| Non-assessable income | | - |
| Tax benefit of deductible equity raising costs | (30,520) | (51,191) |
| Effect of prior year tax losses derecognised/(recognised) | - | - |
| Recognition of previously unrecognised temporary differences | - | - |
| Income tax attributable to entity | - | - |
| **(c) Recognised deferred tax assets** | | |
| Tax losses | - | - |
| Investments | - | - |
| Accruals | - | - |
| Borrowing costs | - | - |
| Previously expensed blackhole costs | - | - |
| Plant and equipment | - | - |
| Total deferred tax asset | - | - |
| Less: set off of deferred tax liabilities | - | - |
| Net deferred tax asset | - | - |

## 5. INCOME TAX EXPENSE (continued)

| **(d) Recognised deferred tax liabilities** | **2016 $** | **2015 $** |
|---|---|---|
| Exploration expenditure | - | - |
| Prepayments | - | - |
| Investments | - | - |
| Total deferred tax liabilities | - | - |

**(e) Unused tax losses and temporary differences for which no deferred tax asset has been recognised at 30%:**
**(f)**

| | | |
|---|---|---|
| Deferred tax assets have not been recognised in respect of the following (30%): | | |
| Deductible temporary differences | 8,754 | 31,736 |
| Borrowing Costs | - | 1,637 |
| Blackhole Costs | 30,520 | 62,284 |
| Tax revenue losses | 5,383,398 | 5,214,398 |
| Tax capital losses | 105,673 | 105,673 |
| | 5,528,345 | 5,415,728 |

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2016 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

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

## 6. AUDITORS' REMUNERATION

| | | |
|---|---|---|
| Remuneration of the auditor for: | | |
| - Auditing or reviewing the financial report | 27,650 | 29,500 |
| | 27,650 | 29,500 |

The auditor of the Group is Bentleys Audit and Corporate (WA) Pty Ltd.

## 7. LOSS PER SHARE

| | **2016 $** | **2015 $** |
|---|---|---|
| Total loss used in the calculation of basic EPS | (367,933) | (579,561) |
| | ***Number of Shares*** | ***Number of Shares*** |
| Weighted average number of ordinary shares for the purposes of basic and diluted loss per share: | 236,079,269 | 31,365,304 |
| Basic and diluted loss per share: | (0.16) | (1.85) |

## 8. *CASH AND CASH EQUIVALENTS*

| | 2016 $ | 2015 $ |
|---|---|---|
| Cash at bank and in hand | 72,303 | 421,641 |

## 9. *TRADE AND OTHER RECEIVABLES*

| | 2016 $ | 2015 $ |
|---|---|---|
| Other debtors | 17,411 | 20,110 |
| **Non-Current** | | |
| Security bonds | 25,568 | 25,568 |

The security bonds are held as security over performance conditions stated in exploration licences granted by the Western Australian Department of Mines and Petroleum.

The following table details the Group's trade and other receivables exposed to risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not fully be repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

| | **Gross amount** | **Past due and impaired** | **Past due but not impaired** | | | | **Within initial trade terms** |
|---|---|---|---|---|---|---|---|
| | | | **< 30 days** | **31-60 days** | **61-90 days** | **> 90 days** | |
| | **$** | **$** | **$** | **$** | **$** | **$** | **$** |
| **2016** | | | | | | | |
| Bonds | 25,568 | - | - | - | - | - | 25,568 |
| ATO – GST/ FBT/ICA | 17,309 | - | - | - | - | - | 17,309 |
| Other | 102 | - | - | - | - | - | 102 |
| | **42,979** | **-** | **-** | **-** | **-** | **-** | **42,979** |
| **2015** | | | | | | | |
| Bonds | 25,568 | - | - | - | - | - | 25,568 |
| ATO – GST/ FBT/ICA | 18,986 | - | - | - | - | - | 18,986 |
| Other | 1,124 | - | - | - | - | - | 1,124 |
| | **45,678** | **-** | **-** | **-** | **-** | **-** | **45,678** |

### *10. FINANCIAL ASSETS*

| | 2016<br>$ | 2015<br>$ |
|---|---|---|
| ***Current*** | | |
| Financial assets at fair value through profit and loss | | |
| - listed entities | - | 3,770 |
| | - | 3,770 |

*Financial Instruments Measured at Fair Value*

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

| **2016** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| ***Financial assets:*** | **$** | **$** | **$** | **$** |
| *Financial assets at fair value through profit or loss:* | | | | |
| - investments – held-for-trading | - | - | - | - |
| | - | - | - | - |

| **2015** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **Financial assets:** | **$** | **$** | **$** | **$** |
| *Financial assets at fair value through profit or loss:* | | | | |
| - investments – held-for-trading | 3,770 | - | - | 3,770 |
| | **3,770** | - | - | **3,770** |

