

TNT Mines Limited and Controlled Entities

ACN 107 244 039



Annual Report

for the year ended 30 June 2017

Corporate Information

ACN 107 244 039

Directors

Brett Mitchell (Non-executive Director) (appointed 29 June 2017)
Michael Jardine (Non-executive Director) (appointed 29 June 2017)
Nick Castleden (Non-executive Director) (appointed 29 June 2017)

Company Secretary

Mark Freeman (appointed 9 September 2017)

Registered Office

Level 7, 1008 Hay Street
Perth WA 6000

Principal Place of Business

Level 7, 1008 Hay Street
Perth WA 6000

Bankers

National Australia Bank Limited
1232 Hay Street
WEST PERTH WA 6005

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne, VIC 3001
Telephone: 1300 850 505

Independent Auditor

Bentleys
Level 3, 216 St Georges Terrace
PERTH WA 6000

Internet Address

www.tntmines.com.au

Email Address

frontdesk@tntmines.com.au

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Directors Report (Cont.)**DIRECTORS' REPORT**

Your directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of TNT Mines Limited ("TNT Mines") and the entities it controlled at the end of, or during, the year ended 30 June 2017.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities***Brett Mitchell – Non-executive Director B.Com (appointed 29 June 2017)***

Mr Mitchell is a corporate finance executive with over 20 years of experience in the finance, technology and resources industries. He has been the co-founder of a number of ASX and private companies across these sectors, and holds executive and non-executive directorship roles with his key business interests. His executive management responsibilities cover capital markets, corporate finance, new business strategy and treasury for these companies.

Mr Mitchell holds a Bachelor of Economics from the University of Western Australia and is also a member of the Australian Institute of Company Directors (AICD). Mr Mitchell is currently Executive Chairman of MGC Pharmaceuticals Ltd and Executive Director of Sky and Space Global Ltd both ASX listed.

Michael Jardine – Non-executive Director (appointed 29 June 2017)

Mr Jardine has extensive finance and investment experience across a number of sectors, in both Australia and the UK. Having acted in both Executive and Board roles for a number of ASX listed resource companies, Mr Jardine has particular expertise in business development, strategic planning and capital management.

Mr Jardine is currently a non-executive director of Atrium Coal Limited (ASX:ATU).

Nick Castleden – Non-executive Director (appointed 29 June 2017)

Mr Castleden is a geologist with over 20 years of experience in the mineral exploration and development industry. Mr Castleden has worked with Australian mining companies including Mt Isa Mines, Perilya Mines, MPI Mines, LionOre and Breakaway Resources in various exploration, geological and management capacities and has had operational experience in Africa, North and South America and across Australia.

Mr Castleden has specific experience in the gold, nickel and base metal exploration business and has participated in the discovery and delineation of new gold and nickel sulphide systems that have progressed through feasibility studies to successful mining.

Mr Castleden is currently managing director of Apollo Consolidated Limited (ASX: AOP) and is a non-executive director of Latitude Consolidated Limited (ASX: LCD).

Tracey Lake – Managing Director (resigned 29 June 2017)

Mr Lake holds a Bachelor of Commerce Degree from the University of New South Wales – Major in Accounting and Finance. He has held senior management and principal positions in both private and public companies and has over 35 years business experience in a number of industries.

Professor Ian Plimer B.Sc.(Hons), PhD, FTSE, FAusIMM, FGS – Chairman (resigned 29 June 2017)

Professor Plimer is the Professor of Mining Geology (The University of Adelaide) and Emeritus Professor of Earth Sciences (The University of Melbourne). He has previously held academic positions as Professor at the Ludwig Maximilians University in Munich and at the University of Newcastle. His academic career includes the Leopold von Buch Medal for Science, the Centenary Medal and the Eureka Prize (twice).

