2016 Annual Report

METALIKO RESOURCES LIMITED

C O N T E N T S

CORPORATE DIRECTORY

Directors
Peter Hayden Hunt
Dr Michael Ruane
Robin Dean
Geoff Baker
Min Yang
Louis Chien (appointed alternate director 28 January 2016)

Company Secretary
Bianca Taveira

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Stock Exchange Listing
Australian Securities Exchange
Home Exchange: Perth
Code: MKO

REVIEW OF OPERATIONS

Corporate Activity Summary

During the annual period the Company raised $2.65 million by issue of 88.32 million shares at $0.03 each. Fully paid shares on issue at the end of the period were 441,614,328. The top 20 shareholders held 85.88% of issued securities.

Cash on hand at the 30 June 2016 was approximately $838,000. Operating loss for the year was $3,834,009 primarily due to write down of the value of the Company's Kalgoorlie regional tenements.

The majority of the Kalgoorlie Tenement package was sold in March 2016 to Intermin Resources Ltd for an issue of 5 million fully paid Intermin shares valued at approximately $375,000. Metaliko retained the Anthill prospect M16/531 which hosts a gold resource (JORC 2004) of 5.19Mt @ 0.96 g/t for approximately 160,000 ounces of Au.

On the 30 June 2016, the company announced that it had reached agreement with a third party to lease the Bronzewing Milling Facility. The agreement with Bullseye Mining Ltd is subject to a number of conditions precedent, including lessee financing capability. At the time of reporting these conditions were yet to be satisfied.

Exploration and Development Activities

Exploration and development activities in the 2015/2016 reporting period were focussed on resource definition and the discovery of new gold deposits at the highly prospective Yandal Gold Project (YGP). The project is a major asset that includes a 730km^2 land package (Figure 1) in the Yandal Greenstone Belt, Western Australia and the 2.3mtpa Bronzewing Gold CIP/CIL treatment facility.

The treatment facility is currently on care and maintenance. It is in excellent condition and will require only minor capital input to become operational. Additional support infrastructure includes an airstrip, +200 man camp, administration offices, workshops, haul roads and bore fields. Metaliko's development strategy is to define 3-5Mt of open pit resources of sufficient grade to evaluate the recommencement of production and to self-fund ongoing exploration.

During the year, significant exploration and resource development drilling (218 RC holes for 12,373m) was conducted at the advanced Corboys Project and several other prospects such as Corboys North, Fat Lady, Mt Joel 4800, Anomaly 45, Dragon, Greenstone Hill, Sundowner and Woorana. Encouraging results were returned from all prospects.

Corboys dominated the drilling (84 RC holes for 4792m) and focussed on building the initial 2015 Indicated Resource (1.5Mt @ 1.65 g/t Au for 79,660 oz using a 1.0 g/t lower cut). Shortly after the end of the period Metaliko announced an updated Indicated/Inferred Resource at Corboys of 3.93Mt @ 1.33 g/t for 168,546 oz using a 0.5 g/t lower cut and 21 g/t upper cut. New resource calculations will be made for Mt Joel 4800, Fat Lady, Woorana and Cockburn. It's expected that these resource estimates will be finalised in the latter half of 2016.

A number of early stage "prospects" were defined through systematic reinterpretation of historic geo-datasets and auger sampling. These "prospects" included Corboys West, Tuscana, Golden Hole, Mandaline Well, Maitland, Old Bronzewing, Satisfaction Bore and Thompson Bore. In all cases follow up work, in particular drilling, is warranted.

REVIEW OF OPERATIONS

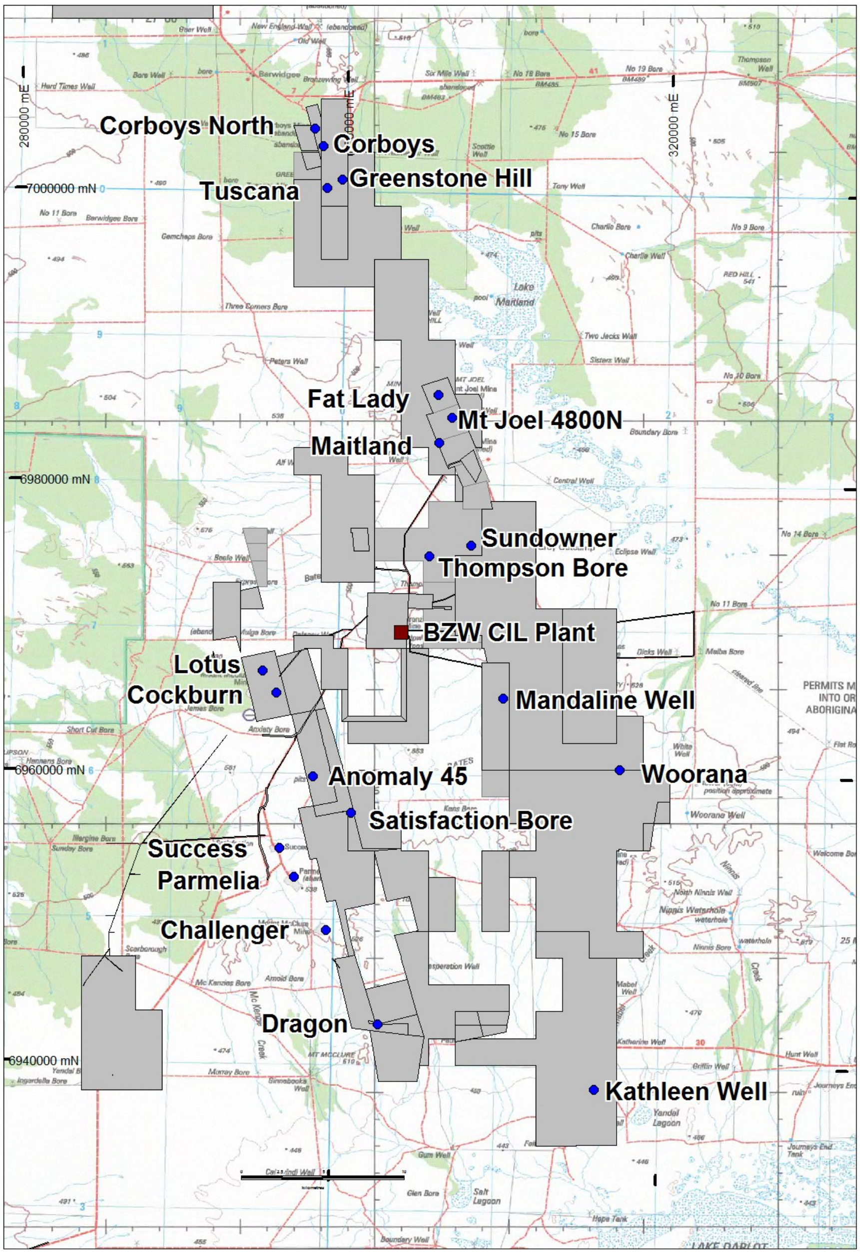


Figure 1
Yandal Gold Project Tenements and Major Gold Deposits/Prospects

YGP - Corboys Deposit

The Corboys Gold Deposit is located on granted mining lease (M53/15) and contains a JORC 2012 Compliant Indicated/Inferred Resource of 3.93Mt @ 1.33 g/t for 168,546 oz using a 0.5 g/t lower cut and 21 g/t upper cut. *(refer ASX announcement dated 23 August 2016, see* Table 1).

Corboys is located 45km north of the Company's Bronzewing Treatment Plant ("BZW") within economic haulage distance. The deposit has been subject to numerous drilling programs since the early 1990's and comprise some 372 reverse circulation, diamond and aircore drill holes for >28,000m. The database is extensive, having had several "modern" assessments, with detailed reports, geostatistics and due diligence.

REVIEW OF OPERATIONS

YGP - Corboys Deposit continued

The mineralisation is hosted in north striking, east dipping, semi-continuous quartz veins and shears along a granite-greenstone contact. The mineralisation has been defined over 1,200m in strike length, to a vertical depth of 120m with individual shoots averaging from 1-4m wide. The mineralisation is interpreted to be open in most directions and there is significant potential to expand the current resource (Figure 2).

A total of 84 RC holes for 4,792m were drilled at the Corboys Prospect during the reporting period. Significant downhole 1m intercepts >0.50g/t Au with drill collar details are listed in Table 1.

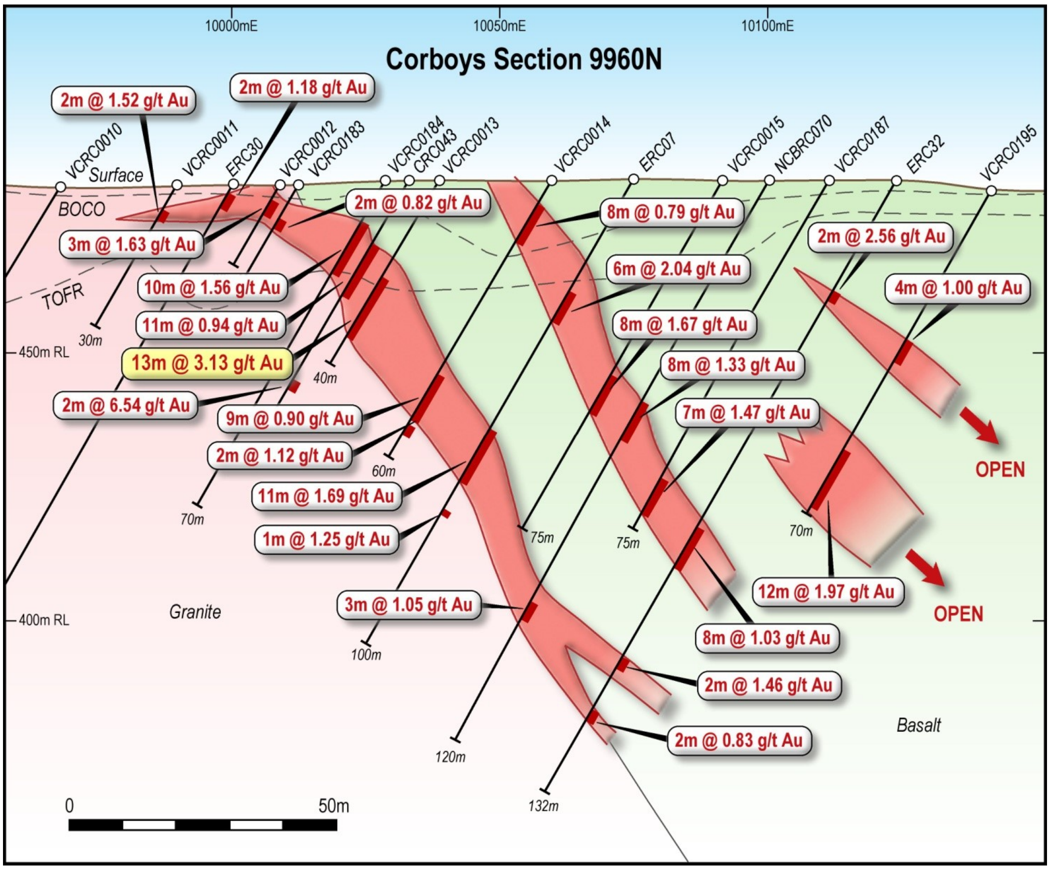


Figure 2
Typical Corboys cross-section

REVIEW OF OPERATIONS

Table 1
Corboys 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
CBRC1501	7002374	298862	36	-60	256	8	9	1	0.53
						11	12	1	0.71
CBRC1502	7002380	298882	42	-60	256	27	28	1	2.96
						30	31	1	0.54
CBRC1503	7002357	298873	36	-60	256	10	11	1	4.83
CBRC1505	7002417	298865	36	-60	256	8	11	3	1.35
						13	15	2	1.41
CBRC1506	7002421	298884	48	-60	256	24	26	2	0.77
						29	31	2	3.12
						35	36	1	1.53
						46	48	2	1.87
CBRC1508	7002442	298878	48	-60	256	19	20	1	1.04
						38	41	3	1.61
						43	44	1	7.54
CBRC1509	7002446	298843	24	-60	256	5	6	1	0.71
CBRC1511	7002337	298876	30	-60	256	1	2	1	0.50
CBRC1513	7002755	298768	80	-60	256	68	71	3	1.64
					Including	68	69	1	3.68
CBRC1514	7002671	298850	96	-60	256	89	90	1	2.53
						93	94	1	0.55
						95	96	1	0.61
CBRC1516	7003026	298641	84	-60	256	34	35	1	2.92
						69	70	1	1.25
						73	74	1	0.88
						79	80	1	0.81
CBRC1517	7003017	298559	78	-60	256	19	20	1	2.02
						57	58	1	0.72
						62	70	8	1.84
					Including	62	63	1	2.85
					Including	65	67	2	3.77
CBRC1518	7002937	298621	90	-60	256	17	18	1	2.89
						76	82	6	2.44
					Including	79	80	1	2.56
					Including	81	82	1	6.95
						86	90	4	2.03
					Including	87	89	2	3.13
CBRC1519	7003055	298417	24	-60	256	13	14	1	1.67
						22	23	1	2.28

REVIEW OF OPERATIONS

Table 1
Corboys 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
CBRC1520	7003060	298438	36	-60	256	0	1	1	0.97
						6	7	1	2.51
						10	11	1	0.68
						13	14	1	0.74
						16	21	5	9.38
					Including	16	18	2	22.83
					Including	17	18	1	38.75
						27	28	1	2.42
CBRC1521	7003066	298416	24	-60	256	22	23	1	0.96
CBRC1522	7003068	298429	36	-60	256	8	11	3	1.40
					Including	8	9	1	3.05
						24	25	1	5.47
						30	32	2	1.14
CBRC1523	7003079	298592	42	-60	256	28	35	7	1.07
CBRC1524	7003150	298345	30	-60	256	2	4	2	0.83
						10	13	3	0.95
						22	24	2	1.47
CBRC1525	7003161	298387	60	-60	256	17	18	1	3.71
						25	26	1	20.75
						28	29	1	5.44
						32	34	2	5.71
						37	38	1	1.10
						41	42	1	2.55
						54	56	2	1.97
					Including	54	55	1	3.08
CBRC1526	7003073	298451	36	-60	256	11	15	4	0.77
						18	19	1	1.37
						27	30	3	3.99
					Including	29	30	1	10.83
						32	36	4	1.11
CBRC1527	7003223	298217	40	-60	256	6	7	1	0.70
						14	16	2	0.92
						27	32	5	1.42
					Including	27	28	1	3.66
CBRC1528	7003277	298343	100	-60	256	68	76	8	1.78
					Including	69	70	1	2.15
					Including	74	76	2	4.15
						99	100	1	1.07