### *11. CONTROLLED ENTITIES*

***Subsidiaries of Zinc of Ireland NL***

| **Name** | **Country of Incorporation** | **Ownership Interest** | |
|---|---|---|---|
| | | **2016** | **2015** |
| Global Mining Group Pty Ltd | Australia | 100% | 100% |
| Messina Resources Limited | Australia | 100% | 100% |

## *12. PLANT AND EQUIPMENT*

| | 2016<br>$ | 2015<br>$ |
|---|---|---|
| ***Motor vehicles*** | | |
| At cost | 46,000 | 46,000 |
| Accumulated depreciation | (46,000) | (39,399) |
| Total plant and equipment | - | 6,601 |

Movement in the carrying amounts for each class of plant and equipment between the beginning and end of the current financial year.

| | 2016<br>Motor<br>Vehicles<br>$ | 2015<br>Motor<br>Vehicles<br>$ |
|---|---|---|
| Balance at the beginning of the year | 6,600 | 13,200 |
| Additions | - | - |
| Disposals | - | - |
| Depreciation expense | (6,600) | (6,600) |
| Carrying amount at the end of the year | - | 6,600 |

## *13. EXPLORATION, EVALUATION AND DEVELOPMENT COSTS*

| | 2016<br>$ | 2015<br>$ |
|---|---|---|
| **Non-Current** | | |
| Costs carried forward in respect of areas of interest in: | | |
| - Exploration and evaluation phases – at cost | - | - |
| **Movement** | | |
| Brought forward | - | - |
| Purchase of exploration assets | - | - |
| Exploration expenditure capitalised during the year | 73,688 | 142,122 |
| Impairment of exploration assets | (73,688) | (142,122) |
| | - | - |

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Uncertainty surrounds the ability to renegotiate commercial and economic terms on access agreements on prospective licences which have capitalised exploration and evaluation expenditure attached to them. Further, based on current mineral commodity prices, the Directors conclude that it is prudent to impair the exploration and evaluation expenditure. This is consistent with treatment prescribed under the accounting policies adopted by the Group.

### 14. *TRADE AND OTHER PAYABLES*

| | 2016 $ | 2015 $ |
|---|---|---|
| **Current** | | |
| Trade creditors | 186,572 | 263,197 |
| Accruals (ii) | 53,752 | 155,681 |
| Loan from associated entities (i) | 41 | 41 |
| Other creditors | 14,428 | 12,972 |
| | 254,793 | 431,891 |

(i) Payable to Proto Resources & Investments Ltd $41 (2015: $41).
(ii) Included in accruals are directors wages payable of $28,752 (2015 : $62,868)

### 15. *BORROWINGS*

| | 2016 $ | 2015 $ |
|---|---|---|
| ***Convertible notes*** | | |
| *Unsecured – at amortised cost* | | |
| Opening balance at beginning of year (i) | 760,142 | 720,000 |
| Interest accrued (ii) | 6,247 | 40,142 |
| Conversion of convertible notes (iii) | (766,389) | - |
| Issue of convertible notes (iv) | 60,000 | - |
| Carrying value at end of year | 60,000 | 760,142 |

(i) This represents a total of 72 convertible notes with a face value of $10,000 each with accrued interest as at 30 June 2015.
(ii) Interest of 4% per annum is charged on the loan balance.
(iii) On 8 September 2015, the Company issued 957,987,500 fully paid ordinary shares at a deemed issue price of $0.0008 each in conversion of the convertible notes and accrued interest (refer to ASX announcement dated 8 September 2015).
(iv) The Company entered into 2 converting loan agreements on 20 May 2016 and 25 May 2016 for $40,000 and $20,000 respectively (refer to ASX announcements dated 20 May 2016 and 25 May 2016). Subsequent to year end, 9,454,688 fully paid ordinary shares were issued at $0.0064 each in conversion of the converting loan and accrued interest (refer to ASX announcement dated 25 July 2016).

### 16. *ISSUED CAPITAL*

| | 2016 $ | 2015 $ |
|---|---|---|
| 2,690,110,660 fully paid ordinary shares (30 June 2015: 1,397,091,335) | 19,181,461 | 18,298,696 |
| 11,590,184 partly paid ordinary shares (30 June 2015: 11,590,184) | 770,093 | 770,093 |
| | 19,951,554 | 19,068,789 |

## *16. ISSUED CAPITAL (cont'd)*

| **Fully paid ordinary shares** | **30 Jun 2016** | | **30 Jun 2015** | |
|---|---|---|---|---|
| | **No.** | **$** | **No.** | **$** |
| Balance at beginning of period | 1,397,091,335 | 18,298,696 | 167,789,220 | 17,584,215 |
| Adjustment (vi) | (200,000) | (100) | - | - |
| Issue of shares (i) | 957,987,500 | 766,389 | - | - |
| Share Placement (ii) | 335,231,825 | 134,092 | - | - |
| Issue of shares (iii) | - | - | 19,560,000 | 97,800 |
| Issue of shares (iv) | - | - | 9,542,115 | 19,084 |
| Share Placement (v) | - | - | 1,200,000,000 | 600,000 |
| Issue of shares (vi) | - | - | 200,000 | 100 |
| Share issue costs | - | (17,616) | - | (2,503) |
| | 2,690,110,660 | 19,181,461 | 1,397,091,335 | 18,298,696 |

