

## **Metalicity Limited**

For the year ended 30 June 2019

## Corporate Directory

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### Directors

Mathew Longworth – Non-executive Chairman  
Jason Livingstone – Managing Director  
Justin Barton – Finance Director  
Andrew Daley – Non-executive Director

### Company Secretary

Neil Hackett

### Auditors

Stantons International  
Level 2  
1 Walker Avenue  
WEST PERTH WA 6005

### Solicitors

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Bankers

ANZ  
Cnr Hay and Outram Street  
WEST PERTH WA 6005

### Registered Office

6 Outram Street  
WEST PERTH WA 6005  
Telephone: +61 8 9324 1053  
Facsimile: +61 8 9324 3366

### Share Registry

Link Market Services Limited  
Level 14  
152 St Georges Terrace  
PERTH WA 6000  
Investor Enquiries: 1300 554 474  
Facsimile: (02) 9287 0303

### Securities Exchange Listing

Securities of Metalicity Limited are listed on the Australian Securities Exchange (ASX).

ASX Code: MCT

**Web Site:** [www.metalicity.com.au](http://www.metalicity.com.au)

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## Directors' Report

The Directors of Metalicity Limited submit herewith the annual financial report of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2019.

### Officers and Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Name	Particulars
Mathew Longworth	Non-Executive Chairman (appointed Chairman on 1 July 2019)
Jason Livingstone	Managing Director (appointed 1 July 2019)
Justin Barton	Finance Director
Andrew Daley	Non-Executive Director (resigned as Chairman on 1 July 2019)
Mathew Gauci	Managing Director (appointed 26 September 2012 – resigned 10 January 2019)

The above-named Directors held office during and since the financial year, except as otherwise indicated.

### Principal Activities

The Group's principal activity as at the date of this report is mineral exploration and development.

### Review of Operations and Results

Throughout the year the Company completed a strategic review of its mineral project operations and refocused Metalicity's activities to drive value to shareholders. As part of this review, the Company identified and executed acquisitions of some key projects in Western Australia, with a strong primary focus on the Kookynie and Yundamindra gold projects, where exploration has yielded immediate and highly encouraging results.

### Kookynie & Yundamindra Gold Projects

On the 6<sup>th</sup> May 2019 the Company announced it had entered into a farm-in agreement with Nex Metals (ASX: NEX) for the Kookynie and Yundamindra projects, which has seen Metalicity enter the Eastern Goldfields region to explore for precious metals.

Under the agreement with Nex Metals the Company has the right to farm-in to the projects for an initial spend of \$500,000 within the first 12 months with the right to earn a 51% interest in the projects by spending an additional \$5 million within five years.

As of 31<sup>st</sup> August 2019, the Company had spent a total of \$379,658 at the projects through an exploration program as well as the purchase of (i) an additional prospecting tenement adjacent to the Champion Lease and (ii) two farm in agreements.

The Kookynie and Yundamindra Projects are located approximately 180km north of the town of Kalgoorlie, and present the opportunity to develop a high-grade gold resource based off historic exploration within the region.

The Kookynie project hosts the historical mining centres of Diamantina-Cosmopolitan-Cumberland, known as the DCC trend, as well as McTavish, Leipold, Champion and Altona.

Each of the historic mining operations were highly successful, with the Cosmopolitan gold mine producing 360,000 ounces of gold from discovery from 1895 to 1922. During the early part of last century, the Cosmopolitan mine ranked as one of the largest and most profitable gold mines in Western Australia.

These former mining operations have remained untested by modern exploration, particularly the potentially rich plunge extensions of the main mineralised shoots.

## Directors' Report

A JORC 2012 compliant Exploration Target has been developed based off previous production and exploration work.

Project: Kookynie						
Prospect	Grade Range		Tonnage Range		Ounces	
	Lower g/t Au	Upper g/t Au	Lower tonnes	Upper Tonnes	Lower ounce range	Upper Ounce Range
Diamantina-Cosmopolitan-Cumberland (DCC) Trend	10.0	15.0	250,000	500,000	150,000	250,000
The Champion Prospect	3.6	6.0	120,000	300,000	20,000	60,000
The McTavish Prospect	1.8	4.0	80,000	500,000	30,000	100,000
The Leipold Prospect	1.5	4.0	500,000	750,000	30,000	100,000

**Table 1 – Kookynie Gold Project Exploration Target<sup>(1)</sup>**

- (1) Please note the “*Exploration Target*” cautionary statement: **The potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.**

Based on the above tabulation the Kookynie Gold Project has a total **Exploration Target** of between **230,000 and 510,000 ounces**.

At Cosmopolitan, the mineralisation is extrapolated some 150 metres to 200 metres down dip from historic workings to estimate the Exploration Target. No mineralisation is assumed within the area of historic workings. The upper end grade is estimated to be the historic mined grade.

At Diamantina and Cumberland, mineralisation is extrapolated up to 250 metres to 350 metres down dip and 500 metres along strike. The maximum grade is assumed to be the historically mined grade of Cosmopolitan as the Diamantina and Cumberland are strike continuations of that mineralisation.

At Champion, McTavish and Leipold, the mineralisation is extrapolated between 100 metres to 120 meters down dip and along strike. The upper grade is assumed to be between 4 g/t Au and 6 g/t Au based on averages of significant drill hole intersections within the structures hosting mineralisation.

### Preliminary Kookynie Exploration

Post the financial year end Metalicity completed an initial round of exploration drilling at Kookynie to test plunge extensions at the historic mining centres, with a series of highly prospective results confirming significant mineralisation potential (See ASX Announcement “Metalicity Confirms Mineralisation” dated 31/07/19).

Results included:

- Cosmopolitan – 2 metres @ 22.1 g/t Au from 76 metres.
- McTavish – 4 metres @ 6.4 g/t Au from 67 metres, including 1m @ 15.47 g/t Au from 67m.
- Cumberland – 2 metres @ 1.4 g/t Au from 72 metres
- Diamantina – mineralised zone over 9 metres with:
  - 0.72 metres @ 3.1 g/t Au from 167 metres,
  - 0.21 metres @ 8.8 g/t Au from 173.07 metres
  - 1.15 metres @ 1.5 g/t Au from 174.85 metres.
- Channel sampling of the exposed DCC Trend structure in the Cumberland Pit returns 1.85 metres @ 4.3 g/t Au, including 0.68 metres at 7.1 g/t Au.

The table below summarises the significant intercepts returned from this recent drilling programme.

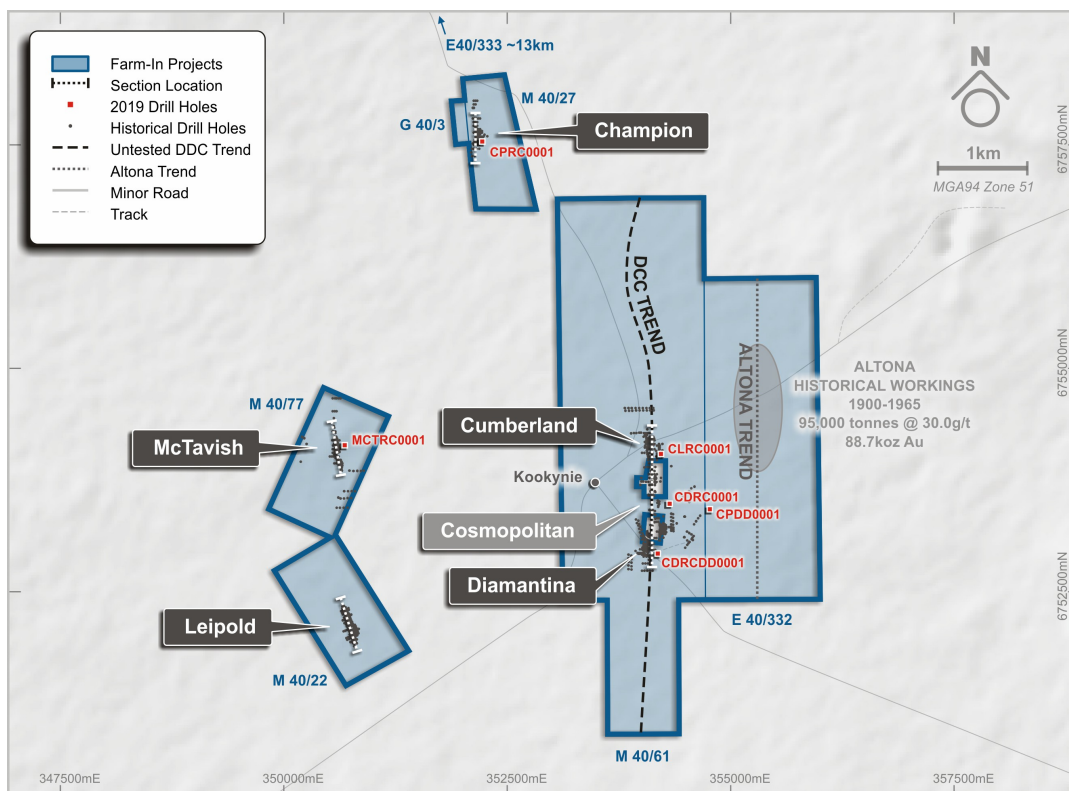
## Directors' Report

MGA94_Zone 51 South														
Prospect	Hole ID	Tenement	Hole Type	Collar Easting	Collar Northing	Collar RL	Dip	Magnetic Azimuth	Final Depth (m)	From (m)	To (m)	Down Hole Width	Grade (Au g/t)	Comments
McTavish	McTRC0001	M40/77	RC	350,647	6,754,118	423	-60	270	94	67	71	4	6.4	4m @ 6.4 g/t Au from 67m
								including		67	68	1	15.47	
Champion	CPRC0001	M40/27	RC	352,224	6,757,503	417	-60	270	112	Stope fill intersected - structure present, but mined out.				
DCC Trend	CDRCDD0001	M40/61	RC/DD tail	354,377	6,753,209	427	-60	270	186.33	167	167.72	0.72	3.1	0.72m @ 3.1 g/t Au from 167m
										173.07	173.28	0.21	8.8	0.21m @ 8.8 g/t Au from 173.07
										174.85	176	1.15	1.5	1.15m @ 1.5 g/t Au from 174.85m
DCC Trend	CLRC0001	M40/61	RC	354,153	6,754,058	429	-90	270	136	72	74	2	1.4	2m @ 1.4 g/t Au from 72m
DCC Trend	CDDD0001	E40/332	DD	354,728	6,753,398	432	-60	270	529.5	Structure diluted by Proterozoic Dolerite Dyke				
DCC Trend	CDRC0001	M40/61	RC	354,284	6,753,513	430	-60	270	148	76	78	2	22.1	2m @ 22.1 g/t Au from 76m

**Table 2 – Significant Drill Hole Intercepts**

This preliminary programme tested the DCC Trend, as well as a single hole into McTavish and Champion. Please refer to Figure 1 for Prospect, tenure and drill hole collar locations.

The DCC Trend was inspected by four holes: CDRC0001, CDDD0001, CLRC0001, and CDRCDD0001.



**Figure 1 – Kookynie Prospect Locality Map with recent drill holes and mineralised trends.**

CDRC0001 was designed to test the area between Diamantina and Cosmopolitan. Historically, reports show that drive development occurred in this area. The Exploration Target completed by the Company assumed that areas of historical workings have zero potential and the location was chosen to test this concept.

The drill hole was highly successful in not only intersecting the structure but showing that underground development in this area is restricted to drive development only. Significant mineralisation still exists in this

## Directors' Report

area. Given the reasonably shallow depth of the intercept and the lack of historical drilling in the drill hole vicinity, CDRC0001 has demonstrated that a sizeable portion of this structure is present and remains available for mineral resource definition.

Similarly, CDRCD0001 and CLRC0001 which were designed to test the down plunge aspect of the Diamantina and Cumberland areas respectively, also intersected the DCC Trend structure returning mineralised zones.

The Company completed a single Reverse Circulation (RC) drill hole at the McTavish Prospect (McTRC0001) to a depth of 94 metres in an area that is below the known historical workings and significantly down dip from historical drilling.

The drill hole intersected the structure, demonstrating the down dip continuance of mineralisation beyond the previously defined limits of drilling, and returned an intercept of 4 metres @ 6.4 g/t Au from 67 metres which is highly encouraging.

Channel sampling from the Cumberland Pit vein exposure returned up to 7.1 g/t Au, and 1.85 metres at 4.3 g/t Au from a vertical depth of 28 metres. The Cumberland Pit was mined by Golden Valley Mines NL in 1989 to a vertical depth of 36 metres. Channel sampling results are available in Table 3.

Channel sample start coordinate (MGA94 Z51S) - *354,035mE, 6754161mN 399RL					
Location	From (m)	To (m)	Sample Type	Comments	Au g/t
Cumberland Pit	0	0.52	Channel	Footwall	0.3
Cumberland Pit	0.52	1.2	Channel	Footwall lode - true width 48cm	7.1
Cumberland Pit	1.2	2.37	Channel	Inter-Lode Zone	2.7
Cumberland Pit	2.37	3.86	Channel	Inter-Lode Zone	0.9
Cumberland Pit	3.86	4.75	Channel	Hanging wall lode - true width 56cm	0.7
Cumberland Pit	4.75	5.56	Channel	Hanging wall lode - true width 56cm	0.7

\*Note – handheld GPS location, zone is approximately 28 metres below the natural land surface.