Andrew Drummond B.Sc.(Hons), FAusIMM, MAIG, MGSA – Non-Executive Director (resigned 29 June 2017)

Mr Drummond is a geologist with 40 years of industry experience in exploration, development, mining, management and development capital raising. Mr Drummond was Managing Director of Minemakers Ltd from inception in 2006 until December 2011 and then Chairman from January 2012 until May 2013 and he has had senior management and/or directorship roles with Zephyr Minerals NL (now Ashburton Minerals NL), Black Range Minerals NL, Catalpa Ltd, the ACM Group, Homestake Gold Australia Ltd, BCD Resources NL and Westgold Resources Limited.

Directors Report (Cont.)**COMPANY SECRETARY*****Mark Freeman B.Com, CA, F.Fin (appointed 9 September 2017)***

Mr Freeman is a Chartered Accountant and has more than 19 years' experience in corporate finance and the resources industry. He has experience in project acquisitions and management, strategic planning, business development, M&A, asset commercialisation, and project development.

Mark Ohlsson FCPA (resigned 9 September 2017)

Mr Ohlsson has over 30 years of Company Secretarial experience with both listed and unlisted entities.

PRINCIPAL ACTIVITIES

During the year, the Group carried out exploration activities on its tenements, or tenements in which it has an interest, with the objective of identifying economic mineral deposits.

There was no significant change in the nature of the Group's activities during the year.

DIVIDENDS

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

OPERATING AND FINANCIAL REVIEW**Operating Review**

On 22 December 2016, an extension of term to 26 November 2017 was granted for EL27/2004, the Aberfoyle/Rossarden/Royal George tenement.

In December 2016 the Company commenced a 10 hole drilling program on EL27/2004 with its aim to test the relatively near surface potential of the Lutwyche, Kookaburra and associated vein systems which are at the north-eastern part of the historic major tin and tungsten Aberfoyle mineralised system. Three holes were drilled between December 2016 and February 2017 and all holes showed tin and tungsten mineralization in the form of cassiterite and wolfram respectively.

The program was suspended after the 3rd hole pending the conclusion of the proposed IPO and ASX listing of the Company's shares.

At 30 June, 2017 the company had 548,098 shares on issue and there are no options outstanding at the date of this report.

Corporate and Financial Review

The Group has recorded an operating loss after income tax for the year ended 30 June 2017 of \$331,024 (2016: \$521,801).

On 4 April, 2017, and as varied on 30 May 2017, the Company signed a mandate with Patersons Securities Limited a licenced securities dealer, pursuant to which Patersons agreed to act as the exclusive lead manager in relation to an Initial Public Offering (IPO) of ordinary shares in conjunction with a listing of the Company's securities on the ASX.

In preparation for the initial public offering, the share capital of the Company was consolidated on a 1:200 basis pursuant to a resolution passed at a General Meeting on 26 May 2017.

On 29 June, 2017 the Company lodged a Prospectus for an initial public offering of 27,500,000 shares at \$0.20 per share to raise \$5,500,000 in conjunction with listing the Company's shares on the ASX. Immediately prior to lodging the Prospectus the existing board of Ian Plimer, Tracey Lake and Andrew Drummond resigned as Directors, and a new Board was appointed comprising Brett Mitchell, Michael Jardine and Nick Castleden.

Under the terms of the mandate Patersons arranged a mandatory Convertible Note issue which raised \$150,000 for the Company to provide funding for costs associated with the offer.

In consideration for the provision of its services, the Company has agreed to pay Patersons:

Lead Manager Fee - 2.0% on the total amount raised under the convertible notes and the offer.

Selling Fee - 4.0% on the total amount raised under the convertible notes and the offer.

In addition to the above fees, Patersons will require reimbursement of all reasonable out-of-pocket expenses directly related to the offer.

Pursuant to the terms of the Lead Manager's Mandate, the Company has agreed to issue to Patersons (or its nominees) 12,000,000 Options exercisable at \$0.25 on or before 48 months from their date of issue.

The proceeds of the offer will provide funds to repay debt, maintain and conduct further exploration and evaluation of the Company's two existing tenements at Aberfoyle EL27/2004 and Great Pyramid RL2/2009, to pay the Company's ongoing costs and enable it to consider and evaluate other exploration or mining projects in both Australia and overseas.