(i) Issue of fully paid ordinary shares on 8 September 2015 at a deemed issue price of $0.0008 each following conversion of $720,000 of convertible notes and $46,389 of interest accrued on the convertible notes as at conversion date.
(ii) Issue of fully paid ordinary shares on 22 December 2015 at $0.0004 each pursuant to a placement to sophisticated and institutional investors of the Company.
(iii) Issue of fully paid ordinary shares on 24 September 2014 at $0.005 each in respect of sign on fees for debt financing agreement.
(iv) Issue of fully paid ordinary shares on 22 June 2015 at $0.002 each to creditors for services rendered.
(v) Issue of fully paid ordinary shares on 23 June 2015 at $0.0005 each pursuant to a placement to sophisticated and institutional investors of the Company.
(vi) Proposed issue of fully paid ordinary shares on 23 June 2015 at $0.0005 each pursuant to a Prospectus. Shares were not issued as the Company did not proceed with the offer.

| **Partly paid ordinary shares*** | **30 Jun 2016** | | **30 Jun 2015** | |
|---|---|---|---|---|
| | **No.** | **$** | **No.** | **$** |
| Balance at beginning of period | 11,590,184 | 770,093 | 11,590,184 | 770,093 |
| Movements | - | - | - | - |
| Balance at end of the period | 11,590,184 | 770,093 | 11,590,184 | 770,093 |

*The partly paid ordinary shares are paid to $0.075, with $0.825 unpaid per partly paid share.

### *Capital Management*

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The Group's capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

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

## *17. OPTION RESERVE*

| | 2016 $ | 2015 $ |
|---|---|---|
| Reserves at the beginning of financial year | 2,146,253 | 2,100,218 |
| Attaching to share based payments | - | 46,035 |
| Reserves at the end of financial year | 2,146,253 | 2,146,253 |

| | Number of Options |
|---|---|
| Options outstanding as at 30 June 2014 : | 67,462,072 |
| Options exercisable as at 30 June 2014 | 67,462,072 |
| Granted 29 September 2014 | 3,600,000 |
| Granted 22 June 2015 | 1,218,000,000 |
| Forfeited | - |
| Cancelled | - |
| Exercised | - |
| Expired | - |
| Options outstanding as at 30 June 2015 : | 1,289,062,072 |
| Options exercisable as at 30 June 2015 | 1,289,062,072 |
| Granted on 8 September 2015 | 447,339,375 |
| Forfeited | - |
| Cancelled | - |
| Exercised | - |
| Expired | (34,401,959) |
| Options outstanding as at 30 June 2016 : | 1,701,999,488 |
| Options exercisable as at 30 June 2016* | 1,701,999,488 |

* 483,999,488 options are exercisable at $0.03 on or before 31 Dec 2016 and 1,218,000,000 options are exercisable at $0.002 on or before 30 Apr 2020.

## *18. CONTINGENT LIABILITIES*

In the opinion of the directors there are no contingent liabilities as at 30 June 2016.

## *19. OPERATING SEGMENTS*

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

**Identification of reportable segments**

The Group earns no revenue from its operating segments. The Group operates in one operating segment being mineral exploration.

## *20. CASH FLOW INFORMATION*

| | 2016 $ | 2015 $ |
|---|---|---|
| **(i) Cash is made up of the following:** | | |
| Cash at bank | 72,303 | 421,641 |
| **(ii) Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax** | | |
| Loss from ordinary activities after income tax | (367,933) | (579,561) |
| Reconciliation of cash flows from operating activities with (loss) after income tax | | |
| Non-cash flows in loss for the year | | |
| - Share based payments expense | - | 46,035 |
| - Debt forgiveness | (23,000) | - |
| - Exploration impairment | 73,688 | - |
| - Depreciation | 6,600 | 6,600 |
| - Borrowing costs | - | 76,475 |
| - Settlement of liabilities via issue of shares | - | 97,800 |
| Movements in working capital | | |
| - Decrease in receivables | 2,700 | 60,407 |
| - Decrease in trade and other creditors, accruals and employee entitlements | (217,769) | (180,413) |
| **Net cash outflow from Operating Activities** | (525,714) | (472,657) |

**(i) Non Cash Financing and Investing Activities**

On 8 September 2015, 957,987,500 fully paid ordinary shares and 447,339,375 unlisted $0.03 options expiring 31 Dec 2016 were issued in full conversion of $720,000 of convertible notes and $46,389 of interest accrued on the convertible notes at the conversion date.

