AIC RESOURCES LIMITED

ABN 71 619 035 737

FINANCIAL REPORT
FOR THE PERIOD COMMENCING 11 MAY 2017
AND ENDED 30 JUNE 2017

AIC RESOURCES LIMITED

FINANCIAL REPORT AS AT 30 JUNE 2017

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DIRECTORS' REPORT

The Directors present their report of AIC Resources Limited ("the Company") for the financial period ended 30 June 2017. In order to comply with the provisions of the Corporations Act 2001, the Directors' report follows:

DIRECTORS

The Directors of the Company during and since the end of the financial period are:

Josef El-Raghy (B.Comm)
Non-Executive Chairman, age 46
Appointed 11 May 2017

Josef holds a Bachelor of Commerce Degree from the University of Western Australia and had a ten year career in stock broking. Josef is currently Chairman of Centamin plc, where he has been responsible for overseeing the transition from small explorer, through construction and into production. He was formerly a Director of both CIBC Wood Gundy and Paterson Ord Minnett.

Brett Montgomery
Managing Director, age 62
Appointed 11 May 2017

Brett Montgomery has extensive experience in public company management, leadership, corporate governance and risk management in both executive and non-executive roles. Brett is currently Non-Executive Director of Tanami Gold NL and Bard1 Life Sciences Limited. He was previously Managing Director of Kalimantan Gold NL, and Director of Grants Patch Mining Ltd, EZA Corporation Ltd and Magnum Gas and Power Ltd.

Heidi Brown (FCIS, FGIA, GAICD, SA Fin)
Non-Executive Director and Company Secretary, age 37
Appointed 11 May 2017

Heidi is a Fellow Chartered Secretary and a Graduate of the AICD Company Directors Course. Heidi holds a Graduate Certificate of Applied Finance and Investment and a Diploma of Financial Advising from FINSIA. Heidi was the company secretary of Centamin plc from July 2004 until December 2012, during which time, she contributed to the company's growth from a small exploration company to a multi-billion dollar company.

DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial period are:

Director	No. of meetings held	No. of meetings attended
Mr J El-Raghy	3	2
Mr B Montgomery	3	3
Mrs H Brown	3	3

The number of meetings held reflects the number of meetings held during the time the Director held office during the period. In addition, one Shareholder Resolution was passed during the financial period.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the exploration for precious and base metals.

OPERATING RESULT

The Company was incorporated on 11 May 2017 and accordingly only current period figures covering the period from incorporation to 30 June 2017 are shown. The loss for the period after income tax attributable to the members of AIC Resources Limited is $289,194.

REVIEW OF OPERATIONS

The Company is exploring for gold and base metals at the Marymia Project in the mid-west of Western Australia. The 21 tenements (one of which is still under application) were purchased from Cosmopolitan Minerals Limited by way of a Sale Agreement dated 7 June 2017.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report.

LIKELY DEVELOPMENTS

The Company is actively continuing its search for suitable mining ventures.

EVENTS SUBSEQUENT TO THE BALANCE DATE

There has not risen in the interval between the end of the financial period and the date of this report any other item, transaction or event of a material and unusual nature likely in the opinion of the Directors of the Company to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

DIVIDENDS

No dividends have been declared or paid since the end of the previous financial period and no dividend is recommended for the current period.

SHARES

The Company was incorporated on 11 May 2017 and one (1) share was issued to Heidi Brown in trust for Cosmopolitan Minerals Limited (which was transferred to Cosmopolitan Minerals Limited on 19 May 2017). A further 12,000,000 shares were issued on 9 June 2017 to Cosmopolitan Minerals Limited as consideration for the purchase of the 21 tenements.

On 19 June 2017, the Company closed a capital raising resulting in a further 11,000,000 shares being allotted to 19 shareholders at $0.10 per share.

OPTIONS

There are no options over unissued shares as at the date of this report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into deeds of access and indemnity with the officers of the Company, indemnifying them against liability incurred, including costs and expenses in successfully defending legal proceedings. The indemnity applies to a liability for costs and expenses incurred by the director or officer acting in their capacity as a director or officer.