REVIEW OF OPERATIONS

Table 1
Corboys 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
CBRC1529	7003239	298198	20	-60	256	5	8	3	1.41
					Including	6	8	2	1.84
						11	13	2	0.65
						15	16	1	0.80
CBRC1530	7003223	298184	36	-60	256	1	4	3	1.38
					Including	1	2	1	3.00
						24	31	7	1.58
					Including	29	31	2	3.90
					Including	29	30	1	5.12
CBRC1531	7003288	298311	84	-60	256	50	58	8	7.02
					Including	50	55	5	10.56
					Including	50	51	1	29.40
					Including	54	55	1	14.25
						62	67	5	1.87
					Including	62	63	1	3.92
					Including	64	66	2	2.38
						69	70	1	1.24
CBRC1532	7003293	298258	54	-60	256	16	17	1	1.06
						30	36	6	3.15
					Including	32	34	2	7.91
CBRC1533	7003284	298239	36	-60	256	22	24	4	1.96
						22	23	1	5.20
CBRC1534	7003309	298293	78	-60	256	40	41	1	0.59
						43	46	3	2.37
					Including	45	46	1	6.37
						49	50	1	1.10
						55	56	1	2.56
						58	59	1	0.76
CBRC1535	7003310	298222	20	-60	256	8	12	4	5.78
					Including	8	9	1	3.61
					Including	10	11	1	18.4
CBRC1536	7003323	298271	50	-60	256	28	29	1	0.74
						32	40	8	1.17
					Including	34	35	1	2.86
					Including	39	40	1	2.83

REVIEW OF OPERATIONS

Table 1
Corboys 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
CBRC1538	7003401	298203	54	-60	256	28	29	1	2.72
						35	36	1	2.56
						41	42	1	1.00
						46	48	2	2.51
					Including	46	47	1	3.92
CBRC1539	7003412	298187	30	-60	256	0	1	1	0.70
CBRC1542	7003313	298320	84	-60	256	61	63	2	2.65
					Including	62	63	1	4.26
						82	83	1	1.56
CBRC1543	7003336	298176	18	-60	256	3	4	3	0.94
						7	8	1	0.56
CBRC1544	7003341	298199	24	-60	256	1	2	1	0.53
						10	15	5	1.21
					Including	10	12	2	1.84
						23	24	1	0.98
CBRC1545	7003376	298206	42	-60	256	20	21	1	4.36
CBRC1548	7003229	298181	36	-60	256	12	24	12	0.75
					Including	16	20	4	1.61
CBRC1549	7003243	298222	56	-60	256	12	36	24	0.67
					Including	28	36	8	1.25
						44	48	4	1.69
CBRC1550	7003206	298168	40	-60	256	4	16	12	1.12
CBRC1551	7003224	298228	56	-60	256	28	44	16	0.87
					Including	28	32	4	1.60
						48	56	8	0.33
CBRC1554	7003308	298200	16	-60	256	4	12	8	0.85
CBRC1555	7003278	298364	122	-60	256	76	92	16	0.97
					Including	76	80	4	3.11
						116	124	8	0.99
					Including	116	120	4	1.68
CBRC1556	7003256	298345	80	-60	256	32	36	4	0.44
						52	56	4	0.62
CBRC1557	7003121	298430	62	-60	256	52	60	8	0.71
CBRC1558	7003213	298348	64	-60	256	56	64	8	2.41
CBRC1559	7003083	298604	60	-60	256	12	16	4	0.60
						40	44	4	0.70

REVIEW OF OPERATIONS

Table 1
Corboys 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
CBRC1560	7003041	298644	130	-60	256	28	32	4	1.60
						52	56	4	0.42
						72	88	16	0.74
					Including	84	88	4	1.97
CBRC1561	7003030	298602	108	-60	256	32	48	16	0.80
					Including	32	36	4	1.52
						72	104	32	0.99
					Including	88	92	4	1.98
						96	100	4	1.92
CBRC1562	7003037	298545	90	-60	256	44	56	12	1.95
					Including	52	56	4	4.95
						68	88	20	1.69
					Including	76	80	4	4.43
CBRC1565A	7002964	298642	140	-58	256	64	84	20	0.54
						96	100	4	0.35
						112	128	16	0.70
					Including	120	128	8	1.22
CBRC1568	7002865	298800	140	-60	256	36	44	8	0.31
						80	96	16	1.60
					Including	80	84	4	4.17
						108	112	4	1.65
						128	140	12	0.96
					Including	128	132	4	2.27
CBRC1579	7004310	297929	60	-60	256	28	60	32	1.29
					Including	52	56	4	3.46
CBRC1601	7003044	298568	114	-60	270	42	43	1	2.02
						58	59	1	1.00
						64	65	1	1.34
						69	71	2	1.17
						83	84	1	6.83
						90	96	6	5.72
				Including		90	91	1	10.16
				Including		94	95	1	13.68
						98	99	1	0.75

REVIEW OF OPERATIONS

Table 1
Corboys 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
CBRC1602	7003066	298535	96	-60	270	54	55	1	3.53
						70	71	1	0.69
						74	80	6	2.22
						82	84	2	3.14
						86	96	10	3.45
				Including		92	95	3	8.47
				Including		92	94	2	11.01
CBRC1609	7003003	298608	110	-60	270	28	31	3	1.58
						73	77	4	2.81
				Including		75	77	2	5.14
						95	96	1	1.64
						105	106	1	5.88
						108	109	1	2.38
CBRC1603	7004310	297913	60	-60	270	4	5	1	0.44
						7	8	1	0.90
						10	11	1	2.37
						14	16	2	0.75
						33	34	1	0.97
						36	37	1	7.55
						40	43	3	1.13
				Including		40	41	1	2.49
						59	64	5	0.96
				Including		61	62	1	2.40
						69	70	1	0.47
CBRC1604	7004310	297650	78	-60	270	28	29	1	2.24
CBRC1606	7004350	297950	84	-60	270	0	2	2	1.92
CBRC1607	7004270	297915	66	-60	270	24	26	2	1.18
						32	35	3	2.58
				Including		32	33	1	4.50
						40	41	1	1.05
CBRC1608	7004270	297950	78	-60	270	32	33	1	1.25
						46	49	3	1.33
				Including		48	49	1	2.61
CBRC1616	7003055	298504	90	-60	256	37	38	1	1.09
						70	71	1	1.42
						76	78	2	1.16
						80	84	4	1.19
				Including		83	84	1	3.99
						85	87	2	0.68

REVIEW OF OPERATIONS

Table 1
Corboys 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
CBRC1617	7003106	298524	120	-60	256	10	11	1	0.36
						75	76	1	0.48
						80	82	2	3.44
				Including		81	82	1	6.70
						92	94	2	1.57
				Including		92	93	1	2.59
						96	101	5	1.42
				Including		99	100	1	2.91
						102	106	4	0.71
						107	111	4	4.06
				Including		108	109	1	14.70
						114	115	1	0.50
						119	120	1	1.43

Table 2
Corboys Deposit Total Resource Summary (JORC Code Compliance Tables are included in ASX announcement dated 23 August 2016)

CUTOFF GRADE (g/t)	TONNES	Au (g/t)	Oz Au
3.0	209,582	3.86	26,016
2.0	650,415	2.88	60,127
1.5	1,100,366	2.40	85,067
1.0	2,143,932	1.83	125,932
0.50	3,932,000	1.33	168,546
0.20	4,806,291	1.16	179,107

Notes to the Corboys Mineral Resource Estimate

1. The Resource is categorised as JORC 2012 compliant.
2. The Resource is 76% Indicated, 24% Inferred. Further breakdown and calculation details are provided page 23 and the ASX announcement for 23 August 2016.
3. Resource calculated using a 21 g/t Au upper cut.
4. The following in situ bulk densities were used 2.46 g/cm^3 for oxidised granite and 2.26 g/cm^3 for oxidised basalt above the top of fresh rock "TOFR" weathering boundary. Below this boundary, fresh rock was 2.76 g/cm^3. Values are based on historical core density tests.
5. Wireframes were constructed from 0.1-0.2 g/t ore strings (interpretations).
6. Modelling was completed with Surpac v6.6.2 Ordinary Kriging interpolation was used. Comparisons were made with ID2 and ID3 interpolations. The comparative results are acceptable.
7. User block size was 20m (north) x 10m (east) x 5m (RL), Minimum block size was 5m (north) x 1.25m (east) x 1.25m (RL).

REVIEW OF OPERATIONS

YGP - Greenstone Hill, Tuscana, Corboys North Prospects

The Greenstone Hill, Tuscana, Corboys North Prospects are on M53/15 and are located about 0.9-5km from Corboys. All have historic workings.

Drilling CBRC1579 in late 2015 by Metaliko discovered the Corboys North prospect, 900m north of Corboys. The gold mineralisation appears to be entirely hosted by quartz veins in granite and located in what was thought to be the barren footwall granite west of earlier mine workings. Follow up drilling in 2016 returned several economic intercepts as shown in Table 3 below.

Further to the south of Corboys, drilling at Tuscana and Greenstone Hill returned sporadic mineralisation. At Tuscana, TAC1601 returned 1m @ 1.94 g/t from 22m in granite whilst at Greenstone Hill GHRC1605 intersected 5m @ 2.32 g/t Au from 8m also in a weathered granite. Both of these results will be followed up in due course.

Table 3
Corboys North (CBRC), Tuscana (TAC) and Greenstone Hill (GHRC) 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AAR50) g/t
CBRC1579	7004310	297929	60	-60	256	36	43	7	2.91
						52	55	3	3.18
CBRC1603	7004310	297913	60	-60	270	4	5	1	0.44
						7	8	1	0.90
						10	11	1	2.37
						14	16	2	0.75
						33	34	1	0.97
						36	37	1	7.55
						40	43	3	1.13
				Including		40	41	1	2.49
						59	64	5	0.96
				Including		61	62	1	2.40
						69	70	1	0.47
CBRC1604	7004310	297650	78	-60	270	28	29	1	2.24
CBRC1606	7004350	297950	84	-60	270	0	2	2	1.92
CBRC1607	7004270	297915	66	-60	270	24	26	2	1.18
						32	35	3	2.58
				Including		32	33	1	4.50
						40	41	1	1.05
CBRC1608	7004270	297950	78	-60	270	32	33	1	1.25
						46	49	3	1.33
				Including		48	49	1	2.61
CBRC1612	7004466	297808	60	-60	270	40	41	1	1.09
				-60	270	46	47	1	1.86
CBRC1613	7004310	297893	60	-60	270	12	20	8	1.38
						30	33	3	2.65
						39	41	2	2.65

REVIEW OF OPERATIONS

Table 3
Corboys North (CBRC), Tuscana (TAC) and Greenstone Hill (GHRC) 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AAR50) g/t
CBRC1614	7004270	297895	54	-60	270	38	40	2	6.45
				Including		38	39	1	11.02
						49	51	2	1.29
TAC1601	7000597	298845	36	-60		270	21	24	3
				Including			22	23	1
GHRC1502	7002115	299102	64	-60	256	54	56	2	2.34

YGP - Sundowner Prospect

The drilling at Sundowner (E36/578) targeted the potential down dip extensions of historic aircore drill hole VREAC197 (5m @ 6.43g/t from 48m) which intersected supergene mineralisation within the strongly oxidised profile. The new mineralisation is interpreted to be the underlying bedrock conduit to this mineralisation and is hosted by quartz veins in a fresh, sheared basalt/amphibolite.

The Sundowner prospect returned highly encouraging assays from several holes drilled during the period. The holes were located 40m apart with two mineralised zones being tested. The eastern zone, in particular, recorded;

- 11m @ 2.25 g/t Au from 80m (SDRC1603) including;
  - 3m @ 6.46 g/t Au from 85m.
- 5m @ 10.25 g/t Au from 95m (SDRC1604) including;
  - 2m @ 22.26g/t Au from 96m.

The mineralisation is considered to be open in all directions and has been subjected to only limited and largely ineffective historic exploration drilling. The average depth of exploration holes at the prospect is 60m and the mineralisation is considered open along strike and at depth.

Table 4
Sundowner 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AAR50) g/t
SD1501	6975721	308070	100	-60	090	15	17	2	0.45
						61	62	1	0.52
						67	74	7	6.53
				Including	69	72	3	13.60	11.82
				Including	69	71	2	16.82	13.55
				Including	70	71	1	20.75	15.36
SD1502	6975568	307879	96	-60	90	11	15	4	1.67
				Including	11	13	2	2.37	2.43
						70	74	4	14.03
				Including	70	71	1	54.93	34.05

REVIEW OF OPERATIONS

Table 4
Sundowner 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AAR50) g/t
SDRC1601	6975727	307935	120	-60	90	106	114	8	1.42
				Including		111	113	2	4.40
				Including		112	113	1	5.37
SDRC1602	6975764	307960	90	-60	90	44	47	3	1.76
				Including		45	46	1	3.66
						49	56	7	2.22
				Including		52	53	1	6.71
SDRC1603	6975690	307955	93	-60	90	65	66	1	1.79
						80	91	11	2.25
				Including		85	88	3	6.46
				Including		86	87	1	8.89
SDRC1604	6975641	307954	108	-60	90	71	72	1	2.41
						95	100	5	10.25
				Including		96	100	4	12.59
				Including		96	98	2	22.26
				Including		96	97	1	26.33
SDRC1605	6975570	307850	130	-60	90	13	17	4	0.91
				Including		15	16	1	1.79
SDRC1606	6975531	307879	96	-60	90	12	16	4	0.77
						49	51	2	3.00
				Including		50	51	1	3.97
SDRC1607	6975609	307875	96	-60	90	12	14	2	1.19
						49	50	1	1.89
						52	56	4	0.95
				Including		52	53	1	2.07

YGP - Mt Joel 4800/6100 Prospects

In the Mt Joel area (M53/294-297) 15km NE of Bronzewing there are a number of historic prospects that have received significant and often intense exploration drilling. One prospect in particular, Mt Joel 4800N comprises supergene gold within saprolitic clays that overlie a sub-vertical stockwork vein system. The mineralisation structure is complex with variable grades on adjacent drill holes. Despite this, there is a high grade core at the heart of MJ 4800. Mineralisation geometry and tenure were the focus on Metaliko's 2015/2016 RC drilling.

Some encouraging results have been received from Metaliko drilling during the year and is shown in Table 5. Further work is warranted.

At Ray Jay prospect 7km NW of Mt Joel, a historic soil anomaly on a gentle hill side was examined. Several samples were taken of the outcrop with one sample giving an assay of 2.74 ppm Au. Fuchsitic alteration and weakly developed quartz stock working and veining were noted. Two shallow RC holes tested the largest central anomaly with RJRC1601 returning the best intercept of 1m @ 0.91 g/t.