## *21. SHARE BASED PAYMENTS*

No share and option based payments were made to unrelated parties during the year (2015: *refer to breakdown below*).

| ***Fully Paid ordinary shares – issued to unrelated parties*** | **2015 ($)** |
|---|---|
| Issued 24 September 2014 – Facility costs | 97,800 |
| 6 May 2015 – 9,542,115 shares to Creditors at $0.002 each | 19,084 |
| 18,000,000 Options granted 22 May 2015 exercisable at $0.002 each expiring on or before 30/04/2020 - placement fees | 46,035 |

The weighted average remaining contractual life of options outstanding at year end was 2.89 years. The weighted average exercise price of outstanding options at the end of the reporting period was 0.9 cents. 447,339,375 options were issued on 8 September 2015 and were free attaching options.

As at 30 June 2015 the weighted average remaining contractual life of options outstanding at year end was 4.62 years. The weighted average exercise price of outstanding options at the end of the reporting period was 0.8 cents. The weighted average fair value of options granted during the year was nil cents (none issued). These values were calculated using the Black Scholes option pricing model.

## *22. FINANCIAL INSTRUMENTS*

**Financial risk management**

The Group's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and shares in listed companies.

The Group does not speculate in the trading of derivative instruments. The main risks the Group is exposed to through its financial instruments are interest rate risk and liquidity risk.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The Board of Directors has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

The risks arising from the Group's financial instruments are foreign currency risk, interest rate risk and credit risk.

**(a) Foreign Currency Risk**

The Group's exposure to fluctuations in foreign currencies is not substantial.

**(b) Interest rate and liquidity risk**

The Group manages interest rate and liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

**(c) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group does not have any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

| | **2016** **$** | **2015** **$** |
|---|---|---|
| Financial assets: | | |
| Cash and cash equivalents | | |
| AA | 72,303 | 421,641 |

*Financial instrument composition and maturity analysis*

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the statement of financial position.

**2016** : **Fixed interest rate maturing in**

| **Financial Instrument** | **Floating interest rate** | **1 year or less** | **Over 1 to 5 years** | **More than 5 years** | **Non-interest Bearing** | **2016 Total** | **Weighted average effective interest rate** |
|---|---|---|---|---|---|---|---|
| | **$** | **$** | **$** | **$** | **$** | **$** | |
| **Financial Assets** | | | | | | | |
| Cash | 72,303 | - | - | - | - | 72,303 | - |
| Receivables – other | - | - | - | - | 17,411 | 17,411 | - |
| Security Bonds | 25,568 | - | - | - | - | 25,568 | - |
| Total financial assets | 97,871 | - | - | - | 17,411 | 115,282 | |
| **Financial Liabilities** | | | | | | | |
| Trade payables and accruals | - | - | - | - | 254,793 | 254,793 | - |
| Convertible notes | - | - | 60,000 | - | - | 60,000 | - |
| Total financial liabilities | - | - | 60,000 | - | 254,793 | 314,793 | |

**2015** : **Fixed interest rate maturing in**

| **Financial Instrument** | **Floating interest rate** | **1 year or less** | **Over 1 to 5 years** | **More than 5 years** | **Non-interest Bearing** | **2015 Total** | **Weighted average effective interest rate** |
|---|---|---|---|---|---|---|---|
| | **$** | **$** | **$** | **$** | **$** | **$** | |
| **Financial Assets** | | | | | | | |
| Cash | 421,641 | - | - | - | - | 412,641 | - |
| Receivables – other | - | - | - | - | 20,110 | 20,110 | - |
| Security Bonds | 25,568 | - | - | - | - | 25,568 | - |
| Listed investments | - | - | - | - | 3,770 | 3,770 | - |
| Total financial assets | 447,209 | - | - | - | 23,880 | 462,089 | |
| **Financial Liabilities** | | | | | | | |
| Trade payables and accruals | - | - | - | - | 431,891 | 431,891 | - |
| Convertible notes | - | - | 760,142 | - | - | 760,142 | - |
| Total financial liabilities | - | - | 760,142 | - | 431,891 | 1,192,033 | |

Trade payable and other accruals have a maturity of less than one month. Subsequent to year end the Company entered into payment arrangements with various creditors and directors.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

*Net fair value*

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

The net fair value of financial assets and financial liabilities is based on upon market prices where a market exists or be discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

*Market risk*

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the Statement of Financial Position as fair value through profit and loss.

Listed investments have been valued at the quoted market bid price at balance date, adjusted for transactions costs expected to be incurred.