Except in the case of a liability for legal costs and expenses, it does not extend to a liability that is:

(a) Owed to the Company or a related body corporate of the Company;
(b) For a pecuniary penalty order under section 1317G or a compensation order under section 1317H or section 1317HA of the *Corporations Act 2001*; or
(c) Owed to someone other than the Company or a related body corporate of the Company where the liability did not arise out of conduct in good faith.

Similarly, the indemnity does not extend to liability for legal costs and expenses:

(d) In defending proceedings in which the officer is found to have a liability described in paragraph (a), (b) or (c);
(e) In proceedings successfully brought by the Australian Securities and Investments Commission or a liquidator; or
(f) In connection with proceedings for relief under the *Corporations Act 2001* in which the court denies the relief.

During or since the financial period end, the Company has paid premiums in respect of a contract insuring all the Directors and Officers. The terms of the contract prohibit the disclosure of the details of the insurance contract and premiums paid.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

INDEMNIFICATION OF AUDITORS

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's activities are subject to Australian legislation relating to the protection of the environment. The Company is subject to significant environmental legal regulations in respect of its exploration and evaluation activities. There have been no known breaches of these regulations or principles.

DIRECTORS' INTERESTS AND BENEFITS

The relevant interest of each Director in the share capital of the Company shown in the Register of Directors' Shareholdings as at the date of this report is as follows:

	Ordinary Shares		Share Options	
	Direct	**Indirect**	**Direct**	**Indirect**
J El-Raghy	-	*14,000,001	-	-
B Montgomery	1,500,000	250,000	-	-
H Brown	1,000,000	*12,000,001	-	-

* Note that J El-Raghy and H Brown are both shareholders of Cosmopolitan Minerals Limited who own 12,000,001 shares in AIC Resources Limited at the date of this report.

Since the end of the financial period, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the accounts) because of a contract made by the Company or a related body corporate with a Director or with a firm of which a Director is a member, or with an entity in which the Directors have a substantial interest, other than as set out in Note 12 of the financial statements.

AUDITOR'S DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of this report.

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

Heidi Brown
Director

Perth, 4 August 2017

Ernst & Young
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Auditor's Independence Declaration to the Directors of AIC Resources Limited

As lead auditor for the audit of AIC Resources Limited for the financial period ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Ernst & Young

Ernst & Young

Teale

Philip Teale
Partner
4 August 2017

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Independent Auditor's Report to the Members of AIC Resources Limited

Opinion

We have audited the financial report of AIC Resources Limited (the Company), which comprises the Statement of Financial Position as at 30 June 2017, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the period ended on that date; and

b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 3 (h) in the financial report which describes the principal conditions that raise doubt about the Company's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information is the Directors' Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

► Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

► Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

► Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

► Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Teale

Philip Teale
Partner
Perth
4 August 2017

DIRECTORS' DECLARATION

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

1. In the opinion of the Directors:

   a. the financial statements and notes of AIC Resources Limited for the financial period ended 30 June 2017 are in accordance with the Corporations Act 2001, including:

      i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the period ended on that date; and

      ii. complying with the Australian Accounting Standards Reduced Disclosure Requirements and the Corporations Regulations 2001;

   b. subject to the matters discussed in Note 3(h), there were reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors

Heidi Brown
Director

Perth, 4 August 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial period ended 30 June 2017

	Notes	For the financial period ended 30 June 2017 $
Expenses	5	(289,194)
Finance costs		-
Loss for the period		(289,194)
Income tax expense		-
Total comprehensive loss for the period		(289,194)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Notes	30 June 2017 $
CURRENT ASSETS		
Cash and cash equivalents	9	711,957
Receivables	17	136,515
TOTAL CURRENT ASSETS		848,472
NON-CURRENT ASSETS		
Property, plant and equipment	15	5,233
Capitalised exploration and evaluation expenditure	14	1,200,000
TOTAL NON-CURRENT ASSETS		1,205,233
TOTAL ASSETS		2,053,705
CURRENT LIABILITIES		
Trade and other payables	6	42,899
TOTAL CURRENT LIABILITIES		42,899
TOTAL LIABILITIES		42,899
NET ASSETS		2,010,806
EQUITY		
Issued capital	7	2,300,000
Accumulated losses	8	(289,194)
TOTAL EQUITY		2,010,806