Directors Report (Cont.)**Operating Results for the Year**

Summarised operating results are as follows:

	Revenue		Results	
	2017 \$	2016 \$	2017 \$	2016 \$
Consolidated entity revenues and loss from ordinary activities after income tax expense	456	724	(331,024)	(521,801)

Shareholder Returns

	2017	2016
Basic loss per share (cents)	(60)	(95)
Diluted loss per share (cents)	(60)	(95)

Risk Management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The management of the Company changed on 29 June 2017 when the existing board resigned. Refer to the Corporate and Financial Review section above.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 7 July, 2017 the IPO referred to above opened and subsequently closed on 18 August, 2017 raising \$5,500,000.

A third supplementary prospectus dated 22 September 2017 was lodged with the ASIC. This supplementary prospectus intended to be read with the prospectus dated 29 June 2017 (Prospectus), first supplementary prospectus dated 10 July 2017 (First Supplementary Prospectus) and second supplementary prospectus dated 16 August 2017 (Second Supplementary Prospectus) issued by the Company.

On 28 July, 2017 the Company lodged an Application for Extension of Term of RL2/2009 (the Great Pyramid tenement).

On 1 August 2017, the subsidiary Company TNT Mines (Moina) Pty Ltd filed an application for deregistration as a company, with ASIC.

On 11 September, 2017 the Company agreed to a Settlement Sum of \$775,000 with Niuminco Group Limited.

As at the date of this report there is no other matter or circumstance that has arisen since 30 June 2017 which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to undertake resource and exploration drilling at the Great Pyramid and Aberfoyle/Lutwyche/Kookaburra deposits in the current year.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation with respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, as far as it is aware is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

Directors Report (Cont.)**DIRECTORS' MEETINGS**

During the year the Company held 3 Board meetings. The attendance of directors at meetings of the Board was:

	Directors Meetings	
	A	B
Ian Plimer	2	2
Andrew Drummond	2	2
Tracey Lake	3	3
Brett Mitchell	1	1
Michael Jardine	1	1
Nick Castleden	1	1

Notes

A – Number of meetings attended.

B – Number of meetings held during the time the director held office or was a member of the Committee during the year.

The audit, nomination, remuneration, corporate governance and safety and environmental committees did not hold any meetings during the year.

SHARES UNDER OPTION

There were no shares under option during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Signed in accordance with a resolution of the directors.



Brett Mitchell
Director

Perth, 3 October 2017

**Bentleys Audit & Corporate
(WA) Pty Ltd**

London House

Level 3,

216 St Georges Terrace

Perth WA 6000

PO Box 7775

Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

To The Board of Directors

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

As lead audit director for the audit of the financial statements of TNT Mines Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



BENTLEYS
Chartered Accountants



CHRIS NICOLOFF CA
Director

Dated at Perth this 3rd day of October 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

30 JUNE 2017

	Notes	Consolidated 2017 \$	2016 \$
REVENUE			
Other Income	4	456	724
EXPENDITURE			
Corporate expenses		(160,090)	(29,904)
Administration expenses		(171,390)	(183,237)
Interest expense		--	(498)
Exploration costs written off		--	(308,886)
LOSS BEFORE INCOME TAX	5	(331,024)	(521,801)
INCOME TAX BENEFIT	5	--	--
LOSS FOR THE YEAR		(331,024)	(521,801)
Other comprehensive income		--	--
TOTAL COMPREHENSIVE LOSS		(331,024)	(521,801)
Loss for the year is attributable to:			
Owners of TNT Mines Limited		(331,024)	(521,801)
Total comprehensive loss for the year is attributable to:			
Owners of TNT Mines Limited		(331,024)	(521,801)
Basic loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)	22	(60)	(95)
Diluted loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)		(60)	(95)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