*Interest rate sensitivity analysis*

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The tables indicates the impact of how profit and equity values reports at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

At 30 June 2016, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

| **CHANGE IN LOSS** | **Change $** | **2016 $** |
|---|---:|---:|
| Increase in interest rate by 200 basis points | +1,446 | (366,487) |
| Decrease in interest rate by 200 basis points | -1,446 | (369,379) |

| **CHANGE IN EQUITY** | **Change $** | **2016 $** |
|---|---:|---:|
| Increase in interest rate by 200 basis points | +1,446 | (198,065) |
| Decrease in interest rate by 200 basis points | -1,446 | (200,957) |

**Year ended 30 June 2015**

| **CHANGE IN LOSS** | **Change $** | **2015 $** |
|---|---:|---:|
| Increase in interest rate by 200 basis points | +8,433 | (578,213) |
| Decrease in interest rate by 200 basis points | -8,433 | (595,079) |

| **CHANGE IN EQUITY** | **Change $** | **2015 $** |
|---|---:|---:|
| Increase in interest rate by 200 basis points | +8,433 | (712,994) |
| Decrease in interest rate by 200 basis points | -8,433 | (729,860) |

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

## *23. COMMITMENTS*

a) Exploration

In order to maintain current rights of tenure to mining tenements, the Group has the following discretionary exploration expenditure requirement up until expiry of leases. These obligations, where are subject to renegotiation on expiry of the leases, are not provided for in the financial statements and are payable:

| **Australia** | **2016*** | **2015** |
|---|---|---|
| | **$** | **$** |
| Not longer than one (1) year (i) | 500,000 | 495,000 |
| Two (2) to five (5) years (ii) | 1,912,003 | 566,000 |
| | 2,412,003 | 1,061,000 |

* The 2016 figures also include exploration commitments for the Irish tenements which were acquired subsequent to year end following the completion of the acquisition of 100% of Zinc Mines of Ireland Limited (refer to note 26 and ASX announcement dated 22 July 2016).
(i) $159,000 relates to commitments for the Australian tenements.
(ii) $636,000 relates to commitments for the Australian tenements.

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations. Where commitments are denominated in foreign currencies, the amounts have been converted to Australian dollars based on exchange rates prevailing as at 30 June 2016.

b) Operating leases

There are no operating leases currently. Any agreements in place can be terminated giving less than thirty business days' written notice and hence no commitment has been recorded.

## *24. KEY MANAGEMENT PERSONNEL COMPENSATION*

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

| | **2016** | **2015** |
|---|---|---|
| | $ | $ |
| Short-term employee benefits | 203,040 | 91,419 |
| Post-employment benefits | 3,420 | 7,545 |
| Share-based payment | - | - |
| | 206,460 | 98,964 |

**Short-term employee benefits**

These amounts include fees paid to non-executive directors who resigned during the year as well as unpaid fees. It also includes fees paid to entities controlled by the directors. The compensation of each member of the key management personnel of the Group is set out in the remuneration report on page 9.

## *25. RELATED PARTY TRANSACTIONS*

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.
Remuneration (excluding the reimbursement of costs) received or receivable by the directors of the Group and aggregate amounts paid to superannuation plans in connection with the retirement of directors are disclosed in the directors' report.

| Transactions with related parties: | |
|---|---|
| (i) | Somerville Advisory Group, a company of which Mr Bowker is a director was paid \$86,040 (2015: \$nil) for the provision of accounting and company secretarial services. |

## **26.** *EVENTS SUBSEQUENT TO REPORTING DATE*

***Acquisition subsequent to year end***

On 22 July 2016, the Company announced the completion of the acquisition of 100% of Zinc Mines of Ireland Limited ("Zinc Mines") ("Acquisition") as initially announced on 17 March 2016 and as approved by shareholders of the Company at a General Meeting held on 5 July 2016.

Zinc Mines is an Australian public company focused on the identification, acquisition, exploration and development of zinc projects in the Republic of Ireland, in particular, pursuing opportunities in under-explored parts of Ireland's major mineral provinces that are recognised as hosting known world-class zinc deposits and mines. Zinc Mines currently holds twenty-one (21) prospecting licences in seven project areas for a total landholding of approximately 750km$^2$.

The Acquisition was conditional on:

(a) Zinc of Ireland NL (formerly Global Metals Exploration NL) obtaining all necessary regulatory and shareholder approvals required to complete the Acquisition, including amongst other standard approvals for an acquisition of this nature, approval to:
  (i) change Zinc of Ireland NL's activities in accordance with ASX Listing Rule 11.1.2

(b) Zinc of Ireland NL undertaking a consolidation of its capital on the basis of 1 for 10;

(c) Zinc of Ireland NL completing a rights issue on the basis of 1 share for every 4 shares held together with 1 free listed option exercisable at \$0.02 on or before 21 July 2017 and 1 free unlisted options exercisable at \$0.04 on or before 21 July 2021 for every 2 shares, to raise \$540,000. On 20 May 2016, the Company and Zinc Mines agreed to waive this condition (refer to ASX announcement dated 20 May 2016) subject to and conditional on Zinc Mines procuring firm commitments from investors to a placement at an issue price of \$0.008 per share to raise not less than \$500,000 with each investor being issued one listed option and one unlisted option for every two shares subscribed; and

(d) the satisfactory completion of due diligence by Zinc Mines and Zinc of Ireland NL in respect of one another.