**Table 3 – Cumberland Pit Channel Sample**

### Fraser Range North

During the financial year, the Company also acquired two projects in the northern Fraser Range (E69/3676 and E69/3677), which are prospective for magmatic Copper-Nickel mineralisation.

Historic diamond drilling by Kennecott was conducted at these sites in 1980 targeting Olympic Dam-style mineralisation. Although the exploration was not viewed as successful at the time, it did intersect mafic intrusive rocks with trace chalcopyrite. Chalcopyrite is a copper sulphide mineral and a common component of Fraser Range-style VMS nickel copper deposits.

The Company immediately sought to further inspect the drill cores, with samples for polished thin sections taken from both drill holes (N3-1 and N1-1) to understand the mineralogy of specific fractions within the layered mafic.

A total of 39 samples (four from N1-1 on E69/3676 and 35 from N3-1 on E69/3677) were submitted to Intertek Genalysis for further analysis so as to understand the mineralogy of specific fractions within the layered mafic. The samples were also subjected to a Nickel Sulphide Collection Fire Assay and Comprehensive lithogeochemical characterisation analysis.

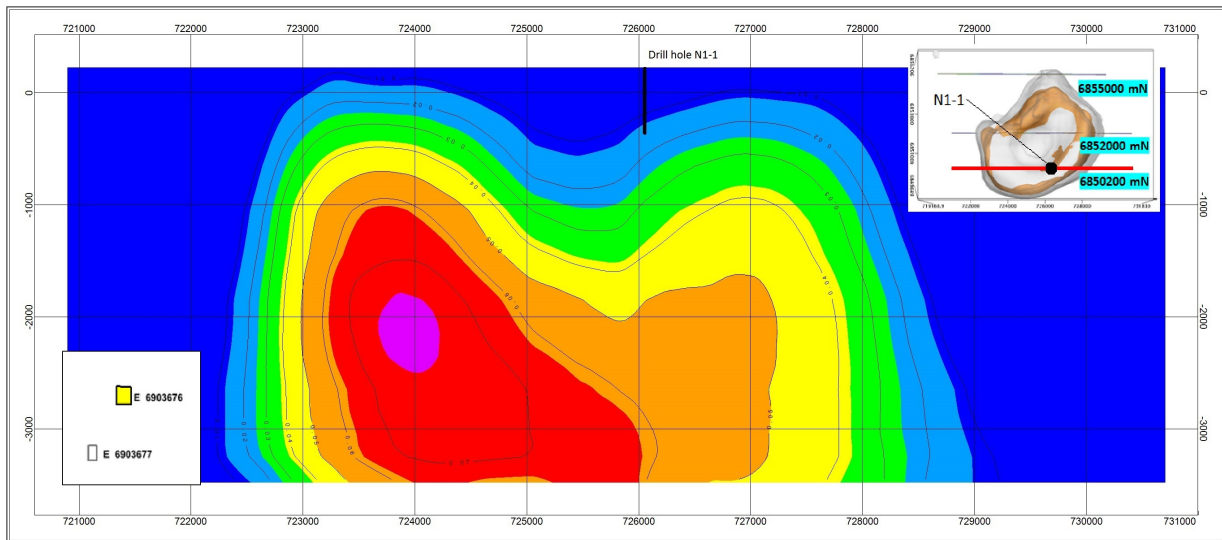
While the test work returned sub-economic grade intercepts, the Company is very excited by the results. They demonstrate the presence of anomalous mineralisation in an area which was not originally targeting Fraser Range style nickel-copper and thus received no further modern base metals

## Directors' Report

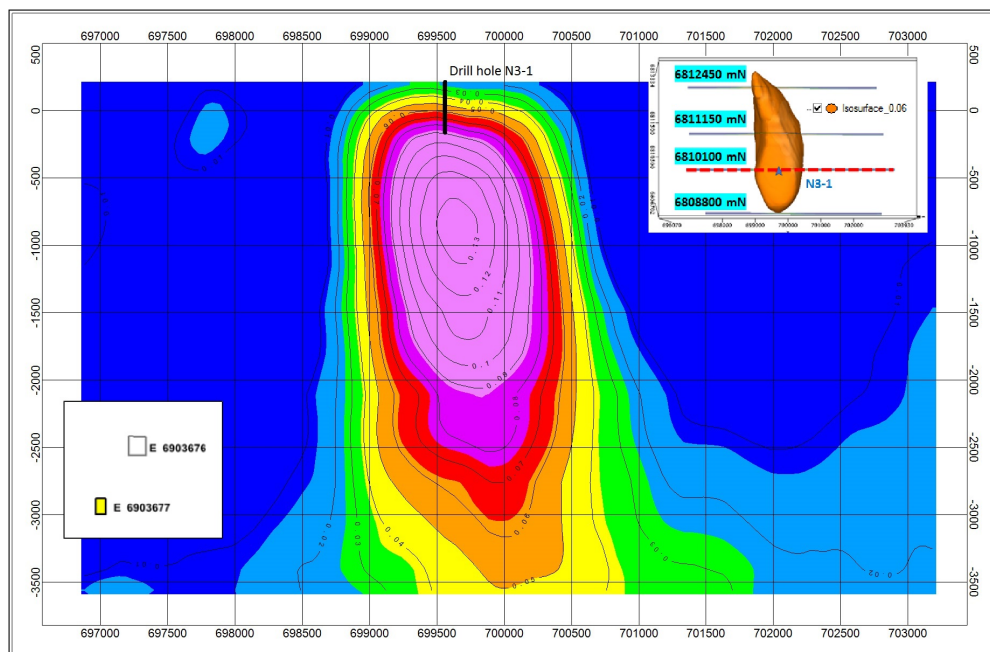
exploration. It is notable that this discovery has also been made in a region which has delivered globally significant nickel-copper projects, such as the Nova-Bollinger mine and the Silver Knight deposit.

Whilst the core sampling work illustrates that the geological model of an anomalous layered mafic intrusion is present, geophysical modelling was also conducted to better understand the nature of the anomalous intrusions.

The Company has reprocessed publicly available gravity data to understand the structural framework of the region. Results illustrated that both E69/3676 and E69/3677 host deep seated structures/gravity ridges which represent regional conduits for potential mineralisation. 3D magnetic inversion techniques were also applied to these results, see Figure 2 and 3.



**Figure 2 – E69/3677 Magnetic Inversion Cross Section with Kennecott Drill Hole Annotated.**



**Figure 3 – E69/3676 Magnetic Inversion Cross Section with Kennecott Drill Hole Annotated.**

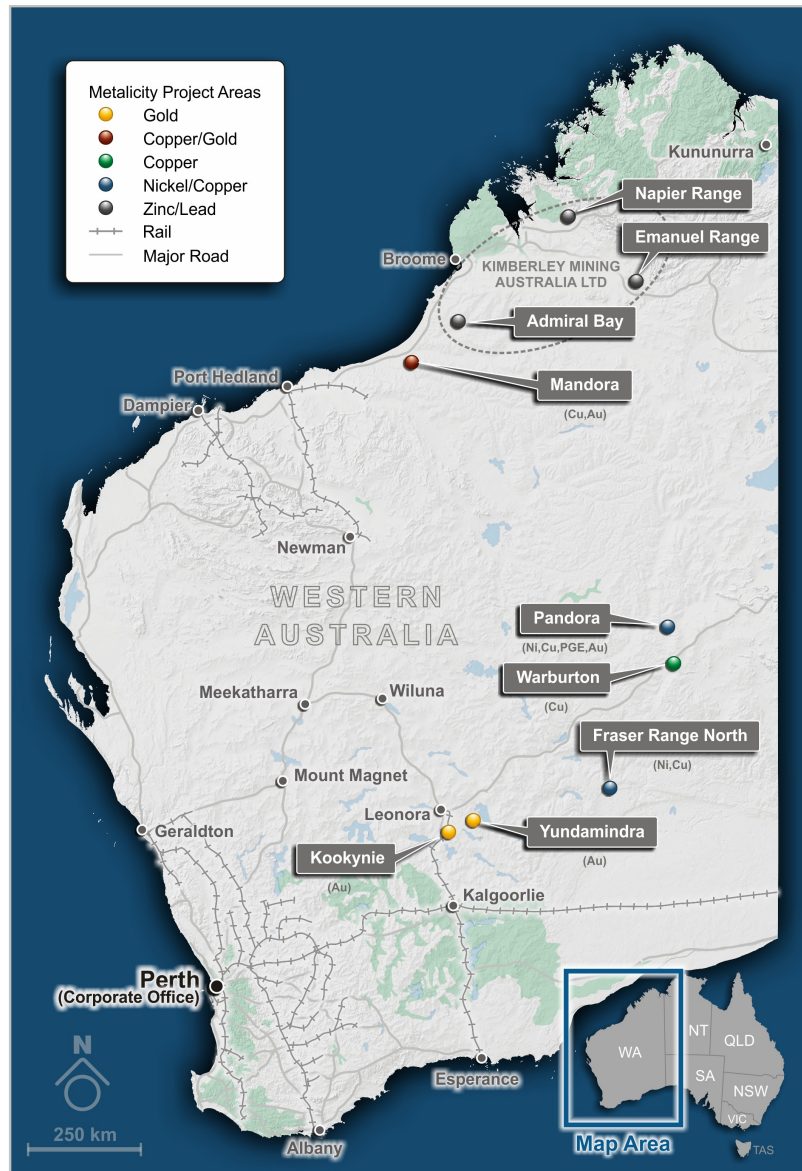


## Directors' Report

The modelling highlighted that the two drill holes completed by Kennecott Explorations (Australia) Ltd. did not adequately test the gravity or the magnetic anomalies with regards to magmatic Cu-Ni layered mafic intrusives. The work also highlighted that the possible location of sulphidic bodies within or on the edges of the 3D magnetic inversion model.

### Paterson Range

Metalicity also holds a strong presence in the prolific Paterson Range region of Western Australia, increasing its landholding with a series of project applications prospective for nickel, copper, gold and possible PGM mineralisation.



**Figure 4 – Metalicity Limited's Project Locations.**

The most recent Project Area Applications include a priority target at Warburton, as well as other anomalies at Paterson South and Pandora.

Warburton covers a large copper horizon spanning approximately 80km. Analysis conducted by the Company has highlighted this horizon as a priority-one target and the Company has moved to acquire approximately 1,200km<sup>2</sup> of this highly prospective area.

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## Directors' Report

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Previous exploration within the Warburton area extends back to the 1960's with a major exploration campaign conducted by WMC from 1966 to 1971. During this time, WMC identified some 200 copper mineral occurrences and geochemically anomalous soils over a significant strike length. The Company believes modern geophysical and geochemical methods, coupled with data collection processing capabilities offers a unique opportunity to refine and add to the collected data to develop a successful exploration campaign.

The Paterson South Project, has several strong discrete magnetic anomalies coincident with basement highs and gravity ridges. The Company believes these coincident geophysical anomalies are analogous to Greatland Gold's Haverion Prospect. Given the similarities to known mineralisation and the strong correlation of these coincident gravity and magnetic anomalies, Metalicity has sought to expanded its footprint with ~1,200km<sup>2</sup> of exploration license applications.

The Pandora Project is a large cluster of magnetic highs which coincides with known mineralisation at the Pandora Ni-Cu-PGE-Au prospect. The Pandora Prospect was first drilled by Cassini Resources in 2013, which noted highly anomalous copper and nickel results. Whilst sub-economic grades were returned, Metalicity believes, given the Company's interrogation of available datasets, that the work was not optimised for the target styles and a more relevant work program should be adopted.

The Company has also applied for exploration licenses at Mandora and Desert Queen, covering a total area of 2,166 km<sup>2</sup>. Initial project evaluation was undertaken using geophysical and geological data compilation which revealed four target areas for further inspection.

### **Admiral Bay**

Metalicity is the largest shareholder in Canadian company Kimberley Mining Limited (KML), (81.1%), KML holds the Admiral Bay Zinc Project and incidental zinc assets.

KML's strategy has been to list on the TSXV. Capital markets in North America and in particular Canada have been exceptionally difficult leading to the deferral of the listing on several occasions. KML is undertaking a strategic review, with a view to raising interim capital and considering the most supportive exchange for the revised direction.

Metalicity continues to provide limited assistance on commercial terms to KML through this period with a view to maximising benefits to all shareholders.

### **Disclaimer and Forward Looking Statements**

This report is not a prospectus nor an offer of securities for subscription or sale in any jurisdiction nor a securities recommendation. The information in this report is an overview and does not contain all information necessary for investment decisions. In making investment decisions, investors should rely on their own examination of Metalicity Limited and consult with their own legal, tax, business and/or financial advisers in connection with any acquisition of securities. The information contained in this report has been prepared in good faith by Metalicity Limited. However, no representation or warranty, express or implied, is made as to the completeness or adequacy of any statements, estimates, opinions or other information contained in this report. To the maximum extent permitted by law, Metalicity Limited, its directors, officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person through the use of, or reliance on, anything contained in or omitted from this report. Certain information in this report refers to the intentions of Metalicity Limited, but these are not intended to be forecasts, forward looking statements, or statements about future matters for the purposes of the Corporations Act (Cth, Australia) or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause Metalicity Limited's actual results, performance or achievements to differ from those referred to in this report to occur as contemplated. The report contains only a synopsis of more detailed information to be published in relation to the matters described in this document and accordingly no reliance may be placed for any purpose whatsoever on the sufficiency or completeness of such information and to do so could potentially expose you to a significant risk of losing all of the property invested by you or incurring by you of additional liability. Recipients of this report should conduct their own investigation, evaluation and analysis of the business, data and property described in this document. In particular, any estimates or projections or

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## **Directors' Report**

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opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and you should satisfy yourself in relation to such matters.