REVIEW OF OPERATIONS

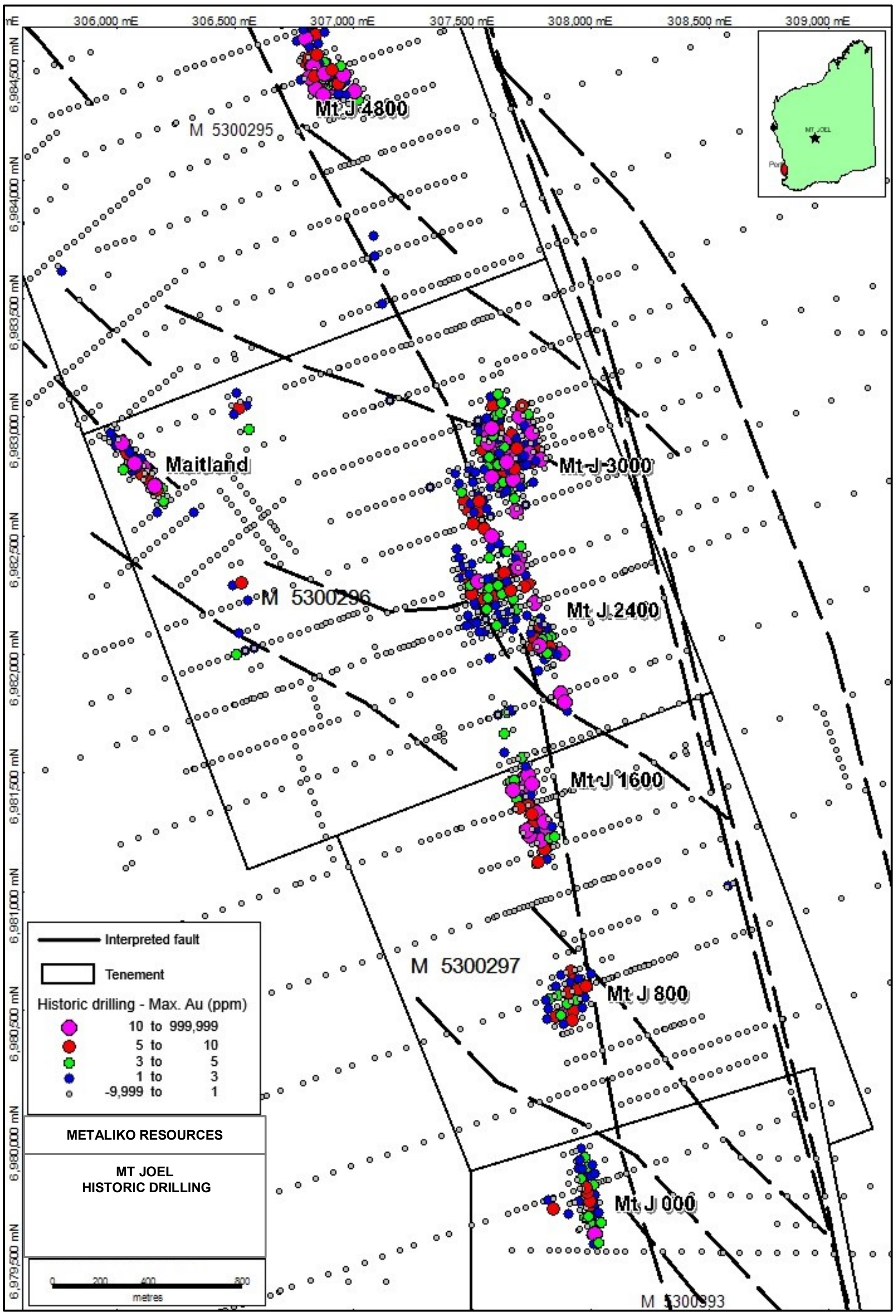


Figure 3
Mt Joel 4800N location plan showing historic and recent drill hole collars.

REVIEW OF OPERATIONS

Table 5
Mt Joel 4800 and Ray Jay 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
MJRC1501	6984472	306822	36	-60	215	12	16	4	0.57
MJRC1502	6984463	306838	50	-60	215	14	15	1	0.53
						17	19	2	2.35
						42	50	8	2.38
					Including	44	48	4	3.11
MJRC1504	6984486	306817	46	-60	215	23	28	5	4.60
					Including	23	27	4	5.18
MJRC1506	6984449	306854	66	-60	215	8	9	1	0.72
						24	26	2	2.34
MJRC1507	6984458	306874	34	-60	215	17	18	1	2.91
MJRC1508	6984490	306834	60	-60	215	37	41	4	2.66
					Including	39	40	1	7.95
						43	58	15	5.13
					Including	46	55	9	7.49
					Including	46	52	6	8.47
MJRC1510	6984448	306884	75	-60	215	25	28	3	1.12
						36	38	2	2.31
MJRC1511	6984464	306896	77	215	215	30	33	3	1.91
					Including	30	31	1	4.19
						35	36	1	0.83
						58	60	2	3.42
					Including	58	59	1	5.89
MJRC1512	6984440	306893	68	215	215	16	24	8	1.82
					Including	16	19	3	3.68
						29	38	9	1.62
					Including	32	37	5	2.37
						50	51	1	1.16
MJRC1514	6984427	306902	75	215	215	16	20	4	1.00
						22	23	1	0.60
						35	36	1	4.41
MJRC1515	6984402	306898	70	215	215	26	27	1	1.33

REVIEW OF OPERATIONS

Table 5
Mt Joel 4800 and Ray Jay 2015/2016 significant intercepts (>0.5 g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
MJRC1516	6984604	306816	84	-60	250	64	67	3	0.92
						74	76	2	10.76
						74	75	1	19.71
MJRC1518	6984484	306785	18	-60	215	8	9	1	1.66
MJRC1519	6984522	306815	84	-60	215	4	6	2	0.68
						64	66	2	3.69
				Including		64	65	1	5.92
						74	77	3	1.99
MJRC1520	6984482	306800	66	-60	215	20	23	3	0.96
MJRC1521	6984507	306834	72	-60	215	13	16	3	1.41
				Including		13	14	1	3.42
						42	44	2	1.54
						49	50	1	1.22
						57	60	3	1.12
				Including		57	58	1	2.50
MJRC1522	6984488	306865	100	-60	215	11	12	1	8.23
						28	30	2	0.53
						32	35	3	2.46
						39	41	2	2.10
						80	83	3	0.58
MJRC1523	6984426	306838	59	-60	35	37	38	1	0.70
MJRC1524	6984473	306889	72	-60	215	55	62	7	1.07
				Including		59	62	3	1.44
MJRC1525	6985746	306711	80	-60	252	61	62	1	0.45
						65	66	1	0.54
MJRC1526	6985805	306631	90	-60	252	28	31	3	0.62
MJRC1527	6985774	306664	66	-60	252	36	45	9	1.48
				Including		38	42	4	2.00
RJRC1601	6991129	303530	60	-55	270	33	34	1	0.91

YGP - Fat Lady Prospect

The Fat Lady Prospect (M53/295) is located ~20kms north of the Bronzewing Treatment Plant. Historical drilling has identified extensive zones of low grade gold mineralisation in a dolerite host rock. The mineralisation is open at depth and along strike.

The drilling results were generally as expected with multiple moderate grade intercepts within broader zones of lower grade gold (>0.30g/t and <1.0g/t). Simple bottle roll cyanide leach tests of the RC chips returned recoveries around 90% suggesting some potential for a heap leach scenario should adequate resources be defined.

REVIEW OF OPERATIONS

Table 6
Fat Lady prospect RC drilling 1m significant assays (>0.30g/t Au)

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
FLRC1506	6985905	305506	42	-60	270	0	11	11	0.81
					Including	5	11	6	1.17
						20	23	3	0.62
						31	32	1	0.85
FLRC1507	6985754	305574	102	-60	270	53	73	20	0.69
					Including	57	58	1	2.18
					Including	68	69	1	2.57
						84	86	2	0.52
						91	96	5	1.24
					Including	93	96	3	1.93
FLRC1508	6985955	305515	80	-60	270	20	26	6	0.75
					Including	20	21	1	2.25
						28	31	3	2.26
					Including	28	29	1	5.66
						34	36	2	0.92
						38	40	2	0.68
						44	46	2	0.87
						50	51	1	1.27
						53	59	6	0.46
FLRC1509	6985756	305516	66	-60	270	5	8	3	0.76
						11	14	3	1.05
					Including	12	13	1	1.86
						29	35	6	0.77
					Including	34	35	1	2.23
						45	46	1	0.85
						60	63	3	0.75
					Including	62	63	1	1.69
FLRC1511	6986179	305449	40	-60	251	33	38	5	0.46
FLRC1512	6986096	305529	80	-60	270	27	28	1	1.33
						73	75	2	0.81

YGP - Anomaly 45

The Anomaly 45 Prospect (M36/201) is located ~12km southwest of Bronzewing. Broad intercepts of granite-hosted oxide gold mineralisation had been returned from historic programs.

The 2015/2016 results confirmed broadly continuous intercepts of low to moderate grades that have the potential to be mined via open pit methods during periods of higher gold prices. Further drilling is required to bring Anomaly 45 to a JORC classified resource status.

REVIEW OF OPERATIONS

Table 7
Anomaly 45 significant RC intercepts (>0.50g/t Au) 2015/2016

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
ARC1514	6959014	298603	130	-60	77	19	24	5	0.94
						72	**86**	**14**	**1.46**
					Including	77	84	7	2.04
						90	100	10	1.37
					Including	94	100	6	1.72
						105	107	2	0.92
						110	111	1	0.71
ARC1515	6959034	298658	100	-60	77	28	29	1	1.78
						34	35	1	1.18
						47	49	2	0.67
						52	57	5	0.72
						72	73	1	0.69
						75	76	1	1.33
						80	82	2	0.67
ARC1516	6958987	298666	88	-60	77	44	45	1	1.46
						48	49	1	1.39
						67	68	1	0.68
ARC1517	6958973	298594	120	-60	77	72	90	18	1.44
					Including	72	79	7	1.71
					Including	81	90	9	1.43
ARC1518	6958957	298628	96	-60	77	35	36	1	2.55
						45	46	1	0.79
						51	62	11	0.95
						67	80	13	1.67
					Including	73	80	7	1.98
						84	85	1	1.74

YGP - Woorana Prospect

At the Woorana Prospect (E37/847) located ~25km to the southeast of Bronzewing, Metaliko confirmed shallow high grade mineralisation. The depth extent may be limited but spatially there appears to be 2 or, possibly 3, areas where previously identified potential resources can be delineated.

The Metaliko RC holes were mostly drilled to depths between 15-30m and targeted supergene oxide, quartz vein and shear hosted mineralisation identified from previous RC and RAB/AC regolith drilling. Issues with historic composite samples, missing samples and poor correlation meant that the prospect would need to be redrilled.

A full list of Woorana Prospect RC drilling 1m significant assays (>0.50g/t Au) and collar details are included in Table 8.

REVIEW OF OPERATIONS

Table 8
Woorana significant RC intercepts (>0.50g/t Au) 2015/2016

Hole ID	North (m)	East (m)	Depth (m)	Dip (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	Au (AR50) g/t
WRC1521	6958479	317050	24	-60	270	17	18	1	3.67
WRC1523	6958447	317035	18	-60	270	2	5	3	5.15
					Including	3	4	1	12.35
WRC1524	6958436	317064	30	-60	270	18	21	3	1.12
WRC1525	6958435	317050	26	-60	270	12	13	1	43.20
						17	18	1	1.10
WRC1526	6958437	317038	18	-60	270	5	7	2	15.75
					Including	5	6	1	21.10
WRC1527	6958436	317030	18	-60	270	0	3	3	4.79
					Including	0	1	1	9.44
WRC1528	6958427	317031	18	-60	270	3	5	2	3.80
					Including	3	4	1	5.68
WRC1530	6958416	317045	27	-60	270	9	10	2	1.21
						13	14	1	1.99
WRC1531	6958412	317056	30	-60	270	14	19	5	6.43
					Including	16	18	2	14.27
					Including	16	17	1	22.58
WRC1534	6958379	317048	26	-60	270	14	15	1	0.50
						16	17	1	2.83
WRC1535	6958381	317042	24	-60	270	12	14	2	1.14
WRC1536	6958499	317049	30	-60	270	16	20	4	1.48
WRC1538	6958427	317077	40	-60	270	32	36	4	0.34
WRC1539	6958413	317071	40	-60	270	24	32	8	1.29
WRC1540	6958380	317082	40	-60	270	28	36	8	2.12
WRC1541	6958360	317064	40	-60	270	20	28	8	2.76

YGP - Dragon Prospect

The Dragon prospect is located about 30 km South of Bronzewing and contains the Dragon-Venus open cut mine (M36/107, M36/203). Of interest to Metaliko is the potential for high grade underground ore as indicated by the historic intercepts below:

- gcmDRGC1 13m @ 5.2 g/t from 126m
- gcmDRGC2 14m @ 3.3 g/t from 118m
- gcmDRGC9 10m @ 4.7 g/t from 224m

Two RC drill holes at Dragon targeted the strike continuity and up dip extent of the deep high grade mineralisation beneath the current pit.

REVIEW OF OPERATIONS

YGP - Dragon Prospect continued

One hole DRC1601 returned an encouraging assay from 86m (4m @ 3.25 g/t). Importantly this intercept was down dip of a historic result of just 3m @ 0.20 g/t from 54m which suggests that there can be grade improvement at depth. Further deeper drilling is warranted.

Table 9
Dragon significant RC intercepts (>0.50g/t Au) 2015/2016

Hole ID	North	East	Depth	Dip	Azimuth	From	To	Interval	Au
	(m)	(m)	(m)	(deg.)	(deg.)	(m)	(m)	(m)	(AAR50) g/t
DRC1601	6942520	302968	130	-60	256	86	90	4	3.25
					Including	86	88	2	5.45
					Including	86	87	1	7.42
DRC1602	6942466	302960	120	-60	256	96	116	20	0.69
					Including	106	108	2	1.62
					Including	107	108	1	2.23
						89	100	11	0.52

Kalgoorlie Projects - Anthill Deposit

During the year, Metaliko reviewed the Anthill Deposit located ~54km northwest of Kalgoorlie (Figure 4). Anthill is located in the highly prospective and economically important Zuleika Shear Zone which contains the Kundana gold camp (+4M oz Au), Frogs Leg (+1M oz Au) Mine and Bullant Mines (0.43M oz Au).