As part of the Acquisition and after approval of shareholders, the Company issued the following securities:

- 275,000,000 fully paid ordinary Zinc of Ireland NL shares;
- 137,500,000 listed options to acquire fully paid ordinary shares in Zinc of Ireland NL exercisable at $0.02 each on or before 21 July 2017; and
- 137,500,000 unlisted options to acquire fully paid ordinary shares in Zinc of Ireland NL exercisable at $0.04 each on or before 21 July 2021.

On 22 July 2016, the Company also announced it had raised a total of approximately $1,369,000 (before costs) pursuant to an offer made under a Prospectus dated 19 July 2016. Messrs Peter Wall and Keith Bowker resigned as directors and Messrs Patrick Corr and Benjamin Sharp were appointed as directors.

On 28 July 2016, the Company confirmed its change of name and listing code from Global Metals Exploration NL (ASX: GXN) to Zinc of Ireland NL (ASX: ZMI).

On 16 August 2016, the Company announced that drilling has commenced at the Kildare Project in Ireland. The drill program is designed to test historical shallow mineralisation and potential extensions to historic mineralisation.

On 30 August 2016, the Company announced a capital raising of $1.44 million (before costs) by way of issue of fully paid ordinary shares at $0.024 per share to professional and sophisticated investors of the Company ("Placement"). Under the Placement, the Company will also issue one free attaching listed option exercisable at $0.02 on or before 21 July 2017 and one free attaching unlisted option exercisable at $0.04 on or before 21 July 2021.

On 7 September 2016, the Company announced it had successfully completed placements at issue prices of $0.008 and $0.024 (being the capital raisings announced on 22 July 2016 and 30 August 2016) thereby raising approximately $2.3 million (before costs).

On 7 September 2016, the Company announced that it had completed 780m of its maiden drilling program at the Kildare Project. A total of three holes have been completed and all holes drilled have contained visual estimations of zinc mineralisation.

## *27. APPROVAL OF FINANCIAL STATEMENTS*

The financial statements were approved by the board of directors and authorised for issue on 29 September 2016.

## *28. COMPANY DETAILS*

Registered office and Principal Place of Business of the Group is:

Suite 1, 56 Kings Park Road
West Perth WA 6005

# *DIRECTORS' DECLARATION*

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached consolidated financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the consolidated financial statements;

(c) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

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

Patrick Corr
**Chairman**
Perth, 29 September 2016

## *ADDITIONAL SECURITIES EXCHANGE INFORMATION AS AT 24 OCTOBER 2016*

**Ordinary share capital**

914,132,532 fully paid ordinary shares are held by 1,830 shareholders
1,159,035 partly paid ordinary shares, paid to $0.75, are held by 138 shareholders

All issued ordinary shares carry one vote per share, however, partly paid shares do not carry rights to dividends.

**Options**

325,833,333 **listed** $0.02 Options expiring 21 July 2017 are held by 213 holders
48,399,976 **unlisted** $0.30 Options expiring 31 December 2016 are held by 110 holders (i)
121,800,000 **unlisted** $0.02 Options expiring 30 April 2020 are held by 23 holders
283,125,000 **unlisted** $0.04 Options expiring 21 July 2021 are held by 118 holders

Unlisted Option Holders holding 20% or more:
(i) 16,691,782 Options held in the name of Novac International Pty Ltd (34.5%) and Odina Pty Ltd (34.5%).

Options do not carry a right to vote.

**Distribution of holders of equity securities**

| Category | Fully paid ordinary shares | Partly paid ordinary shares | Options Series 1* | Options Series 2** | Options Series 3*** | Options Series 4**** |
|---|---|---|---|---|---|---|
| 1 – 1,000 | 467 | 67 | - | 58 | - | - |
| 1,001 – 5,000 | 224 | 32 | - | 21 | - | - |
| 5,001 – 10,000 | 104 | 16 | - | 3 | - | - |
| 10,001 – 100,000 | 396 | 21 | 11 | 14 | - | 5 |
| 100,001 and over | 639 | 2 | 202 | 14 | 23 | 113 |
| | **1,830** | **138** | **213** | **110** | **23** | **118** |
| **Holding less than a marketable parcel** | **918** | **130** | | | | |

**Options Series 1 – Listed $0.02 expiring 21 July 2017*
***Options Series 2 – Unlisted $0.30 expiring 31 December 2016*
****Options Series 3 – Unlisted $0.02 expiring 30 April 2020*
*****Options Series 4 – Unlisted $0.04 expiring 21 July 2021*

**On-Market Buy-Back**

There is no current on-market buy back.