### **Competent Person Statement**

#### **Competent Person Statement Regarding Napier Range Zinc Project**

See Metalicity Announcement 30/10/17

#### **Competent Person Statement Regarding Admiral Bay Project**

See Metalicity ASX Announcement 19/04/2017.

## Directors' Report

### Tenement Schedule

The following table shows the tenements the Group has an interest in at 30 June 2019:

Project	TEN ID	Holder	Granted	Expires
Admiral Bay <sup>(1)</sup>	ML04/244	Kimberley Mining Australia Pty Ltd 100%	21/03/1991	20/03/2033
Admiral Bay <sup>(1)</sup>	ML04/249	Kimberley Mining Australia Pty Ltd 100%	21/03/1991	20/03/2033
Admiral Bay <sup>(1)</sup>	EL04/1610	Kimberley Mining Australia Pty Ltd 100%	04/09/2007	03/09/2019
Munglinup	EL74/550	Metalicity Energy Limited 100%	22/01/2015	21/01/2020
Madoonia Downs	E15/1611	Metalicity Energy Limited 100%	30/01/2018	29/01/2023
Emanuel Range <sup>(1)</sup>	E04/2259	Ridgecape Holdings Pty Ltd 100%	04/07/2016	03/07/2021
Pilbara East <sup>(1)</sup>	E04/2453	Ridgecape Holdings Pty Ltd 100%	13/09/2017	12/09/2022
Napier <sup>(1)</sup>	G04/0020	Ridgecape Holdings Pty Ltd 100%	03/03/1989	02/03/2031
Napier Range <sup>(1)</sup>	M04/0161	Ridgecape Holdings Pty Ltd 100%	31/12/1987	30/12/2029
Napier Range <sup>(1)</sup>	M04/0162	Ridgecape Holdings Pty Ltd 100%	31/12/1987	30/12/2029

<sup>(1)</sup>Tenements vended into subsidiary, Kimberly Mining Limited, during year ended 30 June 2019.

### Results

The loss after income tax for the year ended 30 June 2019 was \$4,410,376 (30 June 2018: loss \$2,302,570).

### Significant changes in state of affairs

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

### Environmental regulations

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 exploration work.

### Dividends

No dividends have been paid or declared since the beginning of the financial year and none are recommended.

### Subsequent events

Other than the following, the directors are not aware of any significant events since the end of the reporting period which significantly affect or could significantly affect the operations of the consolidated entity in future financial years:

On 27 August 2019, the Company announced a placement to raise \$123,000 and a rights issue to raise up to \$936,634, proposed to close on 26 September 2019. On 16 September 2019, the Company announced and extension of Closing Date of the rights issue to 2 October 2019.

### Likely developments and expected results of Operations

The Group will continue to explore and assess its mineral projects.

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## Directors' Report

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### Information on Directors

**Jason Livingstone** - Managing Director – appointed 1 July 2019

***Experience and Expertise***

Mr Livingstone is a geologist with 20 years' experience across exploration through to production environments on four continents. Mr Livingstone holds a Bachelor of Science (Geology) from the West Australian School of Mines, a Masters of Business Administration from the Curtin Graduate School of Business, is a member of the Australian Institute of Geoscientists and the Australian Institute of Mining and Metallurgy, and has completed the Company Directors Course at the Australian Institute of Company Directors.

***Other Current Directorships***

None

***Former Directorships in the Last Three Years***

None

***Special Responsibilities***

None

***Interests in Shares and Options***

4,000,000 unlisted options

**Mathew Longworth** - Non-executive Chairman – appointed 1 July 2019 (previously Chief Executive Officer since 10 January 2019 and Non-executive Board member since 29 September 2014)

***Experience and Expertise***

Mr Longworth is a geologist with 30 years' experience across exploration, project evaluation/development, operations and corporate management. He previously held roles as Exploration Manager, COO and CEO/Managing Director with Australian listed companies, and mining analyst with a boutique investment fund. In his senior corporate roles, Mathew led multidisciplinary project evaluation and development teams. Mr. Longworth is a member of the Australasian Institute of Mining and Metallurgy.

***Other Current Directorships***

None

***Former Directorships in the Last Three Years***

None

***Special Responsibilities***

Chair of the Audit Committee

***Interests in Shares and Options***

634,167 ordinary shares and 10,200,000 unlisted options

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## Directors' Report

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**Justin Barton** – Finance Director – appointed 1 January 2018

### ***Experience and Expertise***

Mr Barton is a Chartered Accountant with over 20 years experience in accounting, international finance, M&A and the mining industry. He worked for over 13 years in the Big 4 Accounting firms in Australia and Europe and advised many of the worlds largest mining, oil & gas companies and financial institutions, including Rio Tinto, Chevron, Macquarie, Merrill Lynch, Morgan Stanley and Deutsche Bank. Justin also worked for 4 years at Paladin Energy Limited as Group Tax and Finance Manager. More recently, he has worked as the CFO and has been a Board Member of a number of junior exploration companies.

### ***Other Current Directorships***

None

### ***Former Directorships in the Last Three Years***

Eneabba Gas Limited (appointed 1 March 2017, resigned 10 October 2017)

Interposed Holdings Limited (appointed 10 January 2017, resigned 11 December 2017)

### ***Special Responsibilities***

Finance Director, member of the Audit Committee and the Remuneration and Nomination Committee.

### ***Interests in Shares and Options***

777,778 ordinary shares and 13,500,000 unlisted options

**Andrew Daley** - Non-executive Director – appointed 1 July 2019 (previously Non-executive Chairman since 19 August 2013)

### ***Experience and Expertise***

Mr Daley is a Mining Engineer and Investment Banker. He has a Bachelor of Science (Honours), is a Chartered Engineer (UK), a Fellow of the Australasian Institute of Mining and Metallurgy and Member of IOM3 (UK). He has over 45 years' experience in resources having worked with Anglo American Corp, Rio Tinto, Conoco Minerals and Fluor Australia in mining operations, project evaluation and mining development. Mr Daley then moved into resource project finance with National Australia Bank, Chase Manhattan and from 1999 was a Director of the Mining Team at Barclays Capital in London. Subsequently, Mr Daley was a Director of Investor Resources Finance Pty Limited, a company based in Melbourne which provided financial advisory services to the resources industry globally.

### ***Other Current Directorships***

None

### ***Former Directorships in the Last Three Years***

None

### ***Special Responsibilities***

Chairman of the Audit and Risk Committee and the Remuneration and Nomination Committee.

### ***Interests in Shares and Options***

3,678,036 ordinary shares and 12,750,000 unlisted options.

## **Company Secretary**

The company secretary is Neil Hackett. Neil was appointed to the position of company secretary on 4 December 2014. Neil has over 20 years of company secretarial, compliance and company directorship experience, including 10 years with the ASIC and seven years as an ASX 200 listed company secretary. He is currently Chairman, Director and Company Secretary of various ASX listed and private entities. Neil holds a Bachelor of Economics, is a Fellow of FINSIA, and is a Graduate and Facilitator with the Australian Institute of Company Directors.

## Directors' Report

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### Directors' meetings

The number of meetings of the Company's board held during the year ended 30 June 2019 that each director was eligible to attend, and the number of meetings attended by each director were:

Director	Number of Meetings	
	Eligible to attend	Attended
Matthew Gauci	13	5
Andrew Daley	20	20
Justin Barton	20	20
Mathew Longworth	20	20

### Remuneration Report (Audited)

The Remuneration Report is set out under the following main headings:

- (1) Principles used to determine the nature and amount of remuneration;
- (2) Details of remuneration;
- (3) Service agreements;
- (4) Share-based compensation; and
- (5) Share and option holdings of Key Management Personnel (KMP)

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

#### 1 Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) competitiveness and reasonableness;
- (ii) acceptability to shareholders;
- (iii) performance linkage / alignment of executive compensation;
- (iv) transparency; and
- (v) capital management.

The Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- (i) focuses on sustained growth in shareholder wealth; and
- (ii) attracts and retains high calibre executives.

Alignment to program participants' interests:

- (i) rewards capability and experience; and
- (ii) provides a clear structure for earning rewards.



## Directors' Report

### Remuneration Report (audited) (continued)

#### 2 Details of remuneration

##### *Executive fees*

The fees and payments to the executive reflect the demands which are made on, and the responsibilities of the executive, and are in line with market. The executives' remuneration is reviewed annually by the board to ensure that the fees and payments remain appropriate and in line with the market.

The remuneration packages of the Executives are detailed below under "Service agreements".

##### *Non-executive directors*

Fees to the non-executive directors are determined by the Remuneration Committee as appropriate having regard to the market and the aggregate remuneration specified in the Company's Constitution and determined by the shareholders in general meeting. The fees are reviewed annually.

##### *Retirement allowances and benefits*

There are no retirement or termination allowances, or benefits paid to directors.

The amount of remuneration of the directors of the Company (as defined in AASB 124 *Related Party Disclosures*) and other key management personnel is set out in the following table.

	Short term benefits			Post employment benefits	Equity settled share based payments		
2019	Salary, fees & leave	Annual leave	Other	Super-annuation	Options	Total	Performance related %
<b>Executive director</b>							
Matthew Gauci(a)	162,003	-	140,000	21,771	-	323,774	0.0%
Justin Barton	182,656	6,556	-	17,352	5,894	212,458	2.8%
<b>Non-executive directors</b>							
Andrew Daley (b)	83,750	-	-	-	-	83,750	0.0%
Mathew Longworth (c)	55,833	-	143,909	-	-	199,742	0.0%
<b>Other executives</b>							
Jason Livingstone (d)	67,732	5,269	-	6,435	10,795	90,231	12.0%
Leonardo Romero (e)	19,433	-	-	1,846	-	21,279	0.0%
Neil Hackett (f)	54,400	-	-	-	-	54,400	0.0%
<b>Totals</b>	<b>625,807</b>	<b>11,825</b>	<b>283,909</b>	<b>47,404</b>	<b>16,689</b>	<b>985,634</b>	



## Directors' Report

### Remuneration Report (audited) (continued)

	Short term benefits			Post employment benefits	Equity settled share based payments		
2018	Salary, fees & leave	Annual leave	Other	Super-annuation	Options	Total	Performance related %
<b>Executive director</b>							
Matthew Gauci	275,000	(5,645)	-	26,125	-	295,480	0.0%
Justin Barton	173,516	4,448	-	16,484	-	194,448	0.0%
<b>Non-executive directors</b>							
Andrew Daley (b)	90,000	-	-	-	-	90,000	0.0%
Mathew Longworth (c)	60,000	-	7,500	-	-	67,500	0.0%
Chris Bain (g)	27,397	-	-	2,603	-	30,000	0.0%
<b>Other executives</b>							
Leonardo Romero	182,648	2,107	-	17,352	57,863	259,970	22.3%
Pip Darvall (h)	78,870	-	-	-	-	78,870	0.0%
Neil Hackett (f)	48,000	-	7,455	-	15,360	70,815	21.7%
<b>Totals</b>	<b>935,431</b>	<b>910</b>	<b>14,955</b>	<b>62,564</b>	<b>73,223</b>	<b>1,087,083</b>	

The fees paid to director related entities were for the provision of services of the particular director to the Company are as follows:

- Matthew Gauci resigned on 9 January 2019 and was paid a termination payment of \$137,500. An associated entity of Mr Gauci, Macro Capital Partners, has a post termination consultancy agreement for \$500 a month for 18 months, of which \$2,500 was paid during the year.
- Dalenier Enterprises Pty Ltd, an entity associated with Andrew Daley, was paid or is payable \$83,750 (2018: \$90,000) for director's fees.
- Mat Mining Pty Ltd, an entity associated with Mathew Longworth, was paid \$199,742 (2018: \$67,500) for director's fees and consultancy services.
- Jason Livingstone was appointed as Exploration Manager on 18 February 2019 and Managing Director on 1 July 2019.
- Leonardo Romero resigned on 31 August 2018.
- Corporate Starboard Pty Ltd, an entity associated with Neil Hackett, was paid or is payable \$54,400 (2018: \$70,815).
- Chris Bain resigned as Non-executive Director on 1 January 2018.
- Pip Darvel's contract ended in October 2017.

#### Short term incentives

Short term incentives (STI) are an 'at risk' component of senior employees remuneration packages and are awarded based on annual review of past year's performance against specific goals.

No STI's were paid during the year ended 30 June 2019.

#### Long term incentives

Long term incentives (LTI) are "at risk" benefits awarded to the Managing Director and potentially senior executives for achieving certain specified goals related to the long term growth and development of the Group.