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial period ended 30 June 2017

	Notes	Issued capital $	Accumulated losses $	Total $
Opening Balance		-	-	-
Issue of shares	7	2,300,000	-	2,300,000
Loss attributable to equity shareholders	8	-	(289,194)	(289,194)
Balance at 30 June 2017		2,300,000	(289,194)	2,010,806

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

for the financial period ended 30 June 2017

	Notes	For the financial period ended 30 June 2017 $
OPERATING ACTIVITIES		
Cash payments in the course of operations	9	(382,810)
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(382,810)
INVESTING ACTIVITIES		
Payments for property, plant and equipment	15	(5,233)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(5,233)
FINANCING ACTIVITIES		
Proceeds from issue of capital	7	1,100,000
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,100,000
NET INCREASE IN CASH HELD		
Cash at the beginning of the financial period		-
CASH AT THE END OF THE FINANCIAL PERIOD	9	711,957

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Registered Office and Principal Place of Business A8, 431-435 Roberts Road
Subiaco WA 6008

The financial report AIC Resources Limited (the "Company") for 30 June 2017 was authorised for issue in accordance with a resolution of Directors on 4 August 2017. The Company is a for-profit unlisted, public company limited by shares incorporated in Australia.

The Company was incorporated on 11 May 2017 and accordingly only current period figures covering the period from incorporation are shown. The principal activity of the Company is the exploration for precious and base metals.

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. None of the changes are expected to materially impact the Company.

Standards and Interpretations in issue not yet adopted and new pronouncements issued

Reference	Title	Application date of standard*	Application date for Company*
AASB 9	Financial Instruments	1 January 2018	1 July 2018
AASB 15	Revenue from Contracts with Customers, and relevant amending standards	1 January 2018	1 July 2018
AASB 16	Leases	1 January 2019	1 July 2019
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	1 January 2016	1 July 2016
AASB 1057	Application of Australian Accounting Standards	1 January 2016	1 July 2016
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	1 January 2016	1 July 2016
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	1 July 2016
AASB 2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	1 July 2017
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	1 July 2017
AASB 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018	1 July 2018
AASB 2017-2	Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle	1 January 2017	1 July 2017

The impact of the above new and revised standards and new pronouncements issued is yet to be determined.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) and other authoritative pronouncements of the Australian Accounting Standards Board.

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

The financial report is presented in Australian dollars.

Summary of significant accounting policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies detailed below have been consistently applied throughout the period presented, unless otherwise stated.

a) PLANT AND EQUIPMENT

Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight line basis over the expected useful lives of the assets, as follows:

Plant and equipment:	4 to 10 years
Computer equipment:	2 years

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss and Other Comprehensive Income when the asset is derecognised.

The residual values, useful lives and methods of plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

b) CASH AND CASH EQUIVALENTS

Cash comprises cash at banks and on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

c) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

Loans and receivables

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

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 17.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Receivables Note 17

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

Financial assets carried at amortised cost

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

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

i) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

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

Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. For more information, refer to Note 6.

Derecognition

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

ii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

d) FOREIGN CURRENCY

The financial statements of the Company are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the financial statements, the results and financial position of the entity are expressed in Australian dollars, which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

e) IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Company 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, or when annual impairment testing for an asset is required, 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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. Each cash generating unit is determined on an area of interest basis.