## Substantial shareholders

| Name | Fully paid ordinary shares |
|---|---|
| Benjamin Alfred Sharp | 46,666,700 |

## 20 Largest Shareholders – Fully paid ordinary shares

| Name | Number of Shares Held | % of Issued Capital |
|---|---|---|
| Benjamin Alfred Sharp | 46,666,700 | 5.10 |
| John Francis Corr <The Bawnlusk A/C> | 36,030,300 | 3.94 |
| Patrick John Corr | 31,375,000 | 3.43 |
| Bullsbrook Capital Pty Ltd | 24,375,000 | 2.67 |
| Comsec Nominees Pty Limited | 24,021,459 | 2.63 |
| Mr Thomas Francis Corr | 22,750,000 | 2.49 |
| Odina Pty Ltd <The Opm Investment A/C> | 22,572,578 | 2.47 |
| Novac International Pty Ltd <Nine-Eleven Investment A/C> | 22,572,578 | 2.47 |
| Casuarina Capital Pte Ltd | 20,000,000 | 2.19 |
| Invesco Nominee Pty Ltd | 17,819,910 | 1.95 |
| Melbourne Capital Limited | 17,750,000 | 1.94 |
| Pershing Australia Nominees Pty Ltd <Accum A/C> | 12,805,717 | 1.40 |
| Mintec Consulting Pty Ltd | 12,500,000 | 1.37 |
| Wildest Pty Ltd | 12,000,000 | 1.31 |
| Kinsale Resources Pty Ltd | 11,875,000 | 1.30 |
| Dixtru Pty Limited | 11,166,660 | 1.22 |
| Mr Robert Jesse Hunt | 10,000,000 | 1.09 |
| Mr Robert William Proe | 8,305,000 | 0.91 |
| HSBC Custody Nominees (Australia) Limited | 8,135,773 | 0.89 |
| Share Investing Nominees Pty Limited | 6,809,000 | 0.74 |
| Oceanic Capital Pty Ltd | 6,666,667 | 0.73 |
| | **386,197,342** | **42.25** |

## 20 Largest Shareholders – Partly paid ordinary shares

| Name | Number of Shares Held | % of Issued Capital |
|---|---|---|
| SA Capital Funds Management Limited <SACFM No 1 A/C> | 270,000 | 23.30 |
| Tornado Nominees Pty Ltd <Angus Middleton S/F A/C> | 112,233 | 9.68 |
| Proto Resources & Investments Ltd | 64,677 | 5.58 |
| Mr Andrew Kenneth Bruce Mortimer | 59,129 | 5.10 |
| Melanto Pty Ltd <The Melanto A/C> | 50,000 | 4.31 |
| Mr George Phillip Kay | 39,250 | 3.39 |
| Petard Pty Ltd | 38,125 | 3.29 |
| Mr Peter Gebhardt & Mrs Carlene Gebhardt <Petard Super Fund A/C> | 32,500 | 2.80 |
| Union Pacific Investments Pty Limited | 26,998 | 2.33 |
| Mr Barry John Rooney | 25,500 | 2.20 |
| Mr Andrew Kenneth Bruce Mortimer | 23,725 | 2.05 |
| Premar Capital Nominees Pty Ltd | 20,000 | 1.73 |
| Mr Allan Harvey Moffatt & Mrs Suzanne Maureen Moffatt <Moffatt Super Fund A/C> | 19,956 | 1.72 |
| William Geoffrey Kroon | 19,075 | 1.65 |
| Mr Andrew Thomas Jones | 18,000 | 1.55 |
| Monclar Pty Ltd | 15,500 | 1.34 |
| B & M Jackson Pty Limited <Jackson S/F A/C> | 15,000 | 1.29 |
| Fundamental Cents Pty Ltd | 15,000 | 1.29 |
| Dr Arnis Lidums | 13,000 | 1.12 |
| Mr Keith Middleton & Mrs Christine Middleton <Middleton Super Fund A/C> | 13,000 | 1.12 |
| Middleton Nominees (SA) Pty Ltd <The Middleton Family A/C> | 13,000 | 1.12 |
| Mr Ashley Keith Hood | 12,698 | 1.10 |
| Performin Pty Limited | 11,359 | 0.98 |
| | **927,725** | **80.04** |