LTI's were awarded to Jason Livingstone and Justin Barton during the year ended 30 June 2019.

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## Directors' Report

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### Remuneration Report (audited) (continued)

#### 3 Service agreements

##### Directors

There is an Executive Contract with Jason Livingstone, to perform the function of Managing Director from 1 July 2019 until termination in accordance with the contract. The details are:

1. Remuneration of \$230,000 per annum (including superannuation and directors fees) subject to an annual review;
2. The Company may pay a performance based bonus of up to 50% over and above the salary;
3. The Company reimburses costs and expenses reasonably incurred;
4. Either party can terminate the agreement on six months (6) months written notice.

There was an Executive Contract with Matthew Gauci, to perform the function of Managing Director from 1 October 2013 until resignation on 9 January 2019. The details are:

1. Remuneration of \$275,000 per annum (excluding superannuation but including directors fees) subject to an annual review;
2. The Company may pay a performance based bonus of up to 50% over and above the salary;
3. The Company reimburses costs and expenses reasonably incurred;
4. Either party can terminate the agreement on three months (3) months written notice.

There are letters of director appointment with each director which set out the annual fixed fee and terms and conditions of the appointment including compliance with the Company's Constitution and Corporate Governance Policies; re-election, retirement and office vacancy; duties; remuneration; insurance and indemnity; disclosure of interests; and confidentiality. They serve until they resign, are removed, cease to be a director or prohibited from being a director under the provisions of the *Corporations Law 2001*, or are not re-elected to office. They are remunerated on a monthly basis with no termination payments payable.

It is the Group's policy that service contracts for non-executive directors are unlimited in term and capable of termination by either party upon written notice.

##### Key Management Personnel

There is a Consultancy Agreement with Corporate Starboard Pty Ltd for Neil Hackett to perform the function of Company Secretary, commencing 1 December 2014 until the termination of the contract. The details are:

1. Monthly retainer of \$4,000 exclusive of GST per month. Additional time to be charged at \$175/hr; and
2. Either party can terminate the agreement by giving two weeks written notice

In the case of wilful or fraudulent misconduct, the Group retains the right to terminate all service contracts without notice.

Key management personnel are entitled to receive on termination of employment their statutory entitlements, including any accrued annual and long service leave, together with any superannuation benefits. Each service contract outlines the components of compensation paid to the key management personnel but does not prescribe how compensation levels are modified year to year.

## Directors' Report

### Remuneration Report (audited) (continued)

#### 4 Share-based compensation

During the financial year, the following options for Directors and key management personnel were granted:

Name	Exercise price	No. granted	During the financial year		Value of options granted at grant date (a)
			Grant date	Expiry Date	
Justin Barton	\$0.06	2,500,000	27/07/2018	26/08/2021	\$3,725
Justin Barton	\$0.08	2,500,000	27/07/2018	26/08/2021	\$1,526
Justin Barton	\$0.10	2,500,000	27/07/2018	26/08/2021	\$643
Jason Livingstone	\$0.025	2,000,000	10/04/2019	14/01/2022	\$5,961
Jason Livingstone	\$0.035	2,000,000	10/04/2019	14/01/2022	\$4,834

No options issued to directors or key management personnel were exercised during the year. No options issued to directors or key management personnel were cancelled during the year.

#### 5 Share and option holdings of Key Management Personnel (KMP)

##### (i) Option and performance right holdings

The numbers of options over ordinary shares in the Company held during the financial year by each KMP, including their personally related parties, are set out below:

#### 2019

	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Vested but not exercisable at end of year
<b>Directors</b>							
Matthew Gauci	33,500,000	-	-	-	33,500,000	33,500,000	-
Andrew Daley	12,750,000	-	-	-	12,750,000	12,750,000	-
Justin Barton	6,000,000	7,500,000	-	-	13,500,000	6,000,000	-
Mathew Longworth	10,200,000	-	-	-	10,200,000	10,200,000	-
<b>Other executives</b>							
Jason Livingstone	-	4,000,000	-	-	4,000,000	4,000,000	-
Leonardo Romero	6,000,000	-	-	-	6,000,000	6,000,000	-
Neil Hackett	6,000,000	-	-	-	6,000,000	6,000,000	-
	<b>74,450,000</b>	<b>11,500,000</b>	<b>-</b>	<b>-</b>	<b>85,950,000</b>	<b>78,450,000</b>	<b>-</b>

## Directors' Report

### Remuneration Report (audited) (continued)

**2018**

	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year/date of resignation	Vested and exercisable at the end of the year/date of resignation	Vested but not exercisable at end of year
<b>Options</b>							
<b>Directors</b>							
Matthew Gauci	33,500,000	-	-	-	33,500,000	33,500,000	-
Andrew Daley	12,750,000	-	-	-	12,750,000	12,750,000	-
Justin Barton	6,000,000	-	-	-	6,000,000	6,000,000	-
Mathew Longworth	10,200,000	-	-	-	10,200,000	10,200,000	-
Chris Bain	10,200,000	-	-	-	10,200,000	10,200,000	-
<b>Other executives</b>							
Leonardo Romero	6,000,000	-	-	-	6,000,000	6,000,000	-
Pip Darvall	6,000,000	-	-	-	6,000,000	6,000,000	-
Neil Hackett	6,000,000	-	-	-	6,000,000	6,000,000	-
	<b>90,650,000</b>	-	-	-	<b>90,650,000</b>	<b>90,650,000</b>	-

The numbers of performance rights over ordinary shares in the Company held during the financial year by each KMP, including their personally related parties, are set out below:

**2019**

	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year/date of resignation	Vested and exercisable at the end of the year/date of resignation	Vested but not exercisable at end of year
<b>Performance Rights</b>							
Leonardo Romero	1,506,846	-	-	-	1,506,846	-	-
Neil Hackett	400,000	-	-	-	400,000	-	-
	<b>1,906,846</b>	-	-	-	<b>1,906,846</b>	-	-

**2018**

	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year/date of resignation	Vested and exercisable at the end of the year/date of resignation	Vested but not exercisable at end of year
<b>Performance Rights</b>							
Leonardo Romero	-	1,506,846	-	-	1,506,846	-	-
Neil Hackett	-	400,000	-	-	400,000	-	-
	-	<b>1,906,846</b>	-	-	<b>1,906,846</b>	-	-

## Directors' Report

### Remuneration Report (audited) (continued)

#### 5 Share and option holdings of Key Management Personnel (KMP) (continued)

##### (ii) Share holdings

The numbers of shares in the Company held during the financial year by each director, including their personally related parties, are set out below:

#### 2019

	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
<b>Directors</b>				
Matthew Gauci	11,739,033	-	(397,000)	11,342,033
Andrew Daley	2,588,682	-	1,089,354	3,678,036
Justin Barton	277,778	-	500,000	777,778
Mathew Longworth	634,167	-	-	634,167
<b>Other executives</b>				
Jason Livingstone	-	-	-	-
Leonardo Romero	-	-	-	-
Neil Hackett	340,801	-	-	340,801
	<b>15,580,461</b>	<b>-</b>	<b>1,192,354</b>	<b>16,772,815</b>

#### 2018

	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year/date of resignation
<b>Directors</b>				
Matthew Gauci	11,456,428	-	282,605	11,739,033
Andrew Daley	2,172,015	-	416,667	2,588,682
Justin Barton	-	-	277,778	277,778
Mathew Longworth	217,500	-	416,667	634,167
Chris Bain	870,000	-	-	870,000
<b>Other executives</b>				
Leonardo Romero	-	-	-	-
Neil Hackett	339,801	-	1,000	340,801
Pip Darvall	-	-	-	-
	<b>15,055,744</b>	<b>-</b>	<b>1,394,717</b>	<b>16,450,461</b>

(End of Remuneration Report)

## Directors' Report

### Additional Information

#### (a) Shares under option

At the date of this report, the Company had 175,538,837 options and 2,274,713 performance rights over ordinary shares under issue. These options are exercisable as follows:

Details	No of Options	Grant Date	Date of Expiry	Conversion Price \$
Management incentive options	9,500,000	02/07/2015	23/07/2020	0.025
	8,100,000	02/07/2015	23/07/2020	0.03
	11,500,000	02/07/2015	23/07/2020	0.04
	8,050,000	27/11/2015	10/12/2020	0.03
	8,050,000	27/11/2015	10/12/2020	0.04
	8,050,000	27/11/2015	10/12/2020	0.05
	13,000,000	29/11/2016	31/12/2019	0.06
	13,000,000	29/11/2016	31/12/2019	0.08
	13,000,000	29/11/2016	31/12/2019	0.10
	2,000,000	29/11/2016	31/12/2019	0.12
	2,500,000	27/07/2018	26/08/2021	0.06
	2,500,000	27/07/2018	26/08/2021	0.08
	2,500,000	27/07/2018	26/08/2021	0.10
	2,000,000	10/04/2019	14/01/2022	0.025
	2,000,000	10/04/2019	14/01/2022	0.035
Other options	1,500,000	17/02/2016	31/12/2019	0.04
	3,000,000	17/02/2016	31/12/2019	0.08
	1,000,000	18/04/2016	31/12/2019	0.10
	3,000,000	17/02/2016	31/12/2019	0.12
	5,000,000	16/01/2017	16/01/2020	0.08
	12,766,670	18/08/2017	18/08/2020	0.08
	26,265,023	21/02/2018	14/02/2023	0.08
	11,257,144	10/06/2019	51/05/2022	0.02
	3,000,000	15/03/2018	12/03/2021	0.06
	3,000,000	15/03/2018	12/03/2021	0.08
	<b>175,538,837</b>			

Details	No of Options	Grant Date	Date of Expiry	Conversion Price \$
Performance Rights	2,274,713	15/03/2018	15/03/2021	0.00

Refer to note 15 for details of options cancelled and exercised during the year.

At the date of this report, Kimberly Mining Limited, a Canadian subsidiary of the Company, had the following warrants on issue:

Details	No of Options	Grant Date	Date of Expiry	Conversion Price \$
Founder Warrants	5,818,450	29/08/2018	None	0.40
Special Warrants	8,279,750	29/08/2018	28/09/2023	0.05
Brokers Special Warrants	273,370	29/08/2018	28/09/2020	0.40
	<b>14,371,570</b>			

#### (b) Insurance of officers

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

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## Directors' Report

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### Additional Information (continued)

#### (c) Agreement to indemnify officers

The Group has entered into agreements with the directors to provide access to Group records and to indemnify them. The indemnity relates to any liability as a result of being, or acting in their capacity as, an officer of the Company to the maximum extent permitted by law; and for legal costs incurred in successfully defending civil or criminal proceedings.

No liability has arisen under these indemnities as at the date of this report.

#### (d) Proceedings on behalf of the Group

No person has applied to the court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Group with leave of the court under Section 237.

#### (e) Non-audit services

No non-audit services were provided by the auditor or any entity associated with the auditor for the year ended 30 June 2019 (2018: Nil).

#### (f) Corporate Governance

The Directors of the Group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement dated 29 September 2016 released to ASX and posted on the Company's website [www.metalicity.com.au](http://www.metalicity.com.au).

#### (g) Environmental Liabilities

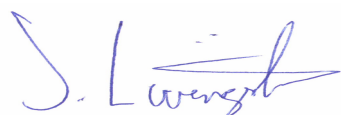
There are no environmental liabilities at the date of this report.

### Auditor's independence declaration

The auditor's independence declaration is included on page 23 of the annual report.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors



Jason Livingstone  
Managing Director  
Perth, Western Australia

30 September 2019

30 September 2019

The Directors  
Metalicity Limited  
6 Outram Street  
West Perth WA 6005

Dear Sirs

**RE: METALICITY LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Metalicity Limited.

As Audit Director for the audit of the financial statements of Metalicity Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully,

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Samir Tirodkar**  
**Director**



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METALICITY LIMITED**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Metalicity Limited the Company and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards 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 Group 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 Relating to Going Concern***

Without modification to the audit opinion expressed above, attention is drawn to the following matter.

As referred to in note 2(a) to the financial report, the financial report has been prepared on a going concern basis. At 30 June 2019, the Group had net assets of \$2,792,073, cash and cash equivalents of \$666,560 and net working capital surplus of \$2,586,749. The Group had incurred a loss after income tax for the year ended 30 June 2019 of \$4,410,376.

The ability of the Group to continue as a going concern and meet its administration and other commitments is dependent upon the Company raising further working capital or commercialization of its exploration assets. In the event the Company is unable to raise further working capital or commercialize its exploration assets, the company may not be able to meet its liabilities as they fall due, or realise its assets at their stated values.