The Anthill mineralization occurs within a porphyry unit comprising several quartz stockwork lodes. Some of the gold has been re-mobilised to an overlying near surface laterite and a deeper supergene orebody at the REDOX interface. Further drilling is required at Anthill as the system is considered to be open in most directions and given its location in the Zuleika Shear Zone a larger orebody could be discovered.

The review process also focused on analysing the stated resource (JORC Compliant Mineral Resource Estimate for Ant Hill comprising 5.18 Mt @ 0.96g/t Au for 160,000oz of gold *(see ASX announcement dated 29 April 2011 and Table 10)* and comparing new, interpretations – both cross sectional and flitch. The results were inconclusive.

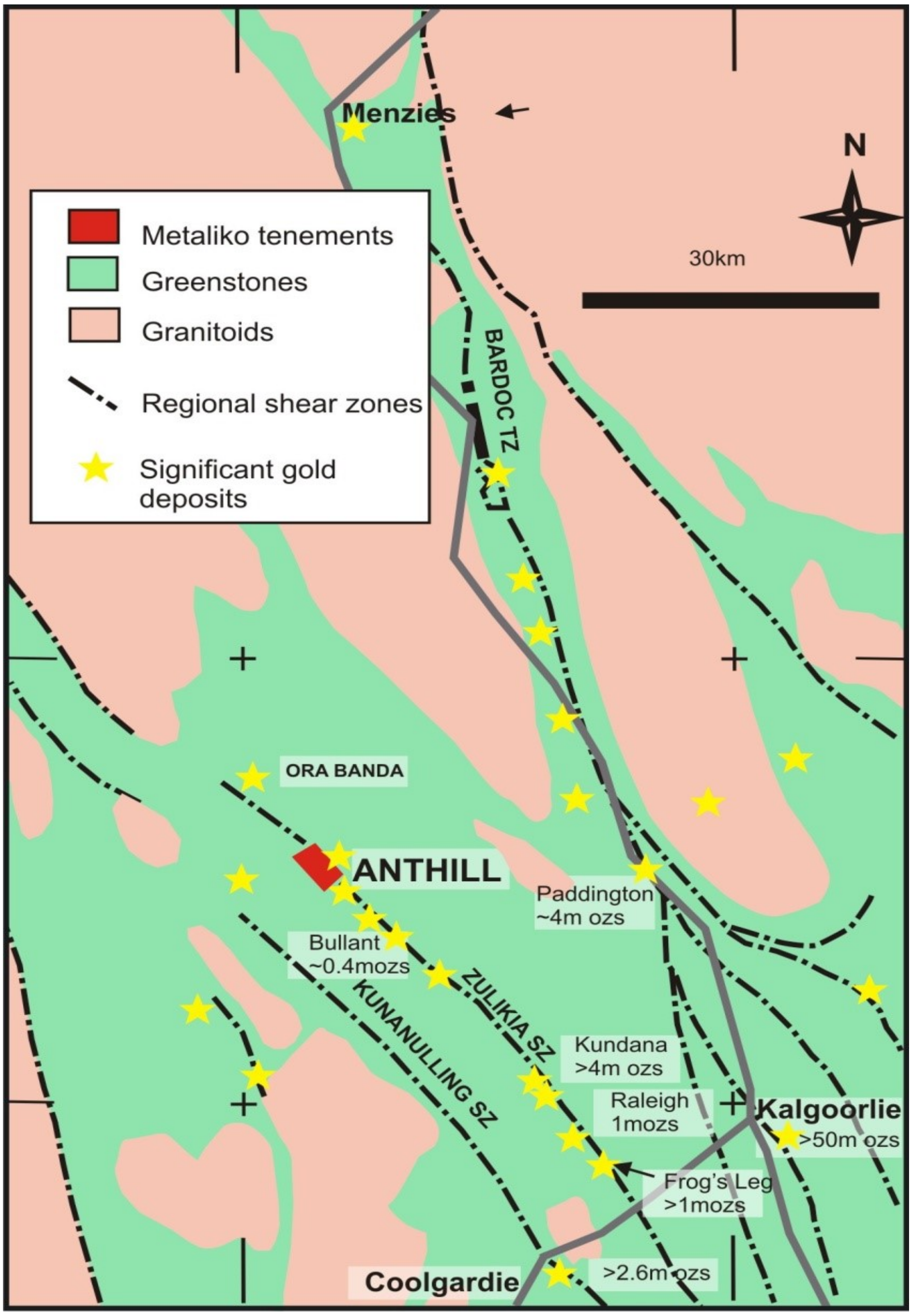
Table 10
Anthill global resource estimate tabulation by grade range, with lower cut-off increments of 0.5 g/t Au

Lower cut-off Grade (Au g/t)	Density	Cumulative Volumes	Cumulative Tonnes	Cumulative Grade (Au g/t)
0.5	2.51	2,057,770	5,186,002	0.96
1.0	2.52	617,260	1,569,964	1.61
1.5	2.56	253,158	651,610	2.18
2.0	2.57	122,558	316,850	2.67
2.5	2.59	59,593	154,741	3.16
3.0	2.60	24,875	64,675	3.66

The information in this report that relates to the Mineral Resource Estimate at the Anthill Project is based on information prepared by Phil Jankowski, who is a Director of Baltica Consulting Pty Ltd and was formerly a full time employee of SRK Consulting at the time he completed the Estimate. Mr Jankowski is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and deposit under consideration to qualify as a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Jankowski has consented to the form and context of the resource statement included here.

REVIEW OF OPERATIONS

Figure 4
Regional Geology – Anthill Project



REVIEW OF OPERATIONS

MINERAL RESOURCES AND ORE RESERVES STATEMENT

Metaliko Resources Limited's JORC Compliant Mineral Resources comprise estimates for the Corboys (Yandal Gold Project) and the Anthill and Goongarrie Lady Deposits (Kalgoorlie Gold Project). Location and tenement details have been included in this report. The only commodity estimated is gold.

The Mineral Resource Estimate for the Corboys Deposit was prepared and first disclosed under the JORC Code 2012. The Mineral Resource Estimate for the Anthill Deposit was prepared and first disclosed under the then current JORC Code 2004.

The Anthill Mineral Resource Estimate has not been updated since to comply with the new JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company will report any future mineral resources and reserve estimates in accordance with the 2012 JORC Code.

CORPORATE GOVERNANCE – RESOURCES AND RESERVE CALCULATIONS

Due to the nature, stage and size of the Company's existing operations, the Company believes there would be no efficiencies gained by establishing a separate mineral resources and reserve committee responsible for reviewing and monitoring the Company's processes for calculating mineral resources and reserves and for ensuring that the appropriate internal controls are applied to such calculations. However, the Company ensures that all Mineral Resource and Reserve Estimate calculations are prepared by a competent, senior geologist and are reviewed and verified independently by a qualified person.

COMPARISON MINERAL RESOURCES AND ORE RESERVES TABLE FOR 2015 AND 2016

Resource/JORC Code	Date	Category	Cumulative Tonnes	Lower Cut g/t	Au g/t	Au oz
Corboys (YGP)[1] 2012	August 2016	Total Indicated	2,989,252	0.5	1.34	128,670
	August 2016	Total Inferred	942,748	0.5	1.31	39,857
	August 2016	**Total – Ind + Inf**	**3,932,2000**	**0.5**	**1.33**	**168,546**
Corboys (YGP)[1] 2012	June 2015	Total Indicated	1,499,463	1.0	1.65	79,660
Anthill (KGP)[2] 2004	June 2016	Indicated	918,000	0.50	0.96	28,300
Anthill (KGP)[2] 2004	June 2016	Inferred	4,268,000	0.50	0.96	131,700
		Total - Ind + Inf.	**5,186,000**	**0.50**	**0.96**	**160,000**
Anthill (KGP)[2] 2004	June 2015	Indicated	918,000	0.50	0.96	28,300
Anthill (KGP)[2] 2004	June 2015	Inferred	4,268,000	0.50	0.96	131,700
		Total - Ind + Inf.	**5,186,000**	**0.50**	**0.96**	**160,000**

1. The 2016 Corboys Gold Deposit Mineral Resource Estimate is the second Corboys resource compiled by the Company since acquisition of the Corboys Project. Detailed notes to the Corboys Resource are presented in the Review of Operations section of this report. No resource statement for the Corboys Deposit was included in the 2014 Annual Report.

2. The 2015 Anthill Gold Deposit Mineral Resource Estimate is unchanged from 2014. Any slight errors are due to rounding. For grade reporting the minimum cutoff grade used was 0.50 g/t Au and a top cut of 20g/t has been applied.

COMPETENT PERSONS STATEMENT

1. Metaliko Resources Limited advises in accordance with Australian Stock Exchange Limited Listing Rules 5(6) that the exploration results contained within this Annual Report are based on information compiled by Mr David O'Farrell who is a member of the Australian Institute of Mining and Metallurgy. Mr O'Farrell is a consultant working for Metaliko Resources Limited and has consented in writing to the inclusion in this Annual Report of matters based on the information so compiled by him in the form and context in which it appears. Mr O'Farrell has sufficient experience relevant to the style of mineralisation and types of deposit under consideration to be qualified as a Competent Person as defined by the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".

2. The information in this report that relates to the 2015 Mineral Resource Estimates at The Corboys Deposit has been compiled by Mr Simon Coxhell. Mr Coxhell, who is a member of the Australian Institute of Mining and Metallurgy, is an independent consultant to Metaliko Resources Limited. Mr Coxhell has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that he is undertaking to qualify as a Competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Coxhell consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

3. The information in this report that relates to the 2016 Corboys, Mineral Resource is based on information compiled by Mr Andrew James Hawker, a Competent Person who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Hawker is the Principal Geologist employed by HGS Australia. Mr Hawker has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hawker consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

4. The information in this report that relates to the Mineral Resource Estimate at the Anthill Project is based on information prepared by Phil Jankowski, who is a Director of Baltica Consulting Pty Ltd and was formerly a full time employee of SRK Consulting when he completed the Estimate. Mr Jankowski is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and deposit under consideration to qualify as a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Jankowski has consented to the form and context of the resource statement included here.

TENEMENT SCHEDULE FOR METALIKO RESOURCES LTD

Prospect	Tenement	Interest
Western Australia		
Anthill	L16/92	100%
	M16/531	100%
Wiluna	ELA53/1847	100%

TENEMENT SCHEDULE FOR MKO MINES PTY LTD

Prospect	Tenement	Interest
Western Australia		
Bronzewing	E36/604	100%
	E36/748	100%
	E36/749	100%
	E36/761	100%
	E36/838	100%
	ELA36/847	-
	E37/1200	100%
	L36/100	100%
	L36/106	100%
	L36/107	100%
	L36/111	100%
	L36/112	100%
	L36/127	100%
	L36/176	100%
	L36/183	100%
	L36/184	100%
	L36/185	100%
	L36/186	100%
	L36/190	100%
	L36/192	100%
	L36/200	100%
	L36/204	100%
	L36/205	100%
	L36/55	100%
	L36/62	100%
	L36/65	100%
	L36/82	100%
	L36/84	100%
	L36/98	100%
	L53/133	100%
	L53/162	100%

TENEMENT SCHEDULE FOR MKO MINES PTY LTD continued

Prospect	Tenement	Interest
	M36/107	100%
	M36/146	100%
	M36/200	100%
	M36/201	100%
	M36/202	100%
	M36/203	100%
	M36/244	100%
	M36/263	100%
	M36/295	100%
	M36/312	100%
	P36/1734	100%
	P36/1735	100%
	P36/1736	100%
	P36/1737	100%
	P36/1738	100%
	P36/1762	100%
	P36/1766	100%
	P36/1767	100%
	P36/1768	100%
Barwidgee	E36/578	100%
	E36/693	100%
	E36/698	100%
	E53/1212	100%
	E53/1373	100%
	ELA53/1744	-
	M53/15	100%
	M53/544	100%
	M53/547	100%
	P36/1713	100%
	P36/1740	100%
	P36/1754	100%
	P36/1755	100%
	P36/1772	100%
	P36/1773	100%
	P36/1774	100%
	P53/1622	100%
	P53/1623	100%

TENEMENT SCHEDULE FOR MKO MINES PTY LTD continued

Prospect	Tenement	Interest
Western Australia		
East Yandal	E36/593	100%
	E36/673	100%
	E36/762	100%
	E37/846	100%
	E37/847	100%
	E37/848	100%
	P37/8061	100%
Mount Joel	M53/294	100%
	M53/295	100%
	M53/296	100%
	M53/297	100%
	M53/393	100%
Yanbo	P37/8514	100%

DIRECTORS' REPORT

The directors of Metaliko Resources Limited ("the Company") submit herewith the annual financial report of the Company and its subsidiary ("the Group") for the financial year ended 30 June 2016. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Directors

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

Peter Hayden Hunt
Dr Michael Ruane
Robin Dean
Geoff Baker
Min Yang
Louis Chien – appointed alternate director 28 January 2016

Information on Directors

Peter Hayden Hunt, Executive Chairman (appointed 28 June 2012)
Mr Hunt is a member of the Institute of Chartered Accountants in Australia and an experienced Company Director.

Directorships held in other listed companies in the past 3 years:
- UXA Resources Limited, Director, Appointed 26 August 2014.
- Intermin Resources Limited, Non-Executive Director, appointed 25 October 1989.

Dr Michael Ruane (PhD MRACI), Managing Director (appointed 28 June 2012)
Dr Ruane holds a PhD in Chemistry and has over 40 years' experience as a Technical Consultant in the chemical and metallurgical fields.

Directorships held in other listed companies in the past 3 years:
- Intermin Resources Limited, Managing Director, Appointed 29 May 1998, Resigned 31 May 2016.
- Reward Minerals Limited, Managing Director, Appointed 2 December 2004.

Robin Dean (BEc), Director (appointed 3 October 2012)
Mr Dean holds a Bachelor of Economics degree from the University of Western Australia and has had over 30 years' experience in banking and project finance including five years as head of Project Finance and Resource Banking at Bankwest. Since 1997, Mr Dean has acted as a financial adviser on IPO's, acquisitions and mergers, and held position of managing director and director of publicly listed companies.

Directorships held in other listed companies in the past 3 years:
- Intermin Resources Limited, Non-Executive Director, Appointed 17 October 2012, Resigned 31 May 2016

Geoff Baker, Director (appointed 25 August 2014)
Mr Baker is an Australian lawyer residing in the UK. He is qualified to practice as a lawyer in Australia & Hong Kong. Over the past 30 years Mr Baker has been active in China conducting a practice assisting companies to do business in the region.