30 JUNE 2017

	Notes	Consolidated 2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	6	86,748	--
Trade and other receivables	7	31,102	29,984
TOTAL CURRENT ASSETS		117,850	29,984
NON-CURRENT ASSETS			
Capitalised exploration and evaluation expenditure	8	1,752,910	1,640,246
TOTAL NON-CURRENT ASSETS		1,752,910	1,640,246
TOTAL ASSETS		1,870,760	1,670,230
CURRENT LIABILITIES			
Convertible notes	9	150,000	--
Trade and other payables	10	271,045	144,869
Loan from Niuminco Group Limited	10	963,783	--
TOTAL CURRENT LIABILITIES		1,384,828	144,869
NON CURRENT LIABILITIES			
Loan from Niuminco Group Limited	10	--	708,405
TOTAL NON-CURRENT LIABILITIES		--	708,405
TOTAL LIABILITIES		1,384,828	853,274
NET ASSETS/(LIABILITIES)		485,932	816,956
EQUITY			
Issued capital	11	4,502,406	4,502,406
Accumulated losses	12	(4,016,474)	(3,685,450)
TOTAL EQUITY		485,932	816,956

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

30 JUNE 2017

Consolidated	Notes	Attributable to Owners of TNT Mines Limited			Total \$
		Issued Capital \$	Reserves \$	Accumulated Losses \$	
BALANCE AT 30 JUNE 2015		4,502,406	--	(3,163,649)	1,338,757
Loss for the year		--	--	(521,801)	(521,801)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		--	--	(521,801)	(521,801)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year		--	--	--	--
Employee Share Options		--	--	--	--
BALANCE AT 30 JUNE 2016		4,502,406	--	(3,685,450)	816,956
Loss for the year		--	--	(331,024)	(331,024)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		--	--	(331,024)	(331,024)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year		--	--	--	--
Employee Share Options		--	--	--	--
BALANCE AT 30 JUNE 2017		4,502,406	--	(4,016,474)	485,932

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

30 JUNE 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(91,405)	(30,839)
Interest paid		--	(498)
Interest received		456	724
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	21	(90,949)	(30,613)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation expenditure		(112,664)	(15,972)
Movements in security deposits		--	(276)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(112,664)	(16,248)
CASH FLOWS FROM FINANCING ACTIVITIES			
Convertible notes		150,000	--
Loan from Niuminco Group Limited		140,378	46,664
NET CASH INFLOW FROM FINANCING ACTIVITIES		290,378	46,664
NET INCREASE IN CASH AND CASH EQUIVALENTS		86,765	(197)
Cash and cash equivalents at the beginning of the financial year		(17)	180
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	6	86,748	(17)

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of TNT Mines Limited and its subsidiaries. The financial statements are presented in the Australian currency. TNT Mines Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 30 September 2017.

(a) Basis of accounting

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The preparation of the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position are disclosed where appropriate.

(b) Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group has a net deficit of current assets to current liabilities of \$1,266,978 as at 30 June 2017 (30 June 2016: \$114,885) and recorded an operating loss after income tax of \$331,024 (2016: \$521,801) for the year then ended.

The continuing viability of the Group and its ability to continue on a going concern basis and meet its debts and commitments as they fall due is dependent upon the successful completion of an initial public offering of 27,500,000 shares to raise \$5,500,000 in conjunction with listing the Company's securities on the Australian Securities Exchange.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because on 29 June 2017 a prospectus was lodged for the initial public offering. Subsequent to year end, the Company has raised a total of \$5,500,000 before capital raising costs.

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**(c) Principles of consolidation***Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of TNT Mines as at 30 June 2017 and the results of all subsidiaries for the period then ended. TNT Mines and its subsidiaries together are referred to in this report as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer Note 1(g)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of TNT Mines.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(e) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable.

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

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

(f) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred 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 losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is capitalised in respect of each identifiable area of interest. These costs are only carried forward where the right of tenure of the area of interest is current and they are expected to be recouped through sale or 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 an area of interest that is abandoned or the directors decide that it is not commercial are written off in full against profit in the period in which the decision is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(i) Investments and other financial assets

Classification

The Company classifies its investments 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. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Financial liabilities

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

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Company's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Details on how the fair value of financial investments is determined are disclosed in Note 2.

Impairment

The Company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

Fair value

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

(j) Trade creditors

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

(k) Issued capital

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**(l) Provisions**

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(n) Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial 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.