## Key Audit Matters

In addition to the matter described in the material uncertainty related to going concern, we have determined the matter described below to be a key audit matter to be communicated in the report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p><b>Carrying Value of Capitalised Exploration and Evaluation Expenditure and Related Reversal of Deferred Income.</b></p> <p>As at 30 June 2019, Capitalised Exploration and Evaluation Expenditure totals \$2,939,073 of which \$2,734,940 is disclosed as non-current assets held for sale (refer to Note 10 of the financial report) and \$204,133 as Exploration and Evaluation expenditure (refer to Note 11 of the financial report). Additionally, there was a reversal of Deferred Income relating to the Admiral Bay Project of \$7,053,180 (refer to Note 10) following the Board's decision to impair Admiral Bay assets and consequently reverse the related Deferred Income.</p> <p>Exploration and evaluation expenditure incurred on granted exploration licences is accumulated in respect of each identifiable area of interest. These costs are carried forward where the rights to tenure of the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.</p> <p>The carrying value of Capitalised Exploration and Evaluation Expenditure and Related Reversal of Deferred Income is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the total Capitalised Exploration and Evaluation balance (70% of total assets);</li> <li>• The significance of the reversal of deferred income on the consolidated statement of profit and loss and other comprehensive income</li> <li>• The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and</li> <li>• The assessment of significant judgements made by management in relation to the Capitalised Exploration and Evaluation Expenditure.</li> </ul>	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third party documentation;</li> <li>Reviewing the directors' assessment of the carrying value of the exploration and evaluation expenditure, ensuring the veracity of the data presented and that management has considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects against AASB 6;</li> <li>Evaluation of Group documents for consistency with the intentions for the continuing of exploration and evaluation activities in certain areas of interest, and corroborated with enquiries of management. Inter alia, the documents we evaluated included: <ul style="list-style-type: none"> <li>▪ Minutes of meetings of the board and management;</li> <li>▪ Announcements made by the Group to the Australian Securities Exchange; and</li> <li>▪ Cash forecasts;</li> </ul> </li> <li>Consideration of the requirements of accounting standard AASB 6. We assessed the financial statements in relation to AASB 6 to ensure appropriate disclosures are made;</li> <li>Reviewing the director's assessment to impair the carrying value of the Admiral Bay Project, and consequently reverse the corresponding deferred income; and</li> <li>Consideration of the related disclosures regarding the decision to recognise the deferred income in the current year.</li> </ol>

## **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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.

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 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 Group'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 Group to cease to continue as a going concern.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

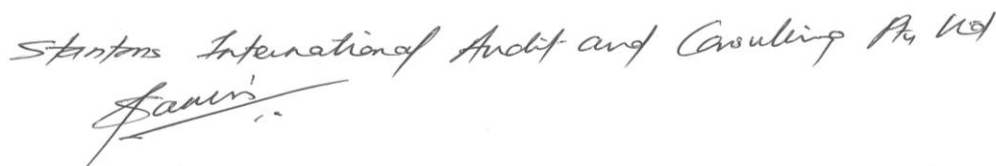
## **Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 14 to 20 of the directors' report for the year ended 30 June 2019. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

## **Opinion on the Remuneration Report**

In our opinion the Remuneration Report of Metalicity Limited for the year ended 30 June 2019 complies with section 300A of the Corporations Act 2001.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Samir Tirodkar**  
Director

West Perth, Western Australia  
30 September 2019

## Directors' declaration

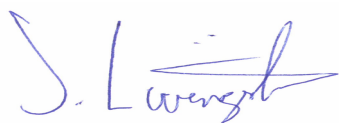
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In the directors' opinion:

1. the financial statements and notes set out on pages 29 to 60 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
2. there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable;
3. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and
4. the audited remuneration disclosures set out on pages 14 to 20 of the Directors' Report comply with accounting standard AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*.

The directors have been given the declarations required by Section 295(A) of the *Corporations Act 2001* from the Managing Director and the Company Secretary for the year ended 30 June 2019.

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



Jason Livingstone  
Managing Director  
Perth, Western Australia

30 September 2019

**Consolidated statement of profit or loss and other comprehensive income  
for the financial year ended 30 June 2019**

		<b>Consolidated Group</b>	
		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Continuing operations</b>			
Revenue	4	327,544	520,752
Expenses	5	(4,737,920)	(2,823,322)
Loss from continuing operations before income tax		(4,410,376)	(2,302,570)
Income tax expense	6	-	-
<b>Loss after income tax from continuing operations</b>		<b>(4,410,376)</b>	<b>(2,302,570)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Foreign currency translation		(35,676)	-
Other comprehensive loss for the period, net of tax		(35,676)	-
<b>Total comprehensive loss for the year</b>		<b>(4,446,052)</b>	<b>(2,302,570)</b>
<b>Loss attributable to:</b>			
Owners of the parent		(4,410,376)	(2,302,570)
		(4,410,376)	(2,302,570)
<b>Total comprehensive loss attributable to:</b>			
Owners of the parent		(4,446,052)	(2,302,570)
Non controlling interest		-	-
		<b>(4,446,052)</b>	<b>(2,302,570)</b>
<b>Basic loss per share (cents)</b>			
- Continuing operations	23(a)	(0.74)	(0.43)
		(0.74)	(0.43)
<b>Diluted loss per share (cents)</b>			
- Continuing operations	23(b)	(0.74)	(0.43)
		(0.74)	(0.43)

*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 2019**

		<b>Consolidated Group</b>	
		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash and cash equivalents	7(a)	666,560	1,866,233
Trade and other receivables	8	76,723	93,961
Other assets	9	499,847	82,368
Non-current assets held for sale	10	2,734,940	9,175,727
Total current assets		3,978,070	11,218,289
<b>Non-current assets</b>			
Exploration and evaluation expenditure	11	204,133	2,304,094
Plant & equipment		1,191	2,830
Total non-current assets		205,324	2,306,924
<b>Total assets</b>		4,183,394	13,525,213
<b>Current liabilities</b>			
Trade and other payables	12	334,310	546,428
Provisions	13	22,070	43,406
Liabilities related to assets held for sale	10	1,034,941	8,553,180
Total current liabilities		1,391,321	9,143,014
<b>Total liabilities</b>		1,391,321	9,143,014
<b>Net assets</b>		2,792,073	4,382,199
<b>Equity</b>			
Issued capital	15	46,955,647	46,638,047
Other reserves		4,529,358	2,026,708
Accumulated losses		(48,692,932)	(44,282,556)
<b>Total equity</b>		2,792,073	4,382,199

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

**Consolidated statement of changes in equity  
for the financial year ended 30 June 2019**

	Issued capital	Share Based Payments Reserve	Option Premium Reserve	Foreign Currency Reserve	Accumulated losses	Total
	\$	\$	\$		\$	\$
Balance at 1 July 2018	46,638,047	2,025,208	1,500	-	(44,282,556)	4,382,199
(Loss) for the year	-	-	-	-	(4,410,376)	(4,410,376)
Other comprehensive loss	-	-	-	(35,676)	-	(35,676)
Total comprehensive loss for the year	-	-	-	(35,676)	(4,410,376)	(4,446,052)
<i>Transactions with owners in their capacity as owners</i>						
Issue of share capital	157,600	-	-	-	-	157,600
Issue of special warrants in KML	-	2,521,637	-	-	-	2,521,637
Issue of employee options	-	16,689	-	-	-	16,689
Deferred transaction costs	160,000	-	-	-	-	160,000
Total transactions with owners	317,600	2,538,326	-	-	-	2,855,926
<b>Balance at 30 June 2019</b>	<b>46,955,647</b>	<b>4,563,534</b>	<b>1,500</b>	<b>(35,676)</b>	<b>(48,692,932)</b>	<b>2,792,073</b>

	Issued capital	Share Based Payments Reserve	Option Premium Reserve	Foreign Currency Reserve	Accumulated losses	Total
	\$	\$	\$		\$	\$
Balance at 1 July 2017	41,977,929	1,879,667	1,500	-	(41,979,986)	1,879,110
(Loss) for the year	-	-	-	-	(2,302,570)	(2,302,570)
Total comprehensive loss for the year	-	-	-	-	(2,302,570)	(2,302,570)
<i>Transactions with owners in their capacity as owners</i>						
Issue of share capital	3,761,097	-	-	-	-	3,761,097
Issue of share capital (options exercised)	152,000	-	-	-	-	152,000
Share based payments	1,050,000	145,541	-	-	-	1,195,541
Share issue costs	(302,979)	-	-	-	-	(302,979)
Total transactions with owners	4,660,118	145,541	-	-	-	4,805,659
<b>Balance at 30 June 2018</b>	<b>46,638,047</b>	<b>2,025,208</b>	<b>1,500</b>	<b>-</b>	<b>(44,282,556)</b>	<b>4,382,199</b>

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



**Consolidated statement of cash flows  
for the financial year ended 30 June 2019**

		<b>Consolidated Group</b>	
		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(4,219,170)	(2,148,325)
R&D Rebate		80,440	258,940
Lease income		67,992	71,300
Interest expense		-	(113)
Interest received		4,426	2,546
Net cash used in operating activities	<b>7(b)</b>	<u>(4,066,312)</u>	<u>(1,815,652)</u>
<b>Cash flows from investing activities</b>			
Payment for plant and equipment		-	(285)
Proceeds from sale of shares		44,125	283,377
Proceeds from sale of tenements		1,519,007	50,000
Payment for exploration and in relation to tenements		(826,872)	(2,142,408)
Payments for assets held for sale		(500,000)	-
Net cash provided by/(used in) investing activities		<u>236,260</u>	<u>(1,809,316)</u>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		157,600	3,913,052
KML capital raised		2,521,637	-
Transaction costs		-	(278,995)
Net cash provided by financing activities		<u>2,679,237</u>	<u>3,634,057</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(1,150,815)	9,089
<b>Cash and cash equivalents at the beginning of the financial year</b>		1,866,233	1,823,365
<b>Effect of exchange rates on cash holdings in foreign currencies</b>		<u>(48,858)</u>	<u>33,779</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7(a)</b>	<u>666,560</u>	<u>1,866,233</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

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**Notes to Financial Statements for the financial year ended 30 June 2019**

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**1. General information**

Metalicity Limited ("the Company" or "MCT") is a company limited by shares, incorporated and domiciled in Australia. Its shares are listed on the Australian Securities Exchange. MCT and its wholly owned subsidiaries, Stuart Town Gold Pty Ltd, Metalicity Energy Pty Ltd, Ridgecape Holdings Pty Ltd, KYM Mining Pty Ltd, Kimberly Mining Australia Pty Ltd, Kimberly Mining Holdings Pty Ltd and Kimberly Mining Limited (~81% owned), are referred to as the 'Group' or 'Consolidated Entity'.

The Financial Report of MCT for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the board of directors on 30 September 2019.

**2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

**(a) Basis of preparation**

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations and the Corporations Act 2001.

It is recommended that this financial report be read in conjunction with the public announcements made by the Company during the year in accordance with the continuous disclosure requirements arising under the ASX Listing Rules.

*Compliance with IFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the Financial Report of the Group complies with International Financial Reporting Standards (IFRS).

*Historical cost convention*

These financial statements have been prepared under the historical cost convention.

*Critical accounting estimates*

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Where these are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, these are disclosed in Note 2(q).

*Comparative figures*

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

*Going concern basis*

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. For the year ended 30 June 2019 the Group incurred a loss after tax of \$4,410,376 (2018: \$2,302,570) and a net cash outflow from operations of \$4,066,312 (2018: \$1,815,652). At 30 June 2019, the Group has working capital surplus of \$2,586,749 (2018: working capital of \$2,075,275) and current cash holding was \$666,560 (2018: \$1,866,233).

The directors have reviewed the business outlook and cash flow forecasts 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 raise further funds through subsequent capital raisings and will meet its expenditure commitments as required.

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**Notes to Financial Statements for the financial year ended 30 June 2019**

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**2. Significant accounting policies (continued)****(a) Basis of preparation (continued)**

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustment relating to the recoverability and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

**(b) Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of subsidiaries of the Company as at 30 June 2019 and the results of the subsidiaries for the period then ended.

Stuart Town Gold Pty Ltd, Metalicity Energy Pty Ltd, KYM Mining Pty Ltd, Ridgecape Holdings Pty Ltd, Kimberly Mining Australia Pty Ltd, Kimberly Mining Holdings Pty Ltd and Kimberly Mining Limited are the subsidiaries over which the Company has the power to govern the financial and operating policies as the holder of all of the voting rights. The subsidiaries are fully consolidated from the date of acquisition of the subsidiary. Consolidation will cease from the date that control of the subsidiary ceases. Any and all intercompany transactions and balances between the Company and the subsidiary are eliminated on consolidation.

**(c) Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets less liabilities transferred to the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Noncurrent Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

**2. Significant accounting policies (continued)****(d) Revenue recognition**

The Group has applied AASB 15 *Revenue from Contracts with Customers* effective from 1 July 2018 using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue*. The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any significant revenues from customers.

Revenue from rendering goods and services is measured at the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities when control of the asset is transferred to the customer or services rendered.

**(e) Cash and Cash Equivalents**

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(f) Income Tax**

The income tax expense or revenue for the period is the tax payable on a current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

**(g) Exploration Expenditure**

Exploration and evaluation expenditure incurred on granted exploration licences is accumulated in respect of each identifiable area of interest. These costs are carried forward where the rights to tenure of the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to any abandoned area will be written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review will be undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

**(h) Trade and other receivables**

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised costs using the effective interest method, less provision for impairment. Trade and other receivables are general receivable within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off by reducing the carrying amount directly

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**Notes to Financial Statements for the financial year ended 30 June 2019**

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**2. Significant accounting policies (continued)****(i) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

**(j) Borrowings**

Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

**(k) Contributed equity**

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

**(l) Earnings per share**

Basic earnings per share ("EPS") is calculated by dividing the result attributable to equity holders of the Company by the weighted number of shares outstanding during the year. Diluted EPS adjusts the figures used in the calculation of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed or known to have been issued in relation to dilutive potential ordinary shares.