Previously, as a CEO of an Australian Investment Bank, Mr Baker specialised in mergers, acquisitions and fundraising. This activity operated across various industries including specialising in overseas companies, operating in Australia and investment in Asia. In 2002 Mr Baker set up the Beijing office of an international law firm and assisted in the development of the practice in China. Mr Baker's involvement in these wide-ranging fields and major projects has required him to work closely with many international companies.

Directorships held in other listed companies in the past 3 years:
- ASF Group Limited, Director, Appointed 30 November 2006.
- Rey Resources Limited, Director, Appointed 13 September 2012.
- ActivEx Limited, Director, Appointed 15 February 2013.
- Key Petroleum Ltd, Non-Executive Director, Appointed January 2014.

DIRECTORS' REPORT

Information on Directors (continued)

Min Yang, Director (appointed 25 August 2014)
Ms Yang is a resident of Hong Kong with extensive business connections in the Asia Pacific region especially greater China and has over twenty years of hands-on experience dealing with both private and state-run businesses in China.

Over the years, Ms Yang has proven her unique business insight and expertise in the identification, incubation and realization of embryonic opportunities in the resources, commodities trading and residential estate and financial investment sectors.

She is also the chairman of ASF Group and plays a significant role in shaping ASF as a creator and facilitator of two-way cross-border investments and trade transfer.

Directorships held in other listed companies in the past 3 years:
- ASF Group Limited, Director, Appointed 9 September 2005.
- Rey Resources Limited, Director, Appointed 13 September 2012.
- ActivEx Limited, Director, Appointed 10 May 2012.
- Key Petroleum Ltd, Non-Executive Director, Appointed January 2014.

Louis Chien, Alternate Director (appointed 28 January 2016)
Mr Chien was born in Shanghai, China, grew up and was educated in the United States and is now based in Australia.

Mr Chien holds a Master of Business Administration in finance from Kelley School of Business, Indiana University, and two bachelor degrees in Architecture attained in the United States.

He has over 20 years of corporate experience in Australia, United States and Singapore and held various engineering and finance leadership positions within The Procter & Gamble Company (P&G). He has managed organisations across the Americas, Europe and Asia-Pacific, and is currently a director of ASX listed ASF Group Limited and ASF Consortium Pty Ltd.

Directorships held in other listed companies in the past 3 years:
- ASF Group Limited, Director, Appointed 1 May 2015
- Rey Resources Ltd, Alternate Director, Appointed 11 January 2016

Company Secretary
Mrs Bianca Taveira has been providing administration and secretarial services to many listed and unlisted public companies for over 15 years.

Principal Activities

The principal activity of the Group, constituted by Metaliko Resources Limited and the entities it controlled during the year, consisted of exploration for gold.

Operating Results

The net loss after providing for income tax amounted to $3,834,009 (2015: loss of $2,289,909).

Review of the Group Operations

Significant Changes in State of Affairs
Significant changes in the state of affairs of the Group during the financial year were as follows:

- On 28 January 2016, Mr Louis Chien was appointed as Alternate Director to Min Yang.
- During October and November 2015, the Company raised a total of $2.65 million through a 1 for 4 Non-Renounceable Rights Issue by the issue of 88,322,868 ordinary shares at $0.03 each.
- In March 2016, the Company executed a formal Tenement Sale Agreement for the majority of the Kalgoorlie Gold Project tenements with Intermin Resources Limited (ASX: IRC) ("Intermin").

  The total consideration for the sale is 5 million fully paid ordinary shares in Intermin which had a market value of approximately $375,000.

DIRECTORS' REPORT

Review of the Group Operations (continued)

Matters Subsequent to the End of the Financial Year

On 29 September 2016, the Company announced to the Market that it had executed a Bid Implementation Agreement relating to a proposed merger of Echo Resources Ltd (EAR) and the Company via an off-market takeover whereby Metaliko Shareholders would receive one EAR share for 2.5 MKO shares held.

During September 2016, the Company disposed of its holding in Intermin Resources Ltd (IRC) of 5 million fully paid ordinary shares to receive $542,652.

There are no other matters or circumstances that have arisen since 30 June 2016 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

Likely Developments & Expected Results of Operations
Other than the proposed merger stated above further information on likely developments in the operations of the Group has not been included in this report because at this stage the Directors believe it could unreasonably prejudice the Group.

Dividends Paid or Recommended
No dividends were paid during the year and no recommendation is made as to payments of future dividends.

Meetings of Directors
During the year, the number of meetings held and the attendances by each director were as follows:

	Full Meetings Of Directors		Audit Committee	
Directors	**Eligible To Participate**	**Number Attended**	**Eligible To Participate**	**Number Attended**
Peter Hunt	6	6	-	-
Dr Michael Ruane	6	6	-	-
Robin Dean	6	5	-	-
Geoff Baker	6	6	-	-
Min Yang	6	6	-	-
Louis Chien	3	2	-	-

Directors' Share and Option holdings
As at 25 August 2016, the interests of the directors in the shares and options of the Company were:

Director	Ordinary Shares Indirect	Ordinary Shares Direct
Peter Hayden Hunt	5,007,125	-
Dr Michael Ruane	129,357,622	4,399,682
Robin Dean	200,000	-
Geoff Baker*	-	-
Min Yang*	-	-
Louis Chien*	-	-

* Mr Baker, Ms Yang and Mr Chien are non-executive directors of ASF Group Limited (holding company of ASF Resources (WA) Pty Ltd) which beneficially holds 45,000,000 fully paid ordinary shares in the Company.

Share Options
On 6 December 2015 all unlisted options expired. No options were exercised during the year. No new options were issued during the year.

DIRECTORS' REPORT

Audited Remuneration Report

The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

(a) Principles used to determine the nature and amount of remuneration

The remuneration policy of the Group's directors has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The board of the Group believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company.

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

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth. Executives are also entitled to participate in the employee share and option arrangements.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. 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 or Binomial methodologies.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. 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 (currently $300,000). Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in employee option plans.

The objective of the Group's executive reward framework is set to attract and retain the most qualified and experienced directors and senior executives. The board ensures that executive reward satisfies the following criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

DIRECTORS' REPORT

Audited Remuneration Report (continued)

Directors' fees
A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Performance based remuneration
The Group has no performance based remuneration component built into director and executive remuneration packages.

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 is facilitated through the issue of options to Directors and Executives to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

The following table shows the gross revenue and losses and the share price of the Group at the end of the respective financial year:

	2016 $	**2015 $**
Revenue	323,499	293,163
Net loss	(3,834,009)	(2,289,909)
Share price	0.05	0.03

(b) Compensation of Key Management Personnel
The key management personnel of the Group are the Directors. There are no executives, other than Directors, who have the authority and responsibility for planning, directing and controlling the activities of the Group.

Name of Director	
Peter Hayden Hunt	Executive Chairman
Dr Michael Ruane	Director
Robin Dean	Director
Geoff Baker	Director
Min Yang	Director
Louis Chien	Alternate Director

Remuneration Report
The emoluments for each director of the Group are as follows:

Year ended 30 June 2016	**Short-term**			**Share-based payments**	**Termination Payments**	**Total**
	Salary & Fees $	**Consulting $**	**Non Cash D&O $**	**Options $**	**$**	**$**
Directors						
P Hunt	30,000	-	1,463	-	-	31,463
Dr M Ruane	30,000	23,250	1,463	-	-	54,713
R Dean	30,000	-	1,463	-	-	31,463
G Baker	30,000	-	1,463	-	-	31,463
M Yang	30,000	-	1,463	-	-	31,463
L Chien	-	-	-	-	-	-
Total	**150,000**	**23,250**	**7,315**	**-**	**-**	**180,565**

DIRECTORS' REPORT

Audited Remuneration Report (continued)

Year ended 30 June 2015	Short-term			Share-based payments	Termination Payments	Total
	Salary & Fees $	Consulting $	Non Cash D&O $	Options $	$	$
Directors						
P Hunt	30,000	-	1,352	-	-	31,352
Dr M Ruane	30,000	-	1,352	-	-	31,352
R Dean	30,000	-	1,352	-	-	31,352
G Baker	25,625	-	1,352	-	-	26,977
M Yang	25,625	-	1,352	-	-	26,977
Total	**141,250**	**-**	**6,760**	**-**	**-**	**148,010**

(c) Service agreements

The agreements related to remuneration are set out below:

Current Agreements

(i) Pursuant to the minutes of a meeting of Directors held on 5 July 2012, it was resolved that Directors fees be set at $30,000 per annum each, commencing from the date of the appointment of the new directors.

(d) Option Holdings of Key Management Personnel

There are no option holdings of key management personnel during the year and as at reporting date.

(e) Shareholdings of Key Management Personnel

2016	Balance at 01/07/15	Shares Acquired*	Shares Disposed*	Shares Issued	Balance at 30/06/16
	No.	No.	No.	No.	No.
Directors					
P Hunt	3,920,700	1,086,425	-	-	5,007,125
Dr M Ruane	89,903,503	42,932,209	-	-	132,835,712
R Dean	200,000	50,000	-	-	250,000
G Baker	-	-	-	-	-
M Yang	-	-	-	-	-
L Chien	-	-	-	-	-
Company Secretary					
B Taveira	1,000,000	-	-	-	1,000,000
Total	**95,024,203**	**44,068,634**			**139,092,837**

DIRECTORS' REPORT

Audited Remuneration Report (continued)

(e) Shareholdings of Key Management Personnel (continued)

2015	Balance at 01/07/14	Shares Acquired*	Shares Disposed*	Shares Issued	Balance at 30/06/15
	No.	No.	No.	No.	No.
Directors					
P Hunt	3,920,700	-	-	-	3,920,700
Dr M Ruane	21,841,672	7,810,681	(1,060,000)	61,311,150	89,903,503
R Dean	-	200,000	-	-	200,000
G Baker	-	-	-	-	-
M Yang	-	-	-	-	-
Company Secretary					
B Taveira	-	1,000,000	-	-	1,000,000
Total	**25,762,372**	**9,010,681**	**(1,060,000)**	**61,311,150**	**95,024,203**

* Shares acquired and disposed during the year were as a result of on and off-market purchases.

(f) Directors Loans
As at 30 June 2016, no loan existed (2015: $393,662) between the Group, Dr Michael Ruane and Tyson Resources Pty Ltd, a company controlled by Dr Ruane. The loan funds represented monies borrowed by the Group to acquire its interest in the Bronzewing Gold Project and the balance owing as at 30 June 2015 was fully repaid with interest during the year ended 30 June 2016.

(g) Share-based compensation
No shares have been issued to Directors as a result of the exercise of any options in the current financial year.

No remuneration options have been issued during the year.

(h) Use of remuneration consultants
The Group did not employ the services of remuneration consultants during the financial year.

(i) Voting and comments made at the Company's 2015 Annual General Meeting
The approval of the remuneration report was passed as indicated in the results of annual general meeting dated 25 November 2015. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

The Group received more than 95% of "yes" votes on its resolution to re-elect Mr Robin Dean as a Director of the Company.

This is the end of the Audited Remuneration Report.

DIRECTORS' REPORT

Indemnification of Officers and Auditors
During the financial year, the Group paid a premium in respect of a contract of insurance insuring the Directors and officers of the Group against certain liabilities specified in the contract. The contract prohibits disclosure of the nature of the liabilities insured and the amount of the premium.

Non-Audit Services
The Directors are satisfied that the provision of non-audit services, during the year, by the auditor or a related practice of the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

No non-audit services have been provided by the Group's auditors in year ended 30 June 2016. Remuneration paid to the Group's auditors is detailed in Note 15 of this report.

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in this Financial Report on page 46.

Details of amounts paid or payable to the auditor, Rothsay Chartered Accountants, for audit and non-audit services provided during the year are set out in Note 15 to the financial statements.

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.

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

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

Signed in accordance with a resolution of the Board of Directors:

DR MICHAEL RUANE
DIRECTOR

Dated at Perth: 30 September 2016

CORPORATE GOVERNANCE STATEMENT

Corporate governance is a matter of high importance to the Group and is undertaken with due regard to all of the Group's stakeholders and its role in the community. A description of the Group's corporate governance practices is set out below. Unless otherwise stated, all these practices were in place for the entire year.

	Comply Y/N
Principle 1 Lay Solid Foundations for Management and Oversight	
Recommendation 1.1 A listed entity should disclose: **(a) the respective roles and responsibilities of its board and management; and** **(b) those matters expressly reserved to the board and those delegated to management.** The Group is directly managed by the Board, through the Executive Director, contractors are used to perform functions as required. Directors of the Group are required to act honestly, transparently, diligently, independently, and in the best interests of all shareholders with the objective of increasing shareholder value. The Group operates in a framework to: • Enable the Board to provide strategic guidance for the Group and effective oversight of contractors; • Clarify the respective roles and responsibilities of Board members in order to facilitate Board accountability to the Group and shareholders; • Ensure a balance of authority so that no single individual has unfettered powers.	Y
Recommendation 1.2 A listed entity should: **(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and** **(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.** The performance of non-executive directors is reviewed by the Chairman on an ongoing basis. Any Director whose performance is considered unsatisfactory is asked to resign.	Y
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. All Directors do not have written agreements with the Company. Peter Hunt, Robin Dean, Geoff Baker, Min Yang and Michael Ruane have all been appointed pursuant to letters of engagement setting out the terms of their appointment. Under the Group's Board Policy, when the Board considers the appointment of any new Director, the terms of appointment of a director must be recorded in a letter of appointment which takes into consideration the ASX Recommendations. This will form the basis of the written agreement entered into between the Group and a director.	Y
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. The Board Policy states that the Company Secretary will be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	Y

CORPORATE GOVERNANCE STATEMENT

	Comply Y/N
Recommendation 1.5 A listed entity should: **(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;** **(b) disclose that policy or a summary of it; and** **© disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:** **(a) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or** **(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.** The Group values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Diversity is not limited to gender, age, ethnicity and/or cultural backgrounds. As at September 2016, the proportion of women employed in the Group was: • All employees – 10% • In management positions – 0% • In senior executive positions – 10% • Board – 10% **Explanation for Departure** The Board considers that the Group is not currently of a size, or its affairs of such complexity, that the formation of a diversity policy is justified at this time.	N
Recommendation 1.6 A listed entity should: **(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and** **(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.** **Explanation for Departure** Given the Group's size and nature there is no formal process for evaluating the performance of the board, its committees and individual directors. Should the size of the Group change, the Board will consider establishing a formal process. The Board Policy sets out how the company addresses succession issues.	N