(o) Application of new and revised Accounting Standards**New, revised or amending Accounting Standards and Interpretations adopted**

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2017. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)*AASB 9 Financial Instruments*

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

AASB 15 Revenue from Contracts with Customers

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

AASB 16 Leases

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

(p) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)*Share based payment transactions*

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

Environmental issues

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

Taxation

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

Exploration and evaluation expenditure

The Group capitalises expenditure where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where pre-feasibility activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Such capitalised expenditure is carried at the end of the reporting period at \$1.75m (2016: \$1.64m).

2. FINANCIAL RISK MANAGEMENT**Financial Risk Management Policies**

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

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

Specific Financial Risk Exposures and Management**(a) Market risk***(i) Foreign exchange risk*

The Group does not have any material foreign exchange risk.

(ii) Price risk

Given the current level of operations, the Group is not presently exposed to price risk.

(iii) Interest rate risk

The Group does not have any material interest rate risk.

(b) Credit risk

The Group does not have any significant concentration of credit risk.

Credit risk related to balances with banks and other financial institutions is managed by investing surplus funds in financial institutions that maintain a high credit rating.

As the Group does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitors the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables and loan payable as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

2. FINANCIAL RISK MANAGEMENT (CONT.)

(d) Net fair value

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their fair value.

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Notes	Consolidated 2017 \$	2016 \$
Financial Assets			
Cash and cash equivalents	6	86,748	--
Trade and other receivables	7	31,102	29,984
Total Financial Assets		117,850	29,984
Financial Liabilities			
Loan from Niuminco Group Limited		963,783	708,405
Convertible notes	9	150,000	--
Trade and other payables	10	271,045	144,869
Total Financial Liabilities		1,384,828	853,274

Financial instruments measured at fair value

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

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

3 SEGMENT INFORMATION

Industry and geographical segment

The group operates in the mining exploration sector solely within the State of Tasmania in Australia.

4 REVENUE

From continuing operations

	Consolidated 2017 \$	2016 \$
<i>Other revenue</i>		
Interest from financial institutions	456	724
	456	724

5 INCOME TAX

	Consolidated 2017 \$	2016 \$
(a) Income tax expense/(benefit)		
Current tax	--	--
Deferred tax	--	--
	--	--

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

5 INCOME TAX (CONT.)

	Consolidated	
	2017	2016
	\$	\$
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(331,024)	(521,801)
Prima facie tax benefit at the Australian tax rate of 27.5% (2016: 30%)	(91,032)	(156,540)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Movement in temporary differences	--	92,666
Taxable losses not recognised	91,032	63,874
Income tax benefit	--	--
(c) Deferred Tax Assets		
Provisions and accruals	61,262	1,800
Tax losses	420,788	490,274
	482,050	492,074
Offset against deferred tax liabilities	(482,050)	(492,074)
Unused tax losses not recognised as deferred tax assets	--	--
(d) Unused tax losses		
Unused tax losses for which no deferred tax asset has been recognised	3,232,729	1,073,171
	3,232,729	1,073,171

6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Consolidated	
	2017	2016
	\$	\$
Cash at bank (AA rated)	87,422	--
Overdraft funds	(674)	(17)
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	86,748	--

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position.

7. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	Consolidated	
	2017	2016
	\$	\$
Government taxes receivable	11,291	10,174
Security deposits	19,810	19,810
	31,101	29,984

8. NON CURRENT ASSETS – CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2017	2016
	\$	\$
Exploration and evaluation costs carried forward in respect of mining areas of interest		
Opening net book amount	1,640,246	1,933,160
Capitalised exploration and evaluation costs	112,664	15,972
Expenditure written off	--	(308,886)
Closing net book amount	1,752,910	1,640,246

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the carried forward for the development phase is not being charged pending the commencement of production.

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

9. CURRENT LIABILITIES - CONVERTIBLE NOTES

	Consolidated	
	2017	2016
	\$	\$
Convertible notes	150,000	--
	150,000	--

The Company has raised a total of \$150,000 by issuing convertible notes. The amount raised is to be used to fund expenses associated with the IPO.