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown exclusive of GST. Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(n) Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

**(o) Equity-Settled Compensation**

The Group operates equity-settled share-based payment share and option schemes to Directors and employees. The fair value of the equity to which Directors and employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Binomial or Black and Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

**2. Significant accounting policies (continued)****(p) Financial Instruments****Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Classification and subsequent measurement****Financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

**Financial assets at amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

**Financial assets at fair value through other comprehensive income (Equity instruments)**

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and

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**Notes to Financial Statements for the financial year ended 30 June 2019**

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**2. Significant accounting policies (continued)****(p) Financial Instruments (continued)**

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

**Financial liabilities**

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.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

**Impairment**

From 1 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**Comparative information**

The Group has applied AASB 9 Financial Instruments retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

**Classification**

Until 30 June 2018, the group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.



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**Notes to Financial Statements for the financial year ended 30 June 2019**

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**2. Significant accounting policies (continued)****(p) Financial Instruments (continued)**

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

**Valuation techniques**

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

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

**Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

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

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



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**Notes to Financial Statements for the financial year ended 30 June 2019**

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**2. Significant accounting policies (continued)****(p) Financial Instruments (continued)**

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

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

**(q) Critical Accounting Estimates and Judgements**

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

**Key Estimates – Impairment**

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. This includes an assessment of the carrying values of intangibles and capitalised exploration and evaluation costs.

**Key Estimates – Share based payment transactions**

The Group measures the cost of equity-settled transactions with employees (including directors) 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, using the assumptions detailed in Note 15.

**Key Estimates – Exploration expenditure**

The write-off and carrying forward of exploration acquisition costs is based on an assessment of an area of interest's viability and/or the existence of economically recoverable reserves.

**Key Estimates – Deferred taxation**

Deferred tax assets in respect of tax losses have not been brought to account as it is not considered probable that future taxable profits will be available against which they could be utilised.

**(r) Application of new and revised Accounting Standards**

The Group has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* which became effective for financial reporting periods commencing on or after 1 January 2018.

***AASB 15 Revenue from contracts with customers***

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related Interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has applied the new Standard effective from 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any revenue from customers.

**2. Significant accounting policies (continued)****(r) Application of new and revised Accounting Standards (continued)****AASB 9 Financial Instruments**

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

As a result of adopting AASB 9 *Financial Instruments*, the Group has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

There were no financial instruments which the Group designated at fair value through profit or loss under AASB 139 that were subject to reclassification. The Board assessed the Group's (or Company's) financial assets and determined the application of AASB 9 does not result in a change in the classification of the Group's financial instruments.

The adoption of AASB 9 does not have a significant impact on the financial report.

**(s) New Accounting Standards for Application in Future Periods**

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

*AASB 16: Leases applies to annual reporting periods beginning on or after 1 January 2019.*

This Standard supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB interpretation 115 *Operating Leases-Incentives* and AASB interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of lease*. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

The key features of AASB 16 are as follows:

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and Liabilities arising from the lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend to lease, or not to exercise an option to terminate the lease.
- AASB 16 contains disclosure requirements for leases.

**Lessor accounting**

- AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
- AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

## Notes to Financial Statements for the financial year ended 30 June 2019

### 2. Significant accounting policies (continued)

#### (s) New Accounting Standards for Application in Future Periods (continued)

Due to the adoption of AASB 16, the Group's operating profit will improve, while its interest expense will increase. This is due to the change in the accounting for expenses of leases that were classified as operating leases under AASB 117. At 30 June 2019, the Group has only 6 months remaining on current leases, therefore impact on current leases will be immaterial but will impact future leases entered into by the Group.

#### Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 3. Segment information

#### Identification of reportable segments

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

The Group has two geographic segment being Australia and Canada and operates in one industry being the exploration of minerals.

Segment result	Consolidated	
	30 June 2019 \$	30 June 2018 \$
<b>Segment revenue</b>		
Australia	285,301	520,752
Canada	42,243	-
	<u>327,544</u>	<u>520,752</u>
<b>Segment expenses</b>		
Australia	(3,140,376)	(2,823,322)
Canada	(1,597,544)	-
	<u>(4,737,920)</u>	<u>(2,823,322)</u>
Income tax	-	-
(Loss) after tax	<u>(4,410,376)</u>	<u>(2,302,570)</u>

## Notes to Financial Statements for the financial year ended 30 June 2019

### 3. Segment information (continued)

Segment assets and liabilities	Consolidated		Consolidated	
	Non-current assets		Non-current liabilities	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Australia	205,324	2,306,924	-	-
Canada	-	-	-	-
	205,324	2,306,924	-	-
	Total assets		Total liabilities	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Australia	1,385,542	13,525,213	226,421	9,143,014
Canada	2,797,852	-	1,164,900	-
	4,183,394	13,525,213	1,391,321	9,143,014

### 4. Revenue

An analysis of the Group's revenue for the year is as follows:

	Consolidated Group	
	2019	2018
	\$	\$
R&D Rebate	80,440	258,940
Lease Income	67,992	71,300
Interest earned	4,426	2,546
Gain on sale of shares	44,125	74,147
Foreign exchange gain	48,858	33,779
Sale of tenements	-	80,040
Other	81,703	-
	327,544	520,752

## Notes to Financial Statements for the financial year ended 30 June 2019

### 5. Expenses

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Accounting & audit	100,377	92,732
ASX	40,261	37,805
Company secretarial fees	54,400	62,065
Consulting fees	68,789	114,036
Depreciation	1,640	5,827
Employee benefits	615,130	620,490
Insurance	26,201	20,084
Interest expense	-	113
Impairment of exploration	634,834	454,466
Investor relations	114,116	55,948
KML transaction costs	678,614	324,194
Legal fees	152,032	108,132
Project work & generation - cash	1,372,772	200,190
Rent & office costs	212,878	227,275
Seminars & conferences	32,950	25,235
Share based payments	16,689	145,541
Share registry fees	44,022	25,940
Travel & accommodation	53,034	150,056
Impairment of assets held for sale	6,824,415	-
Reversal of deferred income	(7,053,180)	-
Cost of tenements sold	549,365	-
Other	198,581	153,193
<b>Total expenses</b>	<b>4,737,920</b>	<b>2,823,322</b>

### 6. Income tax expense

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>a) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Loss from continuing operations before income tax expense	(4,410,376)	(2,302,570)
Tax at the Australian tax rate of 27.5% (2017: 27.5%)	(1,212,853)	(633,207)
Tax effect of amounts which are not deductible in calculating taxable income	506,027	168,527
Tax effect of amounts which are non (taxable) in calculating taxable income	(355,994)	(553,170)
R&D Rebate	(22,121)	(71,008)
(Over)/under provision from prior year	(110,765)	212,491
Tax losses not recognised	1,195,706	876,367
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

## Notes to Financial Statements for the financial year ended 30 June 2019

### 6. Income taxes (continued)

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>b) Tax losses</b>		
Unused tax losses for which no deferred tax asset has been recognised	17,441,969	13,093,947
Potential tax benefit at 27.5%	4,796,541	3,600,836

Tax losses have not been recognised as a deferred tax asset as recoupment is dependent on, amongst other matters, sufficient future assessable income being earned. That is not considered certain in the foreseeable future and accordingly there is uncertainty that the losses can be utilised. There are deferred tax liabilities of approximately \$56,136 relating to capitalised exploration costs claimed for tax as at 30 June 2019 (2018: \$3,156,951). These are offset with the deferred tax assets that have been recognised to the extent of the deferred tax liabilities.

### 7. Cash and cash equivalents

#### (a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows are reconciled to the related items in the consolidated statement of financial position as follows:

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	666,560	1,866,233

A term deposit of \$20,197 relating to securing a credit card facility is included in the above (2018: \$20,197).

#### (b) Reconciliation of loss for the year to net cash flows from operating activities

Loss for the year	(4,410,376)	(2,302,570)
Share based payments	16,689	195,541
Foreign exchange loss/(gain)	48,119	(33,779)
Depreciation	1,640	5,827
Impairment of exploration and evaluation	634,834	454,466
Cost of tenements sold	549,365	-
Reversal of deferred income	(7,053,180)	-
Impairment of asset held for sale	6,824,415	-
Gain on sale of shares	(44,125)	-
(Increase) in trade and other receivables and other asset	(400,240)	(39,390)
(Decrease) in trade and other payables	(212,117)	(98,144)
(Decrease)/increase in provisions	(21,336)	2,397
Net cash (used in) operating activities	(4,066,312)	(1,815,652)

#### (c) Non cash investing and financing activities

For shares issued to acquire exploration tenements, refer to note 16(a).

## Notes to Financial Statements for the financial year ended 30 June 2019

### 8. Trade and other receivables

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
GST Receivable	70,246	81,112
Lease fee receivable	6,477	4,070
Other receivables	-	8,779
	<u>76,723</u>	<u>93,961</u>

None of these receivables are past due or impaired.

### 9. Other assets

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Tenement applications and deposits	325,010	24,713
Prepayments	34,196	19,155
Rental security	38,500	38,500
Shares held for sale	102,141	-
Expenditure incurred	<u>499,847</u>	<u>82,368</u>

### 10. Non-Current Assets Held for Sale and Liabilities Related to Non-Current Assets Held for Sale

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b><i>Non-Current Assets Held for sale</i></b>		
Balance at beginning of the period	9,175,727	-
Capitalisation of exploration expenditure	383,629	-
Assets reclassified as held for sale (note 11):		
- Admiral Bay	-	5,777,436
- Napier and Emanuel Range	-	3,398,291
Impairment of Assets Held for Sale	(6,824,416)	-
Balance of assets held for sale	<u>2,734,940</u>	<u>9,175,727</u>

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b><i>Liabilities Related to Non-Current Assets Held for Sale</i></b>		
Balance at beginning of the period	8,553,180	-
Translation difference	34,941	-
Liabilities reclassified:		
- Deferred income <sup>(1)</sup> (Note 14)	-	7,053,180
- Deferred acquisition costs <sup>(2)</sup> (Note 12)	-	1,500,000
Payment of deferred acquisition costs <sup>(2)</sup>	(500,000)	-
Reversal of deferred income <sup>(1)</sup>	(7,053,180)	-
Balance at period end	<u>1,034,941</u>	<u>8,553,180</u>

## Notes to Financial Statements for the financial year ended 30 June 2019

### 10. Non-Current Assets Held for Sale and Liabilities Related to Non-Current Assets Held for Sale (continued)

<sup>(1)</sup> The Company sold a 1% Net Smelter Royalty over the Admiral Bay Project for US\$5,000,000 (\$7,053,180) which was received during the year ended 30 June 2016. The Company has previously recognised this amount as deferred income and has now reversed the income net against impairment of assets held for sale upon proposed divestment of the asset. This amount was not refundable.

<sup>(2)</sup> The deferred acquisition costs at 30 June 2018 relate to the final two payments, of \$500,000 and \$1,000,000, for the acquisition of the Napier Range tenements. The first payment of \$500,000 was made during the year ended 30 June 2019.

### 11. Exploration and evaluation expenditure

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Exploration at cost at the beginning of the period	2,304,094	7,372,235
Acquisition costs	-	3,086,875
Expenditure incurred	603,245	1,654,367
Impairment expense	(634,834)	(454,466)
Tenements sold	(2,068,372)	(179,190)
Reclassification as assets held for sale (see note 10)	-	(9,175,727)
Closing balance	204,133	2,304,094
Total expenditure incurred and carried forward in respect of specific projects		
- Kookynie and Yundamindra	204,133	-
- Lynas Find and Other	-	2,304,094
Total carried forward exploration expenditure	204,133	2,304,094

### 12. Trade and other payables

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trade payables and accruals	320,561	2,001,975
Superannuation	-	20,329
BAS payable	13,749	24,124
Reclassification of liabilities related to assets held for sale (see note 10)	-	(1,500,000)
	334,310	546,428

### 13. Provisions

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Employee benefits – annual leave	22,070	43,406



## Notes to Financial Statements for the financial year ended 30 June 2019

### 14. Deferred income

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Deferred income	-	7,053,180
Reclassification of liabilities related to assets held for sale (see note 10)	-	(7,053,180)
	-	-

The Company sold a 1% Net Smelter Royalty over the Admiral Bay Project for US\$5,000,000 (\$7,053,180) which was received during the year ended 30 June 2016. The Company has previously recognised this amount as deferred income and has now reversed the income net against impairment of assets held for sale upon proposed divestment of the asset. This amount was not refundable.