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.

f) TAXES

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and/or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and/or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Goods and services tax (GST)

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the Statement of Cash Flows on a gross basis and 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 part of operating cash flows.

g) EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

h) 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 Company has incurred a net loss of $289,194 during the period ended 30 June 2017, and experienced net cash outflows from operating activities of $382,810. At the end of the reporting year, the Directors recognise the need to raise additional funds via equity raising to fund future planned exploration activities.

The Directors have reviewed the Company's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the entity will be successful in securing additional funds through equity issues.

Should the Company not achieve the matters set out above, there is significant uncertainty whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the ordinary course of business and the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Company not be able to continue as a going concern.

i) COMPARATIVE FIGURES

This is the first period of operation of the Company and therefore there are no comparative figures disclosed.

j) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES & ASSUMPTIONS

The application of accounting policies requires the use of judgements, 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 other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Impairment of capitalised exploration and evaluation expenditure
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation through sale.

5. EXPENSES

Loss for the period is attributable to:

	For the financial period ended 30 June 2017 $
Loss for the period	289,194
Loss for the period has been arrived at after the following charges:	
Airborne Geophysics	208,028
Tenement costs (assays, rents, native title)	42,068
Computer software	1,088
Audit / legal fees	13,479
Bank charges	31
Contract Personnel/Consultants	24,500
	289,194

6. TRADE AND OTHER PAYABLES

	As at 30 June 2017 $
CURRENT	
Trade and other payables	38,899
Accruals	4,000
	42,899

7. ISSUED CAPITAL

ISSUED AND PAID UP CAPITAL	As at 30 June 2017 $
23,000,001 fully paid ordinary shares	2,300,000

Ordinary shares have no par value. Ordinary shares participate in dividends and proceeds on winding up of the Company 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.

Movement in fully paid ordinary shares on issue are:

	Note	Number
Ordinary shares on issue at the beginning of the financial period	7.1	1
Issue of 12,000,000 shares to acquire the tenements	7.2	12,000,000
Issue of 11,000,000 shares via private share placement	7.3	11,000,001
Ordinary shares on issue at the end of the financial period		23,000,001

Movement in fully paid ordinary shares on issue are:

	Notes	$
Ordinary shares on issue at the beginning of the financial period	7.1	-
Issue of 12,000,000 shares to acquire the tenements	7.2	1,200,000
Issue of 11,000,000 shares via private share placement	7.3	1,100,000
Ordinary shares on issue at the end of the financial period		2,300,000

7.1 The issue of 1 share on incorporation of the Company on 11 May 2017.

7.2 The issue of 12,000,000 shares to Cosmopolitan Minerals Ltd at $0.10 per share for acquisition of the tenements. This amount of $1,200,000 was considered to be the fair value of the tenements acquired on the basis that this is what Cosmopolitan Minerals Ltd had spent on the tenements to the date of acquisition by the Company. The Company believes that looking at historical expenditure is a reasonable method to fair value exploration tenements.

7.3 The issue of 11,000,000 shares at $0.10 per share via private share placement.

8. ACCUMULATED LOSSES

	$
Accumulated losses at the beginning of the financial period	-
Loss attributable to equity shareholders for the financial period	289,194
Accumulated losses at the end of the financial period	289,194

9. CASH AND CASH EQUIVALENTS

	As at 30 June 2017 $
Cash and cash equivalents	711,957

Reconciliation of loss for the period to net cash flows from operating activities -

Total comprehensive loss for the financial period	289,194
Movements in working capital:	
Increase in receivables	136,515
Increase in payables	(42,899)
NET CASH USED IN OPERATING ACTIVITIES	382,810

10. COMMITMENTS & CONTINGENCIES

On 19 May 2017, the Company signed a contract with GPX Surveys Pty Ltd to provide a magnetic and radiometric airborne geophysical survey. The agreement was for $520,070 (plus GST). As at 30 June 2017, the Company had already paid 40% or $208,028 (plus GST). The next payment (50% of the contract value or $260,035 + GST) is due upon completion of flying and the final payment (10% of the contract value or $52,007) is due on the delivery of final products to the Company's satisfaction.