The term of the notes is 6 months or mandatory conversion at a 20% discount to the IPO issue price upon approval of quotation of the Company's shares on the ASX. The term of the notes can be extended on a monthly basis by mutual agreement. Interest at 10% per annum is payable on the notes, interest accrues and the principal and interest is repayable in full at the end of the term.

In addition, the company has issued convertible notes with a face value of \$12.50 which will convert to 1,250,000 shares at an issue price of 0.001 cents per share upon approval of quotation of the Company's shares on the ASX. No interest is payable on these notes.

10. LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2017	2016
	\$	\$
Current		
Trade payables	209,781	138,852
Other payables and accruals	61,264	6,000
Loan from Niuminco Group Limited	963,783	--
	1,234,828	144,852
Non-Current		
Loan from Niuminco Group Limited	--	708,405
	--	708,405

The loan from Niuminco Group Limited is an unsecured, interest free loan, which will be repaid from the proceeds of the capital raising under a prospectus dated 29 June 2017.

11. ISSUED CAPITAL

	2017		2016	
	Number of shares	\$	Number of shares	\$
(a) Share capital				
Ordinary shares fully paid	548,098	4,502,406	548,098	4,502,406
Total issued capital	548,098	4,502,406	548,098	4,502,406
(b) Movements in ordinary share capital				
Beginning of the financial year	109,541,285	4,502,406	548,098	4,502,406
Consolidation of issued capital	(108,993,187)	--	--	--
End of the financial year	548,098	4,502,406	548,098	4,502,406

The number of shares on issue in 2016 was 109,541,285. On 26 May 2017, the ordinary shares on issue were consolidated on a 1:200 basis.

There were no options issued during the year, or outstanding at year end.

(c) Ordinary shares

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 every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

11. ISSUED CAPITAL (CONT.)

(d) Capital risk management

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

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

	Consolidated	
	2017	2016
	\$	\$
Cash and cash equivalents	86,748	--
Trade and other receivables	31,101	29,984
Convertible notes	(150,000)	--
Trade and other payables	(1,234,828)	(144,869)
Working capital position	(1,266,979)	(114,885)

12. ACCUMULATED LOSSES

	Consolidated	
	2017	2016
	\$	\$
Balance at beginning of year	(3,685,450)	(3,163,649)
Net loss for the year	(331,024)	(521,801)
Balance at end of year	(4,016,474)	(3,685,450)

13. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

14. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	Consolidated	
	2017	2016
	\$	\$
Short-term benefits	--	--
Post-employment benefits	--	--

(i) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of TNT Mines Limited and other key personnel of the Group, was nil (2016: nil).

(ii) Shareholdings

The number of shares in the Company held during the financial year by each director of TNT Mines Limited and other key management personnel of the Group, including their personally related parties, was nil (2016: nil).

(b) Loans to key management personnel

There were no loans to key management personnel during the year.

15. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Audit services

	Consolidated	
	2017	2016
	\$	\$
Bentleys - audit and review of financial reports	10,061	11,000
	10,061	11,000

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

16. CONTINGENCIES

In relation to tenement acquisition agreements entered into by the Group, the following additional cash may be paid or shares issued dependent on future events:

(a) Tasmanian Tin and Tungsten Agreement

- \$1,000,000 (or \$1,100,000 of shares in the Company) upon commencement of mining operations, along with a 2.5% net smelter royalty.

(b) Minemakers Royalty Deed

- Upon commencement of mining 1.5% net smelter royalty capped at \$5,000,000 on any TNT Mines Ltd tenement.

17. COMMITMENTS

(a) Exploration commitments

The Company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	Consolidated	
	2017 \$	2016 \$
Within one year	262,336	355,000
Later than one year but not later than five years	--	--
Later than five years	--	--
	<u>262,336</u>	<u>355,000</u>

18. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is TNT Mines Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 19.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 14.

19. SUBSIDIARIES

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

Name	Country of Incorporation	Class of Shares	Equity Holding	
			2017 %	2016 %
TNT Mines (Moina) Pty Ltd	Australia	Ordinary	100	100

20. EVENTS OCCURRING AFTER THE BALANCE DATE

On 7 July, 2017 the IPO referred to above opened and subsequently closed on 18 August, 2017 raising \$5,500,000.