### 15. Issued capital

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
624,422,475 (2018: 592,463,745) fully paid ordinary shares	46,955,647	46,638,047

#### (a) Movement in ordinary share capital

<b>Date</b>	<b>Details</b>	<b>Number of shares</b>	<b>\$</b>
01/07/2017	Opening balance	464,544,654	41,977,929
18/08/2017	Share placement at \$0.036	25,233,333	908,400
07/09/2017	Share purchase plan at \$0.036	14,661,149	527,800
07/11/2017	Share placement at \$0.036	1,000,000	36,000
20/09/2017	Issued as consideration for acquisition of Ridgecape at \$0.036 (tranche 1)	13,888,888	500,000
15/01/2018	Exercise of options at \$0.03	2,000,000	60,000
25/01/2018	Exercise of options at \$0.025 and \$0.03	3,400,000	92,000
21/02/2018	Share placement at \$0.045	52,530,042	2,288,852
16/03/2018	Share placement at \$0.045	1,000	45
16/03/2018	Issued as consideration for advisory services at \$0.038	1,315,791	50,000
16/03/2018	Issued as consideration for acquisition of Ridgecape at \$0.036 (tranche 2)	13,888,888	500,000
	Share issue costs	-	(302,979)
<b>30/06/2018</b>	<b>Balance at the end of the year</b>	<b>592,463,745</b>	<b>46,638,047</b>

## Notes to Financial Statements for the financial year ended 30 June 2019

### 15. Issued capital (continued)

#### (a) Movement in ordinary share capital (continued)

Date	Details	Number of shares	\$
01/07/2018	Opening balance	592,463,745	46,638,047
12/11/2018	Deferred consideration <sup>(1)</sup>	10,000,000	160,000
10/06/2019	Share placement at \$0.06	22,514,285	157,600
30/06/2019	Reversal of prior year shares incorrectly issued <sup>(2)</sup>	(555,556)	-
<b>30/06/2019</b>	<b>Balance at the end of the year</b>	<b>624,422,474</b>	<b>46,955,647</b>

<sup>(1)</sup>During the year ended 30 June 2018, 10,000,000 shares were issued to FMG in satisfaction of deferred consideration on acquisition of assets.

<sup>(2)</sup>During the year ended 30 June 2018, 555,556 shares were incorrectly issued as part of a placement and were subsequently reversed on reconciliation.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands or on a poll every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote.

#### (b) Options

At year end 30 June 2019, the Company had 175,538,837 options over ordinary shares under issue (30 June 2018: 156,781,693). These options are exercisable as follows:

Details	No of Options	Grant Date	Date of Expiry	Exercise Price \$
Management incentive options	9,500,000	02/07/2015	23/07/2020	0.025
	8,100,000	02/07/2015	23/07/2020	0.03
	11,500,000	02/07/2015	23/07/2020	0.04
	8,050,000	27/11/2015	10/12/2020	0.03
	8,050,000	27/11/2015	10/12/2020	0.04
	8,050,000	27/11/2015	10/12/2020	0.05
	13,000,000	29/11/2016	31/12/2019	0.06
	13,000,000	29/11/2016	31/12/2019	0.08
	13,000,000	29/11/2016	31/12/2019	0.10
	2,500,000	27/07/2018	26/08/2021	0.06
	2,500,000	27/07/2018	26/08/2021	0.08
	2,500,000	27/07/2018	26/08/2021	0.10
	2,000,000	10/04/2019	14/01/2022	0.025
	2,000,000	10/04/2019	14/01/2022	0.035
	2,000,000	29/11/2016	31/12/2019	0.12
Other options	1,500,000	17/02/2016	31/12/2019	0.04
	3,000,000	17/02/2016	31/12/2019	0.08
	1,000,000	18/04/2016	31/12/2019	0.10
	3,000,000	17/02/2016	31/12/2019	0.12
	5,000,000	16/01/2017	16/01/2020	0.08
	12,766,670	18/08/2017	18/08/2020	0.08
	26,265,023	21/02/2018	14/02/2023	0.08
	11,257,144	10/06/2019	31/05/2022	0.02
	3,000,000	15/03/2018	12/03/2021	0.06
	3,000,000	15/03/2018	12/03/2021	0.08
	<b>175,538,837</b>			

The weighted average exercise price of the above options is \$0.062 (2018: \$0.065)

## Notes to Financial Statements for the financial year ended 30 June 2019

### 15. Issued capital (continued)

#### (a) Options (continued)

	2019 No.	2018 No.
Balance at beginning of the year	156,781,693	117,150,000
Granted during the year (see note 16(a))	22,757,144	45,031,693
Exercised during the year	-	(5,400,000)
Forfeited/expired/cancelled during the year	(4,000,000)	
Balance at the end of the year	175,538,837	156,781,693

#### (b) Performance Rights

At the date of this report, the Company had 2,274,713 performance rights over ordinary shares under issue (30 June 2018: 2,274,713). These performance rights are exercisable as follows:

Details	No of Options	Grant Date	Date of Expiry	Exercise Price \$
Performance rights	2,274,713	31/01/2018	15/03/2021	0.000

	2019 No.	2018 No.
Balance at beginning of the year	2,274,713	-
Granted during the year (see note 16(a))	-	2,274,713
Exercised during the year	-	-
Forfeited/expired/cancelled during the year	-	-
Balance at the end of the year	2,274,713	2,274,713

#### (c) Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

### 16. Share Based Payments

#### (a) Recognised share-based payment expense

The expense recognised for options and shares issued during the year is shown in the table below:

	Consolidated Group	
	2019 \$	2018 \$
Expense arising from equity-settled share-based payment transaction:		
- Shares issued as consideration for corporate advisory services (reported as consulting expenses)	-	50,000
- Options issued as consideration for advisory services	-	58,192
- Performance rights issued to employees/contractors	-	87,349
- Options issued to employees	16,689	-
Total	16,689	195,541

## Notes to Financial Statements for the financial year ended 30 June 2019

### 16. Share Based Payments (continued)

#### (a) Recognised share-based payment expense (continued)

The following option and performance right arrangements were issued during the current and prior reporting periods:

#### 30 June 2019

Option Series	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
Issued 29/08/2018	2,500,000	27/07/2018	26/08/2021	0.06	\$0.0015
Issued 29/08/2018	2,500,000	27/07/2018	26/08/2021	0.08	\$0.0006
Issued 29/08/2018	2,500,000	27/07/2018	26/08/2021	0.10	\$0.0003
Issued 10/04/2019	2,000,000	10/04/2019	14/01/2022	0.025	\$0.0030
Issued 10/04/2019	2,000,000	10/04/2019	14/01/2022	0.035	\$0.0024

#### 30 June 2018

Option Series/Performance Rights	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
<b>Options</b>					
Issued 18/08/2017	12,766,670	18/08/2017	108/08/202	0.08	\$0.00 <sup>(1)</sup>
Issued 19/02/2017	26,265,023	21/02/2017	14/02/2023	0.08	\$0.00 <sup>(1)</sup>
Issued 15/03/2018	3,000,000	15/03/2018	12/03/2021	0.06	\$0.01055
Issued 15/03/2018	3,000,000	15/03/2018	12/03/2021	0.08	\$0.0089
	45,031,693				
<b>Performance rights<sup>(2)</sup></b>					
Issued 15/03/2018	2,274,713	31/01/2018	15/03/2021	0.00	\$0.03840

<sup>(1)</sup> No fair value is attributable to these options as they are free attaching options issued in relation to the Placements completed on 18 August 2017 and 21 February 2018.

<sup>(2)</sup> Performance rights, with zero exercise price, were issued to employees on 15 March 2018, which vest when share price of the Company is \$0.06.

## Notes to Financial Statements for the financial year ended 30 June 2019

### 16. Share Based Payments (continued)

#### (b) Types of share-based payment plans

##### (i) Options

There were \$16,689 share based payments relating to options in 2019 (2018: \$145,541).

The following tables lists the inputs to the model used to value the options issued during the financial year ended 30 June 2019:

No of options	2,500,000	2,500,000	2,500,000	2,000,000	2,000,000
Grant date	27/07/18	27/07/18	27/07/18	10/04/19	10/04/19
Share price	\$0.022	\$0.022	\$0.022	\$0.01	\$0.01
Exercise price	\$0.06	\$0.08	\$0.10	\$0.025	\$0.035
Risk-free interest rate	1.975%	1.975%	1.975%	1.49%	1.49%
	6 months if	6 months if	6 months if	Nil	Nil
	20day	20day	20day		
	VWAP	VWAP	VWAP		
Vesting Conditions and Period	exceeds	exceeds	exceeds		
	exercise	exercise	exercise		
	price	price	price		
Expiry date	26/08/21	26/08/21	26/08/21	14/01/22	14/01/22
Volatility	85%	85%	85%	94%	94%
Fair value at grant date (cents)	0.745	0.610	0.514	0.373	0.302
Discount for vesting condition	80%	90%	95%	Nil	Nil
Discount for being unlisted	0.0%	0.0%	0.0%	20%	20%
Fair value after discounts (cents)	0.149	0.061	0.026	0.298	0.242

##### (ii) Shares

There was \$1,000,000 of share based payments relating to shares in the financial year ended 30 June 2019 (2018: \$1,050,000), being \$1,000,000 for deferred acquisition consideration of Lynas Find assets from FMG.

#### (c) Summary of share based payment options granted

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options issued during the year:

	2019 No	2019 WAEP	2018 No	2018 WAEP
Outstanding at the beginning of the year	156,781,693	0.0646	117,150,000	0.0582
Granted during the year	22,757,144	0.0415	45,031,693	0.0787
Exercised during the year	-	-	(5,400,000)	0.0324
Expired/forfeited/cancelled during the year	(4,000,000)	0.06	-	-
Outstanding at the end of the year	175,538,837	0.062	156,781,693	0.0646

##### (d) Weighted average of remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2019 is 1.56 years (2018: 2.37 years).

The weighted average remaining contractual life for the performance rights outstanding as at 30 June 2019 is 1.70 years (2018: 2.70 years)

## Notes to Financial Statements for the financial year ended 30 June 2019

### 16. Share Based Payments (continued)

#### (e) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was \$0.025-\$0.12 (2018: \$0.025-\$0.12).

The performance rights do not have an exercise price.

#### (f) Weighted average fair value

The weighted average fair value of options granted during the year, excluding free attaching options, was approximately \$0.0884 (2018: \$0.0097).

The weighted average fair value of performance rights granted during the year was Nil (2018: \$0.0384)

#### (g) Share options exercised during the year

The following options were exercised during the year.

#### 2019

Nil

#### 2018

Option Series	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
Issued 23/07/2015	2,000,000	23/07/2015	23/07/2020	\$0.03	0.00384
Issued 23/07/2015	2,000,000	23/07/2015	23/07/2020	\$0.025	0.00568
Issued 11/12/2015	1,400,000	11/12/2015	10/12/2020	\$0.03	0.00315
	5,400,000				

#### (h) Kimberly Mining Limited Warrants

As at 30 June 2019, there were 14,371,570 in issued ordinary shares in Kimberly Mining Limited under warrants (30 June 2018: Nil). These warrants are exercisable/convertible as follows:

Details	No of Warrants	Date of Expiry	Conversion Price \$
Special Warrants	5,323,500	23/08/2023	0.40
Special Warrants – Tranche 2	2,956,250	23/09/2023	0.40
	8,279,750		

Special warrants were issued for \$0.40 per warrant and converted to 1.1 special warrants in Kimberly Mining Limited on 1 January 2019.

Details	No of Warrants	Date of Expiry	Conversion Price \$
Founder Warrants	5,818,450	N/A	0.05

Founders warrants are convertible to 1 ordinary share in Kimberly Mining Limited upon exercise. Founders warrants are only able to be exercised 18 months following listing of Kimberly Mining Limited on TSX-V Exchange.

Details	No of Warrants	Date of Expiry	Conversion Price \$
Broker Warrants	176,620	29/08/2020	0.40
Broker Warrants – Tranche 2	96,750	28/09/2020	0.40
	273,370		

Founders warrants are convertible to 1 ordinary share in Kimberly Mining Limited upon exercise.

## Notes to Financial Statements for the financial year ended 30 June 2019

### 17. Financial Risk Management

Risk management is the role and responsibility of the board. The Group's current activities expose it to minimal risk. However, as activities increase there may be exposure to interest rate, market, credit, and liquidity risks.

#### (a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Floating interest rate \$	1 year or less \$	Over 1 year to 5 years \$	More than 5 years \$	Non interest bearing \$	Total \$
<b>30 June 2019</b>						
<b>Financial Assets</b>						
Cash and deposits	80,487	20,197	-	-	565,876	666,560
Trade and other receivables	-	-	-	-	76,723	76,723
	80,487	20,197	-	-	642,599	743,283
Weighted average interest rate	0.81%	2.45%				0.04%
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	334,310	334,310
	-	-	-	-	334,310	334,310
<b>30 June 2018</b>						
<b>Financial Assets</b>						
Cash and deposits	767,600	20,197	-	-	1,078,436	1,866,233
Trade and other receivables	-	-	-	-	93,961	93,961
	767,600	20,197	-	-	1,172,397	1,960,194
Weighted average interest rate	0.39%	2.45%				
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	2,046,428	2,046,428
	-	-	-	-	2,046,428	2,046,428

The Group has interest bearing assets and therefore income and operating cash flows are subject to changes in the market rates. However, market changes in interest rates will not have a material impact on the profitability or operating cash flows of the Group. A movement in interest rates of +/- 100 basis points will result in less than a +/- \$800 (2018: \$7,900) impact on the Group's income and operating cash flows. At this time, no detailed sensitivity analysis is undertaken by the Group.

#### (b) Market risk

The Group is not exposed to equity securities price risk as it holds no investments in securities classified on the balance sheet either as available-for-sale or at fair value through profit or loss; or to commodity price risk.