CORPORATE GOVERNANCE STATEMENT

	Comply Y/N
Recommendation 1.7 A listed entity should: **(a) have and disclose a process for periodically evaluating the performance of its senior executives; and** **(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process** **Explanation for Departure** Given the Group's size and nature there is no formal process for evaluating the performance of its senior executives. Should the size of the Group change, the Board will consider establishing a formal process. The Board Policy sets out how the company addresses succession issues.	N
Principle 2 Structure the Board to Add Value	
Recommendation 2.1 The board of a listed entity should **(a) have a nomination committee which:** **(i) has at least three members, a majority of whom are independent directors; and** **(ii) is chaired by an independent director, and disclose:** **(b) the charter of the committee;** **(iv) the members of the committee; and** **(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or** **(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.** There is no nomination sub-committee. **Explanation for Departure** The full Board considers those matters that would usually be the responsibility of a nomination committee. The composition of the Board does not make the establishment of a separate nomination committee practicable. The Board has adopted a nomination committee charter, which it applies when convening as the nomination committee.	N

CORPORATE GOVERNANCE STATEMENT

	Comply Y/N
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. The Board regularly evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Group and value for the Company's shareholders. The mix of skills comprised in the current Board, and that the Board would look to maintain, and to build on, includes: • mining industry expertise; • metallurgy and metals marketing expertise; • experience in dealing with joint ventures and high levels of government and regulators; • high level of business acumen; • technical expertise (including finance); • ability to think strategically; • governance experience and expertise. The Board aspires to have a Board comprised of individuals' diverse experience and expertise and will be mindful of this when making appointments which will also be based on merit. A profile of each director containing their skills, experience and expertise is set out in the Directors' Report.	Y
Recommendation 2.3 A listed entity should disclose: **(a) the names of the directors considered by the Board to be independent directors;** **(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the Corporate Governance Principles and Recommendations but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and** **© the length of service of each director.** The Board considers that the current composition of the Board is adequate for the Group's current size and operations and includes an appropriate mix of skills and expertise relevant to the Group's business. The current Board structure presently consists of two independent non-executive directors being Mr Peter Hunt (Chairman) and Mr Robin Dean. Three of the Directors, Dr Michael Ruane, Mr Geoff Baker and Ms Min Yang are considered not to be independent due to the substantial holdings that companies associated with them have in the Group. This is not a disadvantage to the Group. The Group's wellbeing is of primary interest to the Directors and their skills and experience are necessary to the Group. A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.	Y

CORPORATE GOVERNANCE STATEMENT

	Comply Y/N
Recommendation 2.4 A majority of the board of a listed entity should be independent directors. The majority of the board are not independent directors. **Explanation for Departure** Given the size and scope of the Group's operations and given it is at exploration stage, the Board considers that it is appropriately structured to discharge its duties in a manner that is in the best interests of the Company and its shareholders from both a long-term strategic and day-to-day operations perspective. The Board will continue to monitor its composition and make appropriate changes to its composition as and when the Board deems fit.	N
Recommendation 2.5 The Chair of the Board of a listed entity should be an independent Director, and in particular, should not be the same person as the CEO of the entity. The Chairman of the Board, Mr Peter Hunt, is an independent, non-executive Director.	Y
Recommendation 2.6 A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. All new directors are provided with an induction including comprehensive meetings with the Chief Executive Officer, senior executives and management, and provision of information on the Group including Company and Board policies and other material documents. All directors are expected to maintain the skills required to effectively discharge their obligations to the Group. Directors are encouraged to undertake continuing professional education and, if this involves industry seminars and approved education courses, where appropriate, this is paid for by the Group. The Company Secretary under the guidance of the full Board oversees the induction program for new directors.	Y
Principle 3 Act Ethically and Responsibly	
Recommendation 3.1 A listed entity should: **(a) have a code of conduct for its directors, senior executives and employees; and** **(b) disclose that code or a summary of it.** The Group is committed to maintaining appropriate standards of ethical behaviour required of Group Directors and key executives (that is, officers and employees who have the opportunity to materially influence the integrity, strategy and operation of the business and its financial performance) and encourage the observance of those standards. The Board supports the following Code of Conduct issued by the Australian Institute of Company Directors: • A Director must act honestly, in good faith and in the best interests of the Group as a whole; • A Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office; • A Director must use the powers of office for a proper purpose, in the best interests of the Group as a whole;	Y

CORPORATE GOVERNANCE STATEMENT

	Comply Y/N
Recommendation 3.1 (cont) • A Director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Group; • A Director must not make improper use of information acquired as a Director; • A Director must not take improper advantage of the position of Director; • A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Group; • A Director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors; • Confidential information received by a Director in the course of the exercise of directorial duties remains the property of the Group from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that Group, or the person from whom the information is provided, or is required by law; • A Director should not engage in conduct likely to bring discredit upon the Group; • A Director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.	
Principle 4 Safeguard Integrity in Corporate Reporting	
Recommendation 4.1 The board of a listed entity should: **(a) have an audit committee which:** **(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and** **(2) is chaired by an independent director, who is not the chair of the board, and disclose:** **(3) the charter of the committee;** **(4) the relevant qualifications and experience of the members of the committee; and** **(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings** **(c) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.** To assist it in fulfilling its responsibilities the Board has established an audit committee. The audit committee consists of two non-executive Directors being: • P Hunt (Chairman); and • R Dean The skills, experience and expertise relevant to each member of the audit committee is included in the Directors Report. Details of the number of meetings of the committee held during the year and the attendees at those meetings are available in the Directors Report.	Y

CORPORATE GOVERNANCE STATEMENT

	Comply Y/N
Recommendation 4.1 (cont) The main responsibilities of the audit committee are to: • review and report to the Board on the annual report and financial statements; • provide assurance to the Board that it is receiving adequate, up to date and reliable information; • assist the Board in reviewing the effectiveness of the organisation's internal control environment covering; - effectiveness and efficiency of operations; - reliability of financial reporting; - compliance with applicable laws and regulations; and - coordination with the external auditors; The committee is also charged with the responsibilities of recommending to the Board the appointment, removal and remuneration of the external auditors, reviewing the terms of their engagement and the scope and quality of the audit. In fulfilling its responsibilities the committee receives regular reports from external auditors. The external auditors have a clear line of direct communication at any time to the Chairman of the audit committee. The committee has authority, within the scope of its responsibilities, to: • seek any information it requires from any employee or external party, and • obtain external legal or other independent professional advice. The committee reports to the full Board after each committee meeting and relevant papers are provided to all Directors.	
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. Due to the size of the Group, the Managing Director is responsible to provide a declaration to the Board in accordance with section 295A of the Corporations Act as the Group does not have a Chief Executive Officer (or equivalent) or Chief Financial Officer (or equivalent). Accordingly, the Board will seek to procure that the Managing Director puts in place sound systems of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.	Y
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. The Group's external auditor attends each AGM of the Company and is always available to answer questions from security holders relevant to the audit.	Y

CORPORATE GOVERNANCE STATEMENT

	Comply Y/N
Principle 5 Make Timely and Balanced Disclosure	
Recommendation 5.1 A listed entity should: **(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and** **(b) disclose that policy or a summary of it.** The Company has not established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for compliance. **Explanation for Departure** The Directors have a long history of involvement with public listed companies and are familiar with the disclosure requirements of the ASX listing rules. The Company has in place informal procedures that it believes are sufficient for ensuring compliance with ASX Listing Rule disclosure requirements and accountability for compliance. The Board has nominated the Managing Director and the Company Secretary as being responsible for all matters relating to disclosure.	N
Principle 6 Respect the Rights of Security Holders	
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website. Information about the Group, its operations and governance are located at: **www.metaliko.com.au**	Y
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. The Company has not established a formal Shareholder communication strategy. **Explanation for Departure** While the Company has not established a formal Shareholder communication strategy, it actively communicates with its Shareholders in order to identify their expectations and actively promotes shareholder involvement in the Group via announcements lodged with the ASX. Shareholders with internet access are encouraged to provide their email addresses in order to receive electronic copies of information distributed by the Group. Alternatively, hard copies of information distributed by the Group are available on request.	N

CORPORATE GOVERNANCE STATEMENT

	Comply Y/N
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. While the Company has not established a formal Shareholder communication strategy, the Group communicates with shareholders in an open and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Group. Shareholders are encouraged to submit questions at general meetings and also to participate in discussions with the Board at the meetings.	Y
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. Shareholders are able to make contact with and receive communications from both the Share Registry and the Company electronically.	Y
Principle 7 Recognise and Manage Risk	
Recommendation 7.1 The Board of a listed entity should: **(a) have a committee or committee to oversee risk, each of which:** **(1) has at least three members, a majority of whom are independent directors; and** **(2) is chaired by an independent Director, and disclose:** **(3) the charter of the committee;** **(4) the members of the committee; and** **(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or** **(d) if it does not have a risk committee or committees that satisfy (a) above, disclose the fact and the processes it employs for overseeing the entity's risk management framework.** The Group has not established a risk committee. **Explanation for Departure** Due to the size of the Group, it does not have a published risk management policy. A Board member is responsible for the day to day management of the Group and communicates directly with the other Board members, this ensures that any potential risk to the Group is dealt with immediately. Should the size of the Group change, the Board will consider establishing a separate risk committee.	N
Recommendation 7.2 The Board or a committee of the Board should: (a) **review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and** (b) **disclose, in relation to each reporting period, whether such a review has taken place.** The Board will review the entity's risk management framework at least annually to satisfy itself that it continues to be sound. The entity will disclose whether the review has taken place in each annual report.	Y

CORPORATE GOVERNANCE STATEMENT

	Comply Y/N
Recommendation 7.3 A listed entity should disclose: **(e) if it has an internal audit function, how the function is structured and what role it performs; or** **(f) if it does not have an internal audit function, disclose that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.** The Group does not have an internal audit function. **Explanation for Departure** A Board member is responsible for the day to day management of the Group and communicates directly with the other Board members, this ensures that any potential risk to the group is dealt with immediately.	N
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and , if it does, how it manages or intends to manage those risks. The Group undertakes minerals exploration and, as such, faces risks inherent to its business, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. One of the Group's core values is safety; it prioritises safety and health to people, the environment and community. The Group views sustainable and responsible business practices as an important long term driver of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive interaction with the community. **Access to Independent Professional Advice** The Group has a policy that each Director may seek independent legal and other professional advice at the Group's expense concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors. The prior approval of the Chairman is required, which must not be unreasonably withheld, before incurring the expense.	Y
Principle 8 Remunerate Fairly and Responsibly	
Recommendation 8 .1 The Board of a listed entity should: **(a) have a Remuneration Committee which:** **(1) has at least three members, a majority of whom are independent Directors; and** **(2) is chaired by an independent Director, and disclose:** **(3) the charter of the committee;** **(4) the members of the committee; and** **(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members; or** **(b) if it does not have a Remuneration Committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.**	N

CORPORATE GOVERNANCE STATEMENT

	Comply Y/N
Recommendation 8 .1 (cont) The Group has not established a remuneration committee. **Explanation for Departure** The whole Board carries out the duties which would otherwise be undertaken by the remuneration committee. The need for a remuneration committee will be reviewed annually. The current remuneration of the Directors is disclosed in the Directors' Report. Non-executive Directors receive fixed Director's fees and may also receive options or shares. The issue of options or shares to non-executive Directors may be an appropriate method of providing sufficient incentive and reward while maintaining cash reserves. Due to the Group's early stage of development and small size, it does not consider that a separate remuneration committee would add any efficiency to the process of determining the levels of remuneration for the Directors and key executives. The Board believes it is more appropriate to set aside time at specified Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. In addition, all matters of remuneration will continue to be in accordance with regulatory requirements, especially in respect of related party transactions; that is, none of the Directors will participate in any deliberations regarding their own remuneration or related issues.	
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive directors and other senior executives. The information provided in the Remuneration Report is audited as required by section 308(3C) of the Corporations Act 2001. The Directors' salaries are set out in the Directors' Report and published annually. The Group's administrative activities are carried out by contractors under instruction from the Board. Commercial rates are paid. Work performed by Director controlled entities is at commercial rates and disclosed annually. The Group's executives are paid a salary commensurate with their experience and market conditions. The Board consists of only five members, performance evaluation by a remuneration committee is thus inappropriate. The Board evaluates its own performance on the success of the Group on a yearly basis. The Chairman evaluates the performance of the other Board members annually to assess their suitability and also to ensure that additional Directors are not required. The shareholders also have the right and are given the opportunity to question the Board members formally at meetings or informally by direct contact.	Y
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: **(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and** **(b) disclose that policy or a summary of it.** The Group does not have an equity–based remuneration scheme. **Explanation for Departure** Should this change, the Board will adopt a new policy. The Board does not place any restrictions on the Directors or staff in trading in the Company's shares other than that no trading is to take place unless all information which is price sensitive is first released to the market. It is the Board's policy to keep the market informed at all times. All Directors, Staff and Contractors are required to acknowledge receipt of a copy of the Company's Securities Trading Policy which sets out guidelines for securities trading by all personnel.	N

AUDITORS INDEPENDENCE DECLARATION

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone 9486 7094 www.rothsayresources.com.au

The Directors
Metaliko Resources Ltd
PO Box 1104
Nedlands WA 6909

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2016 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

GRSwan

Graham R Swan (Lead auditor)

Rothsay Auditing

Dated 30 September 2016

Chartered Accountants

INDEPENDENT AUDIT REPORT

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone 9486 7094 www.rothsayresources.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF METALIKO RESOURCES LTD

Report on the financial report

We have audited the accompanying financial report of Metaliko Resources Ltd ("the Company") which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes 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 year.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

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 standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

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

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.

Chartered Accountants

INDEPENDENT AUDIT REPORT

Audit opinion

In our opinion the financial report of Metaliko Resources Ltd is in accordance with the *Corporations Act 2001*, including:

a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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.

Audit opinion

In our opinion the remuneration report of Metaliko Resources Ltd for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Rothsay Auditing

Graham R Swan FCA
Partner

Dated 30 September 2016

Chartered Accountants

Liability Limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

DIRECTORS' DECLARATION

The directors of the Company declare that:

a) the financial statements and notes, as set out on pages 50 to 76 comply with Accounting Standards and the Corporations Act 2001 and other mandatory professional reporting requirements;

b) gives a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year ended to 30 June 2016; and

c) in the Directors' opinion, the financial statements and notes are prepared in accordance with International Financial Reporting Standards and Interpretations as adopted by the International Accounting Standards Board.