A third supplementary prospectus dated 22 September 2017 was lodged with the ASIC. This supplementary prospectus intended to be read with the prospectus dated 29 June 2017 (Prospectus), first supplementary prospectus dated 10 July 2017 (First Supplementary Prospectus) and second supplementary prospectus dated 16 August 2017 (Second Supplementary Prospectus) issued by the Company.

On 28 July, 2017 the Company lodged an Application for Extension of Term of RL2/2009 (the Great Pyramid tenement).

On 11 September, 2017 the Company agreed to a Settlement Sum of \$775,000 with Niuminco Group Limited

As at the date of this report there is no other matter or circumstance that has arisen since 30 June 2017 which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

21. STATEMENT OF CASH FLOWS

	Consolidated	
	2017	2016
	\$	\$
Reconciliation of loss after income tax to net cash outflow from operating activities		
Net loss for the year	(331,024)	(521,801)
Non-Cash Items		
Management fees charged by Niuminco Group Limited	115,000	180,000
Exploration costs written off	--	308,886
Change in operating assets and liabilities, net of effects from purchase of controlled entities		
(Increase)/decrease in trade and other receivables	(1,118)	(1,400)
Increase in trade and other payables	126,193	3,702
Net cash outflow from operating activities	(90,949)	(30,613)

22. LOSS PER SHARE

	Consolidated	
	2017	2016
	\$	\$
(a) Reconciliation of earnings used in calculating loss per share		
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	(331,024)	(521,801)
	Number of shares	Number of shares
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	548,098	548,098

The number of shares on issue in 2016 was 109,541,285. The shares were consolidated on a 1:200 basis pursuant to a resolution at a general meeting of shareholders on 26 May 2017, and to enable a reasonable comparison between the current and prior years, the number of shares post consolidation has been used in calculating the loss per share.

23. PARENT ENTITY INFORMATION

The following information relates to the parent entity, TNT Mines Limited, at 30 June 2017. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	Consolidated	
	2017	2016
	\$	\$
(a) Financial position		
Assets		
Current assets	117,850	29,984
Non-current assets	1,752,910	1,640,246
Total assets	1,870,760	1,670,230
Liabilities		
Current liabilities	1,384,828	144,869
Non-current liabilities	--	708,405
Total liabilities	1,384,828	853,274
Equity		
Contributed equity	4,502,406	4,502,406
Accumulated losses	(4,016,474)	(3,685,450)
Total equity	485,932	816,956
(b) Financial Performance		
Loss for the year	(331,024)	(1,372,490)
Total comprehensive loss for the year	(331,024)	(1,372,490)

Notes to the Consolidated Financial Statements (Cont.)

30 JUNE 2017

23. PARENT ENTITY INFORMATION (CONT.)

(c) Details of any contingent liabilities of the parent entity

Refer to Note 16(a) for details on the contingent liabilities of the parent entity.

(d) Details of any commitments by the parent entity for the acquisition of property, plant and equipment

There are no contractual commitments by the parent entity for the acquisition of property, plant and equipment as at reporting date.

Director's Declaration

The directors' declare that:

- a) the financial statements and notes set out on pages 8 to 24 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2017 and of their performance for the financial year ended on that date;
- b) in their opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- c) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



Brett Mitchell
Director

Perth, 3 October 2017

Independent Auditor's Report

To the Members of TNT Mines Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of TNT Mines Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other 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:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Consolidated Entity 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.



Bentleys Audit & Corporate
(WA) Pty Ltd

London House

Level 3,

216 St Georges Terrace

Perth WA 6000

PO Box 7775

Cloisters Square WA 6850

ABN 33 121 222 802

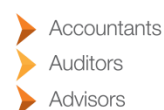
T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au



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Responsibilities of the Directors for the Financial Report

The directors of the Consolidated Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability 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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity'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 Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity 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.

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.



BENTLEYS
Chartered Accountants



CHRIS NICOLOFF CA
Director

Dated at Perth this 3rd day of October 2017