#### (c) Credit risk

The Group has no significant concentrations of credit risk and as such, no sensitivity analysis is prepared by the Group. Credit risk related to balances with banks is managed by ensuring that the surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-.

## Notes to Financial Statements for the financial year ended 30 June 2019

### 17. Financial Risk Management (continued)

#### (d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Group does not have committed credit lines available, which is appropriate given the nature of its operations. Surplus funds are invested in a cash management account with ANZ which is available as required.

The material liquidity risk for the Group is the ability to raise equity in the future.

#### (e) Effective interest rate and repricing analysis

Cash and cash equivalents are the only interest bearing financial instruments of the Group.

#### (f) Currency risk

Currency risk arises from investments that are denominated in a currency other than the respective functional currencies of Group entities.

The Group is exposed to foreign currency risk in the form of financial instruments held in US Dollars (USD). The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2019 USD\$	2018 USD\$
Cash and cash equivalents	327,015	779,383
<b>Total Exposure</b>	<b>327,015</b>	<b>779,383</b>

Assuming all other variables remain constant, a 10% strengthening of the Australian dollar at 30 June 2019 against the USD would have resulted in an increased loss of \$46,600 (2018: \$78,000). A 10% weakening of the AUD would have resulted in a decreased loss of \$46,600 (2018: \$78,000), assuming all other variables remain constant. The Group does not currently hedge against currency risk.

### 18. Key management personnel disclosures

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
<b>Key management personnel compensation</b>	<b>\$</b>	<b>\$</b>
Short-term employee benefits	921,541	951,296
Post-employment benefits	47,404	62,564
Share based payments	16,689	73,223
	<b>985,634</b>	<b>1,087,083</b>

Detailed remuneration disclosures are provided in sections 1 to 4 of the Remuneration Report in the Directors' Report.

Outside the Company's directors, the Group had 2 employees as at 30 June 2019 (30 June 2018: 2 employees).



## Notes to Financial Statements for the financial year ended 30 June 2019

### 19. Remuneration of auditors

During the year the following fees (exclusive of GST) were paid or payable for services provided by the auditor of the Group:

#### Audit services

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
- Audit and review of financial report and other audit work under the <i>Corporations Act 2001</i>	50,673	39,000
- Under provision of audit fees for prior year	-	5,040

#### Non-audit services

- Other services provided	-	-
Total remuneration for audit and other services	50,673	44,040

The auditors of Metalicity Limited and its subsidiaries is Stantons International.

### 20. Contingent liabilities and contingent assets

The Company is currently negotiating the amount of duty payable to the Office of State Revenue (**OSR**) incurred as a result of a difference in valuation of the dutiable property. The Company incurred, and paid, stamp duty totalling \$581,015 to the OSR on the acquisition of the Admiral Bay Project. This duty amount was based on a valuation of \$11.4 million. Subsequent to the payment of the duty, the OSR communicated to the Company that a compromise assessment be issued, and that duty of the transaction be assessed in the amount of \$695,715 (based on a dutiable value of \$13.4 million plus costs), being a difference of approximately \$114,000. These discussions remain ongoing. There is a risk that a higher amount may be required by the OSR should potential penalties be applied.

### 21. Commitments for expenditure

#### (a) Exploration Commitments

In order to maintain an interest in the mining and exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted and the obligations of any joint venture agreements. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the Mining Act, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. These obligations are not provided for in the financial report and are payable.

## Notes to Financial Statements for the financial year ended 30 June 2019

### 21. Commitments for expenditure (continued)

#### (a) Exploration Commitments (continued)

Outstanding exploration commitments are as follows (other than detailed below, no estimate has been given of expenditure commitments beyond 12 months as this is dependent on the Directors' ongoing assessment of operations and, in certain circumstances, Native Title negotiations):

	Consolidated Group	
	2019	2018
	\$	\$
Not longer than 1 year	1,217,400	1,045,600
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	1,217,400	1,045,600

#### (b) Operating Lease Commitments

The Group has an operating lease commitments for rental of office space of \$140,000 plus outgoings until 31 December 2019.

### 22. Related Party transactions

#### (a) Key management personnel

During the year ended 30 June 2019, there were no related party transactions with key management personnel.

All other disclosures relating to key management personnel are set out in Note 18 and in the detailed remuneration disclosures in the Directors' Report.

#### (b) Transaction with related parties

There were no transactions with related parties other than with key management personnel as noted above.

#### (c) Outstanding balances arising from sales / purchases of goods and services

There are no balances owing to or from related parties at 30 June 2019 (2018: \$Nil).

## Notes to Financial Statements for the financial year ended 30 June 2019

### 23. Earnings per share

#### (a) Basic earnings per share

Loss from continuing operations attributable to the ordinary equity holders of the Company

Consolidated Group	
2019	2018
Cents	Cents
(0.74)	(0.43)
(0.74)	(0.43)

#### (b) Diluted earnings/(loss) per share

Loss from continuing operations attributable to the ordinary equity holders of the Company

(0.74)	(0.43)
(0.74)	(0.43)

#### (c) Reconciliation of profit/(loss) used in calculating earnings per share

*Basic and diluted profit/(loss) per share*

Loss from continuing operations attributable to the ordinary equity holders of the Company

Loss from discontinued operations

2019	2018
\$	\$
(4,410,376)	(2,302,570)
-	-
(4,410,376)	(2,302,570)

#### (d) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share

Adjustment for calculation of diluted profit/(loss) per share - Options

Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings/(loss) per share

2019	2018
Number	Number
599,998,774	535,036,616
-	-
599,998,774	535,036,616

As the Group made a loss for the years ended 30 June 2019 and 30 June 2018, the options on issue have no dilutive effect. Therefore, dilutive loss per share is equal to basic loss per share.

### 24. Group entities

	Country of incorporation	Interest 2019	Interest 2018
<b>Parent entity</b>			
Metalicity Limited	Australia		
<b>Subsidiary</b>			
Stuart Town Gold Pty Ltd	Australia	100%	100%
Metalicity Energy Pty Ltd	Australia	100%	100%
KYM Mining Pty Ltd	Australia	100%	-
Kimberley Mining Limited	Canada	~81%	95%
Ridgecape Holdings Pty Ltd	Australia	~81%	100%
Kimberley Mining Australia Pty Ltd	Australia	~81%	100%
Kimberley Mining Holdings Pty Ltd	Australia	~81%	100%

## Notes to Financial Statements for the financial year ended 30 June 2019

### 25. Parent entity information

#### Statement of financial position

As at 30 June 2019

	Parent 2019 \$	Parent 2018 \$
<b>ASSETS</b>		
Total current assets	1,168,492	2,000,341
Total non-current assets	5,373,010	9,980,143
<b>TOTAL ASSETS</b>	<b>6,541,502</b>	<b>11,980,484</b>
<b>LIABILITIES</b>		
Total current liabilities	220,597	584,205
Total non-current liabilities	-	7,053,180
<b>TOTAL LIABILITIES</b>	<b>220,597</b>	<b>7,637,385</b>
<b>NET ASSETS</b>	<b>6,320,905</b>	<b>4,343,099</b>
<b>EQUITY</b>		
Contributed equity	46,955,647	46,638,047
Other reserves	2,043,397	2,026,708
Accumulated losses	(42,678,139)	(44,321,656)
<b>TOTAL EQUITY</b>	<b>6,320,905</b>	<b>4,343,099</b>
Profit/(Loss) of the parent entity	1,643,517	(2,873,581)
Total comprehensive (loss) of the parent entity	1,643,517	(2,873,581)

The parent entity has not provided any guarantees, or become responsible for contingent liabilities or contractual commitments of its subsidiaries, other than those disclosed in this financial report.

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**Notes to Financial Statements for the financial year ended 30 June 2019**

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**26. Subsequent events**

Other than the following, the directors are not aware of any significant events since the end of the reporting period which significantly affect or could significantly affect the operations of the consolidated entity in future financial years:

On 27 August 2019, the Company announced a placement to raise \$123,000 and a rights issue to raise up to \$936,634, proposed to close on 26 September 2019. On 16 September 2019, the Company announced an extension of Closing Date of the rights issue to 2 October 2019.

## ASX Additional Information

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Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The shareholder information was applicable as at 16 September 2019.

### (a) Substantial Shareholder

There are no substantial shareholders at the date of this report.

### (b) Voting Rights

Ordinary Shares

On a show of hands every member present at a meeting of shall have one vote and upon a poll each share shall have one vote.

Options

There are no voting rights attached to the options

### (c) Distribution of Equity Security Holders

Category	Ordinary Fully Paid Shares	% Issued Capital
1 – 1,000	309,542	0.05
1,001 – 5,000	817,602	0.13
5,001 – 10,000	1,099,741	0.17
10,001 – 100,000	38,236,959	5.93
100,001 and over	603,925,299	93.72
<b>Total</b>	<b>644,389,143</b>	<b>100.00</b>

There were 30,163,844 unmarketable parcel of ordinary shares.

## ASX Additional Information

### (d) Equity Security Holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Number Held	Percentage of Issued Shares
1. E C DAWSON SUPER PTY LTD	23,000,000	3.57
2. J P MORGAN NOMINEES AUSTRALIA LIMITED	20,961,573	3.25
3. MR ZHANGHE CHEN	16,544,409	2.57
4. KAGARA LTD	15,806,711	2.45
5. FMG PILBARA PTY LTD	15,000,000	2.33
5. MR CHEYNE MICHAEL DUNFORD	15,000,000	2.33
6. SOTIS SUPERANNUATION PTY LTD	14,583,336	2.26
7. CITICORP NOMINEES PTY LIMITED	13,191,042	2.05
8. MR RICHARD GORDON WHITE	12,755,000	1.98
9. HISHENK PTY LTD	12,000,000	1.86
10. ELLIOT HOLDINGS PTY LTD	11,800,000	1.83
11. MR HUGH WARNER & MRS DIANNE WARNER	11,145,000	1.73
12. BNP PARIBAS NOMINEES PTY LTD	10,640,424	1.65
13. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,738,808	1.20
14. VIREYA PTY LTD	7,000,000	1.09
15. MACROCON PTY LTD	6,539,330	1.01
16. RANCHLAND HOLDINGS PTY LTD	6,492,477	1.01
17. VIMINALE PTY LTD	6,388,889	0.99
18. MR SYED MUSHLEH UDDIN	6,000,000	0.93
19. TR6 AUSTRALIA PTY LTD	5,990,647	0.93
20. HOLLOWAY COVE PTY LTD	5,698,156	0.88
<b>Total</b>	<b>244,275,802</b>	<b>37.91</b>

### Unquoted equity securities

	Number on Issue
Options exercisable at 4 cents before 31 December 2019	1,500,000
Options exercisable at 8 cents before 31 December 2019	3,000,000
Options exercisable at 10 cents before 31 December 2019	1,000,000
Options exercisable at 12 cents before 31 December 2019	3,000,000
Options exercisable at 2.5 cents before 1 July 2020	9,500,000
Options exercisable at 3 cents before 1 July 2020	8,100,000
Options exercisable at 4 cents before 1 July 2020	11,500,000
Options exercisable at 3 cents before 26 November 2020	8,050,000
Options exercisable at 4 cents before 26 November 2020	8,050,000
Options exercisable at 5 cents before 26 November 2020	8,050,000
Options exercisable at 6 cents before 31 December 2019	13,000,000
Options exercisable at 8 cents before 31 December 2019	13,000,000
Options exercisable at 10 cents before 31 December 2019	13,000,000
Options exercisable at 12cents before 31 December 2019	2,000,000
Options exercisable at 8 cents before 18 August 2020	12,766,670
Options exercisable at 8 cents before 14 February 2023	26,265,023
Options exercisable at 6 cents before 12 March 2021	3,000,000
Options exercisable at 8 cents before 12 March 2021	3,000,000
Options exercisable at 2.5 cents before 10 April 2022	2,000,000
Options exercisable at 3.5 cents before 10 April 2022	2,000,000

## ASX Additional Information

### (e) Tenement List:

As at 17 September 2019

Project	TEN ID	Holder	Granted	Expires
Admiral Bay <sup>(1)</sup>	ML04/244	Kimberley Mining Australia Pty Ltd 100%	21/03/1991	20/03/2033
Admiral Bay <sup>(1)</sup>	ML04/249	Kimberley Mining Australia Pty Ltd 100%	21/03/1991	20/03/2033
Admiral Bay <sup>(1)</sup>	EL04/1610	Kimberley Mining Australia Pty Ltd 100%	04/09/2007	03/09/2019
Munglinup	EL74/550	Metalicity Energy Limited 100%	22/01/2015	21/01/2020
Pilbara East <sup>(1)</sup>	E04/2453	Ridgecape Holdings Pty Ltd 100%	13/09/2017	12/09/2022
Napier <sup>(1)</sup>	G04/0020	Ridgecape Holdings Pty Ltd 100%	03/03/1989	02/03/2031
Napier Range <sup>(1)</sup>	M04/0161	Ridgecape Holdings Pty Ltd 100%	31/12/1987	30/12/2029
Napier Range <sup>(1)</sup>	M04/0162	Ridgecape Holdings Pty Ltd 100%	31/12/1987	30/12/2029