In the Directors' opinion:

(i) at the date of the declaration there are reasonable grounds to believe that the Group will be able to pay its debts and when they become due and payable; and

(ii) the Directors have been given the declaration by the Chief Executive Officer and Chief Financial Controller required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

DR MICHAEL RUANE
DIRECTOR

Dated at Perth: 30 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 $	2015 $
Revenue from continuing operations			
Revenue from ordinary activities	**2(a)**	25,338	36,518
Net increase in fair value on financial assets at fair value through profit or loss	**7(b)**	125,000	-
Other income	**2(b)**	173,161	256,645
Total Revenue		**323,499**	**293,163**
Expenses			
Depreciation	**2(c)**	(481,445)	(603,737)
Capitalised exploration & evaluation expenditure written off	**9**	(2,121,344)	(1,492,455)
Administration expenses		(113,365)	(123,101)
Consultant expenses and professional costs		(119,088)	(99,484)
Employee and contractors expenses		(265,561)	(214,410)
Occupancy expenses		(44,383)	(43,244)
Travel expenses		(331)	(2,443)
Interest expense		(36,906)	-
Investor relations and marketing expenses		(4,738)	(4,198)
Loss on disposal of mining tenements		(970,347)	-
Total expenses		**(4,157,508)**	**(2,583,072)**
Loss before income tax		**(3,834,009)**	**(2,289,909)**
Income tax benefit	**3**	-	-
Loss for the year		**(3,834,009)**	**(2,289,909)**
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss) for the year		**-**	**-**
Total comprehensive loss for the year net of tax		**(3,834,009)**	**(2,289,909)**
Loss per share for loss from continuing operations attributable to equity holders of Metaliko Resources Limited:			
Basic loss per share (cents)	**4**	(0.9)	(0.8)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	NOTE	2016 $	2015 $
CURRENT ASSETS			
Cash and cash equivalents	**5**	838,508	1,161,396
Receivables	**6**	99,191	230,162
Other assets	**7(a)**	252,327	277,735
TOTAL CURRENT ASSETS		**1,190,026**	**1,669,293**
NON CURRENT ASSETS			
Property, plant & equipment	**8**	1,895,328	2,368,457
Capitalised exploration and evaluation expenditure costs	**9**	6,404,850	7,543,735
Other assets	**7(b)**	500,000	-
TOTAL NON CURRENT ASSETS		**8,800,178**	**9,912,192**
TOTAL ASSETS		**9,990,204**	**11,581,485**
CURRENT LIABILITIES			
Trade and other payables	**10**	334,900	692,073
Borrowings	**11**	-	393,662
TOTAL CURRENT LIABILITIES		**334,900**	**1,085,735**
TOTAL LIABILITIES		**334,900**	**1,085,735**
NET ASSETS		**9,655,304**	**10,495,750**
EQUITY			
Issued capital	**12(a)**	19,431,590	16,438,027
Reserves	**14**	1,477,861	1,477,861
Accumulated losses	**13**	(11,254,147)	(7,420,138)
TOTAL EQUITY		**9,655,304**	**10,495,750**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Ordinary Shares $	Option Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2015	**16,438,027**	**1,477,861**	**(7,420,138)**	**10,495,750**
Other comprehensive income				
Loss for the year	-	-	(3,834,009)	(3,834,009)
Total comprehensive income / (loss) for the year	**-**	**-**	**(3,834,009)**	**(3,834,009)**
Transactions with owners in their capacity as owners				
Shares issued during the year	3,032,130	-	-	3,032,130
Share issue costs	(38,567)	-	-	(38,567)
Total contributions by owners	**2,993,563**	**-**	**-**	**2,993,563**
Balance at 30 June 2016	**19,431,590**	**1,477,861**	**(11,254,147)**	**9,655,304**
Balance at 1 July 2014	**10,360,943**	**1,477,861**	**(5,130,229)**	**6,708,575**
Other comprehensive income				
Loss for the year	-	-	(2,289,909)	(2,289,909)
Total comprehensive income / (loss) for the year	**-**	**-**	**(2,289,909)**	**(2,289,909)**
Transactions with owners in their capacity as owners				
Shares issued during the year	6,440,867	-	-	6,440,867
Share issue costs	(363,783)	-	-	(363,783)
Total contributions by owners	**6,077,084**	**-**	**-**	**6,077,084**
Balance at 30 June 2015	**16,438,027**	**1,477,861**	**(7,420,138)**	**10,495,750**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016	2015
		$	**$**
Cash flows from operating activities			
Payments to suppliers and employees		(497,923)	(524,451)
Receipts from customers		106,651	44,547
Interest received		25,310	36,321
Net cash used in operating activities	**20(b)**	(365,962)	(443,583)
Cash flows from investing activities			
Capitalised exploration and evaluation expenditure		(2,220,161)	(1,873,667)
Proceeds from disposal of available-for-sale financial assets		-	40,000
Payments for property, plant and equipment	**8**	(8,316)	-
Net cash used in investing activities		(2,228,477)	(1,833,667)
Cash flows from financing activities			
Proceeds from issues of ordinary shares		2,730,686	6,742,311
Share issue costs		(38,567)	(363,783)
Repayment of borrowings	**17(a)**	(430,568)	(3,000,000)
Release of security deposits		10,000	-
Net cash provided by financing activities		2,271,551	3,378,528
Net increase/(decrease) in cash and cash equivalents		(322,888)	1,101,278
Cash and cash equivalents at the beginning of the financial year		1,161,396	60,118
Cash and cash equivalents at the end of the financial year	**20(a)**	**838,508**	**1,161,396**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies

The financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Australian Accounting Interpretations.

The financial statements were authorised for issue by the Directors on 30 September 2016.

Basis of preparation
The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

Compliance with IFRSs
The financial statements of Intermin Resources Ltd also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

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

The Group has incurred a net loss after tax for the year ended 30 June 2016 of $3,834,009 (2015: $2,289,909) and experienced net cash outflows from operating activities of $365,962 (2015: $443,583). At 30 June 2016, the Group had current assets of $1,190,026 (2015: current assets of $1,669,293).

The Directors believe, having regard to the subsequent events as detailed in Note 19 to the financial statements, there are sufficient funds to meet the Group's working capital requirements and as at the date of this report the Group believes it can meet all liabilities as and when they fall due. However the Directors recognise that additional funding either through the issue of further shares, convertible notes or a combination of both will be required for the Group to continue to actively explore its mineral properties.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises.

Should the Directors not achieve the matters set out above, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business.

The financial report does not include any adjustments that may be necessary if the Group is unable to continue as a going concern.

Critical Accounting Judgments & Estimates
In the application of IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies (cont)

(a) Principles of consolidation

Subsidiaries
The consolidated financial statements comprise the financial statements of Metaliko Resources Limited and its controlled entity, MKO Mines Pty Ltd. As at 30 June 2016, Metaliko Resources Limited and its subsidiary together are referred to in this financial report as the Consolidated Entity or the Group.

Control exists where the Company has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with the Company to achieve the objectives of the Company. All inter-company balances and transactions between entities in the Group, including any unrealised profits and losses have been eliminated on consolidation. Non-controlling interests in the results and equity of the consolidated entities are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of comprehensive income from the date on which control commences. They are de-consolidated from the date that control ceases.

(b) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

(c) Trade and other receivables
Trade receivables, which generally have 30-60 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 Group will not be able to collect the debts. Bad debts are written off when identified.

(d) Employee benefits
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies (cont)

(e) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

(f) Financial instruments issued by the Group

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies (cont)

(h) Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group satisfies all attached conditions.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the Consolidated Statement of Profit or Loss and other Comprehensive Income over the expected useful life of the relevant asset by equal annual instalments.

Where a grant is received in relation to the tax benefit of research and development costs, the grant shall be credited to income tax expense in the Consolidated Statement of Profit or Loss and other Comprehensive Income in the year of receipt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies (cont)

(j) Income Tax

Current Tax
Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax
Deferred tax is accounted for using the comprehensive statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies (cont)

(k) Exploration and Evaluation Expenditure

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition.

Subsequent exploration and evaluation costs related to an area of interest are written off as incurred except they may be carried forward as an item in the statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered through use or sale.

(l) Operating cycle

The operating cycle of the entity coincides with the annual reporting cycle.

(m) Payables

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(n) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. 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.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Property, plant and equipment	10% to 66.67%

(o) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs. The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies (cont)

(p) Presentation currency

The entity operates entirely within Australia and the presentation currency is Australian dollars.

(q) Share-based payments

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

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

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

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

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

(r) Revenue recognition

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(s) Issued Capital

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies (cont)

(t) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that it transferred to the Group, are classified as finance leases.

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

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(u) Earnings per share

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

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Critical accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS required the use of certain critical estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements 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 a Black-Scholes option pricing model.

Exploration and evaluation assets

Acquisition, 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 reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable areas, and active and significant operations in or relating to, the area of interest are continuing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies (cont)

(w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(x) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2016. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the group. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies (cont)

(x) New Accounting Standards and Interpretations not yet mandatory or early adopted (cont)

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 2: Loss from Continuing Operations

Loss from continuing operations before income tax includes the following items of revenue and expenses.

		2016 $	2015 $
(a)	**Interest revenue**	25,338	36,518
(b)	**Other income**		
	Loan written off (Refer Note 17(a)(iv))	-	165,198
	Net gain on sale of financial assets	-	15,000
	Other - fuel tax credits	70,284	31,080
	Other - reimbursements	102,877	45,367
		173,161	**256,645**
(c)	**Operating Expenses**		
	Depreciation of plant and equipment	481,445	603,737

Note 3: Income Tax

(a) The prima facie income tax expense on pre-tax accounting loss reconciles to the income tax expense in the financial statements as follows:

	2016	2015
Loss from Operations	(3,834,009)	(2,289,909)
Income tax benefit calculated at 28.50% (2015: 30%)	(1,092,693)	(686,973)
Capital raising cost allowable	(39,736)	(41,827)
Legal fees	-	-
	(1,132,429)	(728,800)
Movements in unrecognised timing differences	(18,266)	(234,050)
Unused tax losses not recognised as a deferred tax asset	1,150,695	962,850
Income tax benefit reported in the Consolidated Statement of Profit or Loss and other Comprehensive Income	**-**	**-**

(b) Unrecognised deferred tax balances:
The following deferred tax assets 28.50% (2015: 30%) have not been brought to Account:

	2016	2015
Unrecognised deferred tax asset – tax losses	5,128,994	4,244,230
Unrecognised deferred tax liability – capitalised exploration expenses	(1,920,165)	(1,959,288)
Unrecognised deferred tax asset – other temporary differences	24,672	33,209
Net deferred tax assets not brought to account	**3,233,501**	**2,318,151**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 3: Income Tax (continued)

The taxation benefits of tax losses and timing not brought to account will only be obtained if:

(a) assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
(b) conditions for deductibility imposed by the law are complied with; and
(c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

	2016 Cents Per Share	2015 Cents Per Share
Note 4: Loss per share		
(a) Basic loss per share:	(0.9)	(0.8)

The loss for the year and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2016 $	2015 $
Loss for the year after income tax	(3,834,009)	(2,289,909)

	2016 No.	2015 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	414,755,725	304,317,744

(b) Diluted loss per share

The Group's potential ordinary shares, being its options and performance rights granted are not considered dilutive as the conversion of these options and performance rights would result in a decrease in the net loss per share.

Note 5: Cash and cash equivalents

	2016 $	2015 $
Cash at bank	838,348	1,161,236
Cash on hand	160	160
	838,508	1,161,396

(a) Risk exposure

The Group's exposure to interest rate risk is discussed in Note 21. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	2016 $	2015 $
Note 6: Receivables		
Current		
Accrued interest	28	197
Other receivables – GST refundable	44,638	90,947
Prepaid insurance	17,188	52,048
Other debtor – prepayments	961	954
Other debtor	26,376	66,016
Security bonds	10,000	20,000
	99,191	**230,162**

None of the above receivables are past due or impaired. Refer to Note 21 for the Group's financial risk management and policies.

Note 7: Other Assets

	2016 $	2015 $
(a) Current		
Spare parts and consumables	250,000	275,000
Unexpired borrowing & interest costs	2,327	2,735
	252,327	**277,735**
(b) Non-Current		
Available-for-sale financial assets	**500,000**	**-**

Available-for-sale financial assets represented the fair value of shares in a listed company as at 30 June 2016. The net increase in fair value on financial assets through profit or loss for the year was $125,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 8: Property, Plant & Equipment

	Office Equipment $	Kalgoorlie Office $	Field Equipment $	Motor Vehicles $	Bronzewing Plant & Equipment $	Total $
Year ended 30 June 2016						
Opening net book value	9,636	2,782	12,849	7,306	2,335,884	2,368,457
Additions	1,089	-	7,227	-	-	8,316
Depreciation charge for the year	(1,827)	(623)	(3,509)	(1,822)	(473,664)	(481,445)
Closing net book value	8,898	2,159	16,567	5,484	1,862,220	1,895,328
At 30 June 2016						
Cost or fair value	57,686	10,729	26,207	28,364	2,930,668	3,053,654
Accumulated depreciation	(48,788)	(8,570)	(9,640)	(22,880)	(1,068,448)	(1,158,326)
Net book value	8,898	2,159	16,567	5,484	1,862,220	1,895,328

	Office Equipment $	Kalgoorlie Office $	Field Equipment $	Motor Vehicles $	Bronzewing Plant & Equipment $	Total $
Year ended 30 June 2015						
Opening net book value	12,034	3,632	16,118	9,742	2,930,668	2,972,194
Depreciation charge for the year	(2,398)	(850)	(3,269)	(2,436)	(594,784)	(603,737)
Closing net book value	9,636	2,782	12,849	7,306	2,335,884	2,368,457
At 30 June 2015						
Cost or fair value	56,597	10,729	18,980	28,364	2,930,668	3,045,338
Accumulated depreciation	(46,961)	(7,947)	(6,131)	(21,058)	(594,784)	(676,881)
Net book value	9,636	2,782	12,849	7,306	2,335,884	2,368,457

Note 9: Capitalised Exploration & Evaluation Expenditure Assets

	2016 $	2015 $
Opening balance	7,543,735	6,741,936
Proceeds from disposal of tenements	(375,000)	-
Loss from disposal of tenements	(970,347)	-
Current year expenditure	2,327,806	2,294,254
Expenditure written off	(2,121,344)	(1,492,455)
Closing balance	**6,404,850**	**7,543,735**

(a) The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

(b) During the year the Kalgoorlie tenements held by the Group were disposed of, resulting in a loss of $970,347.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 10: Trade and other payables

	2016 $	2015 $
Accrued expenses	61,580	86,600
Trade creditors	239,789	267,466
Other payables	8,544	12,466
Deposits – share subscription*	-	301,444
Employee entitlements	24,987	24,097
	334,900	692,073

* In June 2015, the Group received a total of $301,444 part payments for subscription of shares issued on 10 July 2015.