### 20 Largest Optionholders – Listed Option Holders (exercisable at $0.02, expiring 21 July 2017)

| Name | Number of Options Held | % of Issued Capital |
|---|---:|---:|
| Benjamin Alfred Sharp | 23,333,350 | 7.16 |
| John Francis Corr<The Bawnlusk A/C> | 18,015,150 | 5.53 |
| Patrick John Corr | 15,687,500 | 4.81 |
| Mr Thomas Francis Corr | 13,975,000 | 4.29 |
| Bullsbrook Capital Pty Ltd | 12,187,500 | 3.74 |
| Wildest Pty Ltd | 10,377,968 | 3.19 |
| Melbourne Capital Limited | 9,375,000 | 2.88 |
| Squarlemon Investments Pty Ltd | 7,937,500 | 2.44 |
| Pershing Australia Nominees Pty Ltd <Accum A/C> | 6,513,047 | 2.00 |
| Mintec Consulting Pty Ltd | 6,250,000 | 1.92 |
| Mr Robert Jesse Hunt | 6,000,000 | 1.84 |
| Kinsale Resources Pty Ltd | 5,937,500 | 1.82 |
| Comsec Nominees Pty Ltd | 5,654,581 | 1.74 |
| Zenix Nominees Pty Ltd | 5,000,000 | 1.53 |
| St Barnabas Investments Pty Ltd<The Melvista Family A/C> | 5,000,000 | 1.53 |
| Dixtru Pty Limited | 4,583,330 | 1.41 |
| Share Investing Nominees Pty Limited | 4,208,484 | 1.29 |
| Melbourne Capital Limited | 4,000,000 | 1.23 |
| Geba Pty Ltd <Geba Family A/C> | 4,000,000 | 1.23 |
| Mr Scott Deakin<Deakin Family A/C> | 3,979,165 | 1.22 |
| Oceanic Capital Pty Ltd | 3,333,334 | 1.02 |
| Wymond Investments Pty Ltd<Deewhy Sales PL/ Super A/C> | 3,333,330 | 1.02 |
| | **178,681,739** | **54.84** |

### Restricted Securities

The Company has no restricted securities.

## *SCHEDULE OF MINERAL TENEMENTS*
## *AS AT 22 SEPTEMBER 2016*

| Tenement | Owner | Status | County/Area |
|---|---|---|---|
| PL 3846 | Raptor Resources Ltd. (100%) | Held | Kildare |
| PL 3866 | Raptor Resources Ltd. (100%) | Held | Kildare |
| PL 4069 | Raptor Resources Ltd. (100%) | Held | Kildare |
| PL 4070 | Raptor Resources Ltd. (100%) | Held | Kildare |
| PL 4072 | Raptor Resources Ltd. (100%) | Held | Kildare |
| PL 4073 | Raptor Resources Ltd. (100%) | Held | Kildare |
| PL 2440 | Beal Na Blath Resources Ltd. (100%) | Held | Cork |
| PL 3202 | Beal Na Blath Resources Ltd. (100%) | Held | Cork |
| PL 2724 | Beal Na Blath Resources Ltd. (100%) | Held | Galway |
| PL 3251 | Beal Na Blath Resources Ltd. (100%) | Held | Galway |
| PL 3459 | Beal Na Blath Resources Ltd. (100%) | Held | Galway |
| PL 3880 | Beal Na Blath Resources Ltd. (100%) | Held | Galway |
| PL 1450 | Beal Na Blath Resources Ltd. (100%) | Held | Meath |
| PL 2836 | Beal Na Blath Resources Ltd. (100%) | Held | Meath |
| PL 2193 | Beal Na Blath Resources Ltd. (100%) | Held | Monaghan |
| PL 3027 | Beal Na Blath Resources Ltd. (100%) | Held | Monaghan |
| PL 3871 | Beal Na Blath Resources Ltd. (100%) | Held | Monaghan |

| | | | |
|---|---|---|---|
| PL 2105 | Beal Na Blath Resources Ltd. (100%) | Held | Roscommon |
| PL 3163 | Beal Na Blath Resources Ltd. (100%) | Held | Roscommon |
| PL 1690 | Beal Na Blath Resources Ltd. (100%) | Held | Sligo |
| PL 3969 | Beal Na Blath Resources Ltd. (100%) | Held | Sligo |
| PL 3397 | Beal Na Blath Resources Ltd. (100%) | Applied | Monaghan |
| PL 3414 | Beal Na Blath Resources Ltd. (100%) | Applied | Longford |
| PL 3526 | Beal Na Blath Resources Ltd. (100%) | Applied | Longford |
| PL 3870 | Beal Na Blath Resources Ltd. (100%) | Applied | Monaghan |
| PL 4247 | Beal Na Blath Resources Ltd. (100%) | Applied | Monaghan |
| PL 4248 | Beal Na Blath Resources Ltd. (100%) | Applied | Monaghan |
| PL 4249 | Beal Na Blath Resources Ltd. (100%) | Applied | Monaghan |
| PL 4250 | Beal Na Blath Resources Ltd. (100%) | Applied | Monaghan |
| PL 4251 | Beal Na Blath Resources Ltd. (100%) | Applied | Monaghan |
| M37/1202 | Messina Resources (100%) | Held | Leonora |
| E37/0893 | Messina Resources (100%) | Held | Leonora |

P Prospecting Licence
E Exploration Licence
M Mining Licence