The Company has certain obligations with respect to tenements and minimum expenditure requirements as follows:

	As at 30 June 2017 $
Within 1 year	1,059,000
After 1 year but not more than 5 years	2,608,000
Total	3,667,000

There are no other known commitments or contingencies as at 30 June 2017.

11. REMUNERATION OF AUDITORS

	For the financial period ended 30 June 2017 **$**
Amounts received or due and receivable by the auditors for -	
Audit services	4,000
	4,000

12. RELATED PARTY TRANSACTIONS

The following Directors held office during and since the end of the period:

J El-Raghy
B Montgomery
H Brown

At 30 June 2017, the Directors held direct and indirect interests in 16,750,001 shares in the Company.

Amounts paid to Directors in the ordinary course of business was $nil.

As mentioned in the Directors' Report, the Company acquired 21 tenements from Cosmopolitan Minerals Limited by way of a Sale Agreement dated 7 June 2017. Josef El-Raghy and Heidi Brown are both shareholders of Cosmopolitan Minerals Limited. The tenements were purchased for a fair value of $1,200,000 (12,000,000 shares @ $0.10 per share), determined to be equal to the amount spent on the tenements by Cosmopolitan Minerals Limited to the date of transfer.

The Company intends to sublease office space from Montana Realty Pty Ltd, a company of which Josef El-Raghy is a director and shareholder, and Heidi Brown is an alternate director. No formal agreement is in place at the date of this report, and no invoices have been received to date, however, it is anticipated that the rent payable to 30 June 2017 will be approximately $4,800.

The Company intends to or has entered into the following agreements with the Directors effective 1 July 2017:-

- Brett Montgomery – Executive Service Agreement - $144,000 + superannuation per annum
- Josef El-Raghy – Letter of Appointment – Director fee of $60,000 + superannuation (if applicable) per annum
- Heidi Brown – Letter of Appointment – Director fee of $40,000 + superannuation per annum, and a Consultancy Agreement - $80,000 per annum for Company Secretarial Services

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the financial period, and there were no material contracts involving Directors' interests at period end.

13. SUBSEQUENT EVENTS

There has not been any other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years that has not been reflected in the financial statements.

14. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	As at 30 June 2017 $
Acquisition of tenements	1,200,000

The ultimate recoupment of acquisition costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation.

The tenements acquired have not yet completed transfer from Cosmopolitan Minerals Limited but the transfer documents are in the process of being registered with the WA Department of Mines and Petroleum. The Company is not aware of any reasons why these transfers will not be approved.

15. PLANT AND EQUIPMENT

Period ended 30 June 2017	Office Equipment $	Plant and Equipment $	Computer Equipment $	Total $
Opening carrying value	-	-	-	-
Additions	-	-	5,233	5,233
Depreciation charge for the period*	-	-	-	-
Closing net carrying value	**-**	**-**	**5,233**	**5,233**

* Note that there is no depreciation recorded during the period as, at 30 June 2017, the server was not available for use. That is, it was not in the location and condition necessary for it to be capable of operating in the manner intended by management.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to finance the Company's operations. The Company also has other financial instruments such as receivables and trade and other payables which arise directly from its operations. The main risks that require consideration from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

The Company is not exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes to market interest rates, on the basis that the bank account in which the cash is held is not interest-bearing.

(b) Liquidity risk

The Company manages liquidity risk by maintain sufficient cash reserves and marketable securities required to meet the current exploration and administration commitments, through the continuing monitoring of actual cash flows.

(c) Credit risk

Credit risk arises in the event that a counterparty will not meet its obligations under a financial instrument leading to financial losses. The Company is exposed to credit risk from its operating activities and financing activities, including deposits with banks. The credit risk control procedures adopted by the Company is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

The maximum exposure to credit risk on financial assets of the Company which have been recognised on the statement of financial position is generally limited to the carrying amount.

17. RECEIVABLES

	As at 30 June 2017
	$
GST receivable	136,515

The carrying amount of this receivable represents fair value and is not considered to be impaired.