Note 11: Borrowings

	2016 $	2015 $
Loan – Related Party (Refer Note 17(a)(iv))	-	393,662
	-	393,662

Refer to Note 21 for the Group's financial risk management and policies.

Note 12: Issued Capital

	2016 $	2015 $
(a) Issued Capital	**19,431,590**	**16,438,027**

Movements in share capital were as follows:

		Issue Price	Fully Paid Ordinary Shares	$
Year ended 30 June 2016				
1 July 2015	Opening Balance		340,543,327	16,438,027
10 July 2015	Issue of shares – private placement	$0.03	12,748,133	382,444
October to November 2015	Issue of shares – rights issue	$0.03	88,322,868	2,649,686
	Share issue costs		-	(38,567)
30 June 2016	**Closing Balance**		**441,614,328**	**19,431,590**
Year ended 30 June 2015				
1 July 2014	Opening Balance		125,847,775	10,360,943
July – August 2014	Issue of shares – rights issue	$0.03	181,362,219	5,440,867
19 March 2015	Issue of shares – private placement	$0.03	33,333,333	1,000,000
	Share issue costs		-	(363,783)
30 June 2015	**Closing Balance**		**340,543,327**	**16,438,027**

Ordinary shares participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held.

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Refer to Note 21(b) for the Group's capital risk policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 12: Issued Capital (continued)

(b) Options

	Employee Options
Exercise price	$0.30
Expiry date	06/12/2015
Opening balance	450,000
Issued during the year	-
Expired during the year	(450,000)
Exercised during the year	-
Closing balance	**-**

Note 13: Accumulated Losses

	2016 $	2015 $
Balance at beginning of financial year	(7,420,138)	(5,130,229)
Net Loss	(3,834,009)	(2,289,909)
Balance at end of financial year	**(11,254,147)**	**(7,420,138)**

Note 14: Reserves

(a) Option Reserve	**1,477,861**	**1,477,861**

The option issue reserve is used to recognise both the fair value and issue price of options issued.

Note 15: Remuneration of Auditors

Rothsay Chartered Accountants – auditing and reviewing the financial report	25,500	25,500
	25,500	**25,500**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 16: Segment Information

The Group currently does not have production and is only involved in exploration. As a consequence, activities in the operating segments are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of service line manager and country of expenditure. Discrete financial information about each of these areas is reported to the executive management team on a quarterly basis.

Based on this criteria, management has determined that the Group has one operating segment being mineral exploration in Western Australia. As the Group is focused on mineral exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. These areas of interest meet aggregating criteria and are aggregated into one reporting sector. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

	2016 $	2015 $
Revenue from external sources	-	-
Reportable segment loss	(3,568,864)	(2,090,508)
Reportable segment assets	9,033,637	10,167,469
Reportable segment liabilities	-	-
Reconciliation of reportable segment loss		
Reportable segment loss	(3,568,864)	(2,090,508)
Other revenue	323,499	293,163
Unallocated expenses	(588,644)	(492,564)
Loss before tax	**(3,834,009)**	**(2,289,909)**
Reconciliation of reportable segment assets		
Reportable segment assets	8,533,637	10,167,469
Unallocated:		
- Cash	838,508	1,161,396
- Receivables	99,191	230,162
- Other	2,327	2,735
- Available-for-sale financial assets	500,000	-
- Property, plant and equipment	16,541	19,723
Total assets	**9,990,204**	**11,581,485**
Reconciliation of reportable segment liabilities		
Reportable segment liabilities	-	-
Unallocated:		
- Trade and other payables	(334,900)	(692,073)
- Borrowings	-	(393,662)
Total liabilities	**(334,900)**	**(1,085,735)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 17: Related Party Disclosures

(a) Other transactions with Director related entities

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Disclosures relating to Key Management Personnel are set out in Note 18 and the Remuneration Report.

		2016 $	2015 $
(i)	Labour hire and consultancy services charged to Intermin Resources Limited, a company in which Peter Hunt, Dr Michael Ruane and Robin Dean are Directors.	61,478	151,801
(ii)	Payments made to Intermin Resources Limited, a company in which Peter Hunt, Dr Michael Ruane and Robin Dean are Directors, for the provision of office facilities and administration support.	135,469	173,960
(iii)	In March 2016, the Group sold the majority of the Kalgoorlie Gold Project tenements to Intermin Resources Limited, a company in which Peter Hunt, Dr Michael Ruane and Robin Dean are Directors. The Group received 5,000,000 ordinary shares in Intermin Resources Ltd (valued at $0.075 each) as consideration for the sale.	375,000	-
(iv)	Loans payable to Director Related Entity: Dr Michael Ruane and his related company, Tyson Resources Pty Ltd, lent an amount of $3,558,860 to the Group to assist with the acquisition of the Bronzewing Gold Project in June 2014. The loan was fully repaid during the year ended 30 June 2016, including interest of $36,906.		
	Opening balance	393,662	3,558,860
	Amounts borrowed – cash	-	-
	Interest charged	36,906	-
	Amounts repaid	(430,568)	(3,000,000)
	Amounts written off*	-	(165,198)
	Closing Balance	**-**	**393,662**

* During the year ended 30 June 2015, Dr Michael Ruane forgave an amount of $165,198 owing to him by the Group.

		2016 $	2015 $
(b)	Aggregate amount payable to Directors and their Director related entities at reporting date:		
	(i) Trade payables	46,034	86,162
	(ii) Borrowings	-	393,662
(c)	Aggregate amount receivable from Directors and their Director related entities at reporting date:		
	(i) Receivables	8,950	50,578

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	2016 $	2015 $
Note 18: Key Management Personnel Disclosures		
(a) Compensation of Key Management Personnel		
Short term employee benefits	180,565	148,010
	180,565	**148,010**

Refer to the remuneration report for additional information.

Note 19: Events Occurring After the Reporting Period

There are no matters or circumstances that have arisen since 30 June 2016 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

Note 20: Notes to the Statement of Cash flows

(a) Reconciliation of Cash

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position, as follows:

	2016	2015
Cash at bank and on hand	**838,508**	**1,161,396**

(b) Reconciliation of Operating Loss After Income Tax to Net Cash Flow From Operations

	2016	2015
Loss for the year	(3,834,009)	(2,289,909)
Depreciation	481,445	603,737
Capitalised exploration and evaluation expenditure written off	2,121,344	1,492,455
Interest expense	36,906	-
Loss on sale of tenements	970,347	-
Fair value gains on financial assets at fair value through profit or loss	(125,000)	-
Gain on share disposal	-	(15,000)
Loan forgiven	-	(165,198)
Changes in assets and liabilities:		
Trade and other payables	(139,264)	(69,785)
Receivables	86,526	(91,499)
Provisions	890	15,439
Prepayments and other	34,853	76,177
Net cash (used in) operating activities	**(365,962)**	**(443,583)**

(c) Non Cash Financing and Investing Activities

	2016	2015
Consideration on sale of mining tenements satisfied by receipt of shares in listed company	375,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 21: Financial Instruments

Financial risk management and policies

Metaliko Resources Limited's exploration activities are being funded by equity and are not exposed to significant financial risks. There are no speculative or financial derivative instruments. Funds are invested for various short term periods to match forecast cash flow requirements.

The Group holds the following financial instruments:

	2016 $	2015 $
Financial assets		
Cash and cash equivalents	838,508	1,161,396
Trade and other receivables	99,191	230,162
Available-for-sale financial assets	500,000	-
	1,437,699	1,391,558
Financial liabilities		
Trade and other payables	334,900	692,073
Borrowings	-	393,662
	334,900	1,085,735

The Group's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to fund the Group's operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group are capital risk, credit risk, liquidity risk, and interest rate risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised below.

(a) Credit risk

Management does not actively manage credit risk.

The Group has no significant exposure to credit risk from external parties at year end. The maximum exposure to credit risk at the reporting date is equal to the carrying value of financial assets at 30 June 2016.

Cash at bank is held with internationally regulated banks. As at 30 June 2016, all cash and cash equivalents were held with A-1+ rated banks.

Other receivables are of a low value and all amounts are current. There are no trade receivables.

(b) Capital risk

The Group's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 21: Financial Instruments (continued)

During the year ended 30 June 2016, the Group's strategy was to keep borrowings to a minimum. The Group's equity management is determined by funds required to undertake exploration activities and meet its corporate and other costs.

(c) Liquidity risk

Maturity profile of financial instruments
Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Group's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates.

The directors monitor the cash-burn rate of the Group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

The following table sets out the carrying amount, by maturity, of the financial instruments including exposure to interest rate risk:

As at 30 June 2016	**<1 year**	**1 – 5 years**	**Over 5 years**	**Total**	**Weighted average effective interest rate**
Financial Assets:					
Cash	838,508	-	-	838,508	2.53%
Receivables & other	99,191	-	-	99,191	
Available-for-sale financial assets	-	500,000	-	500,000	
	937,699	**500,000**	**-**	**1,437,699**	
Financial Liabilities:					
Trade payables and advance deposits	334,900	-	-	334,900	
Loan	-	-	-	-	
	334,900	**-**	**-**	**334,900**	

As at 30 June 2015	**<1 year**	**1 – 5 years**	**Over 5 years**	**Total**	**Weighted average effective interest rate**
Financial Assets:					
Cash	1,161,396	-	-	1,161,396	5.98%
Receivables & other	230,162	-	-	230,162	
	1,391,558	**-**	**-**	**1,391,558**	
Financial Liabilities:					
Trade payables and advance deposits	692,073	-	-	692,073	
Loan	-	393,662	-	393,662	
	692,073	**393,662**	**-**	**1,085,735**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 21: Financial Instruments (continued)

Interest Rate Risk
The sensitivity analysis has not been determined for the exposure to interest rate risk, because Directors of Metaliko consider it to be immaterial.

(d) Fair value estimation
The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

The Group's principal financial instruments consist of cash and deposits with banks, accounts receivable and trade payables. The main purpose of these non-derivative financial instruments is to finance the entity's operations.

Note 22: Commitments for expenditure	**2016 $**	**2015 $**
(a) Operating lease commitments		
The Group leases shared office premises under an operating lease of three years. Minimum commitments under the lease are as follows:		
Not later than 1 year	32,976	35,973
Later than 1 year and not later than 2 years	-	32,976
Later than 2 years and not later than 5 years	-	-
	32,976	**68,949**
(b) Exploration commitments		
The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:		
Not later than 1 year	1,906,720	2,558,620
Later than 1 year and not later than 2 years	2,500,000	2,500,000
Later than 2 years and not later than 5 years	2,500,000	3,000,000
	6,906,720	**8,058,620**

Note 23: Contingent Liabilities

The Group is aware that in the event that the Bronzewing tenements are abandoned, an obligation to rehabilitate the site by the then registered holder will exist. As at the date of this report, the potential liability for rectification remains unquantifiable.

Note 24: Dividends

No dividends were paid or declared during the year ended 30 June 2016 (2015: Nil).

Note 25: Investment in Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in Note 1(a):

			Equity Holding	
Name of Entity	**Country of Incorporation**	**Class of Shares**	**2016**	**2015**
MKO Mines Pty Ltd (Formerly Navigator (Bronzewing) Pty Ltd)	Australia	Ordinary	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note 26: Parent Entity Financial Information

	2016 $	2015 $
Current assets	940,026	1,394,293
Non-current assets	10,418,626	11,056,976
Total assets	**11,358,652**	**12,451,269**
Current liabilities	334,900	1,085,735
Total liabilities	**334,900**	**1,085,735**
Net assets	**11,023,752**	**11,365,534**
Equity		
Contributed equity	19,431,590	16,438,027
Reserves	1,477,861	1,477,861
Accumulated losses	(9,885,699)	(6,550,354)
Total equity	**11,023,752**	**11,365,534**
Profit/ (Loss) for the year	**(3,335,345)**	**(1,420,125)**

SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in the report is set out below. The information is at 14 September 2016.

Shareholdings as at 14 September 2016

Substantial Shareholders

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

Shareholder Name	Number of Shares	Percentage
Kesli Chemicals Pty Ltd <Ruane S/F A/C>	66,288,529	15.01%
Tyson Resources Pty Ltd	63,069,093	14.28%
ASF Resources (WA) Pty Ltd	45,000,000	10.19%
Brispot Nominees Pty Ltd	33,015,298	7.48%
HSBC Custody Nominees	22,949,000	5.20%

Unmarketable Parcels
The number of shareholders holding less than a marketable parcel is 36.
There is only one class of share and all ordinary shareholders have equal voting rights.

Voting Rights
All ordinary shares carry one vote per share without restriction.

On-Market Buyback
There is no current on-market buyback.

Stock Exchange Listing
Quotation has been granted for the Group's Ordinary Shares.

Distribution of Holders	
1 - 1,000	15
1,001 - 5,000	16
5,001 - 10,000	106
10,001 - 100,000	327
100,001 and above	159
Total	**623**

SHAREHOLDER INFORMATION

	Holder Name	Number Held	Percentage
1	Kesli Chemicals Pty Limited <Ruane S/F A/C>	66,288,529	15.01%
2	Tyson Resources Pty Ltd	63,069,093	14.28%
3	ASF Resources (WA) Pty Ltd	45,000,000	10.19%
4	Brispot Nominees Pty Ltd <House Head Nominee No 1 A/C>	33,015,298	7.48%
5	HSBC Custody Nominees (Australia) Limited-GSCO ECA	22,949,000	5.20%
6	Citicorp Nominees Pty Ltd	20,872,893	4.73%
7	Jade Silver Investments	19,770,834	4.48%
8	Jia Song Global Ltd	18,000,000	4.08%
9	Bill Brooks Pty Limited <Bill Brooks Superfund A/C>	9,586,330	2.17%
10	Gasmere Pty Ltd	7,123,501	1.61%
11	Sisu International Pty Ltd	6,686,672	1.51%
12	Ms Lin Xiaojing	6,282,136	1.42%
13	CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	5,762,000	1.30%
14	HSBC Custody Nominees(Australia) Limited - A/C 3	4,788,000	1.08%
15	Natjo Nominees Pty Ltd	4,657,125	1.05%
16	Mr Michael Ruane	4,399,682	1%
17	Ningaloo Enterprises Pty Ltd	4,100,000	0.93%
18	Bill Brooks Pty Ltd(Bill Brooks Family A/C)	3,229,779	0.73%
19	Mr Carlo Chiodo	3,100,000	0.70%
20	Hawthorne Grove Investments Pty Ltd	3,000,000	0.68%
	TOTAL	**351,680,872**	**79.63%**

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