Modeling Resources Pty Ltd
ABN 53 169 211 876

Financial Report – For the period 23 April 2014 to 30 June 2014
Modeling Resources Pty Ltd
Directors' Report
30 June 2014

The directors present their report, together with the financial statements, on the company for the period 23 April 2014 to 30 June 2014.

Directors
The following persons were directors of the company during the whole of the financial period and up to the date of this report, unless otherwise stated:

Tom Kotsimbos (appointed 23 April 2014, resigned 23 April 2014)
David J Richardson (appointed 23 April 2014)
David W Berrie (appointed 7 May 2014)
Ryoko Komatsuzaki (appointed 7 May 2014)

Principal activities
The Company was incorporated on 23 April 2014. During the financial year the principal continuing activities of the company consisted of exploration activities for gold and base metals in the East Lachlan region of New South Wales.

Dividends
There were no dividends paid, recommended or declared during the current period.

Review of operations
The loss for the company after providing for income tax amounted to $13,115.

Significant changes in the state of affairs
The company was incorporated on 23 April 2014.

Matters subsequent to the end of the financial year
On 27 August 2015, the Company entered into a Tenement Sale and Purchase Agreement with Gold Fields Australia Pty Ltd in relation to 4 exploration projects (consisting of 6 tenements) located in the East Lachlan region of New South Wales, Australia. The acquisition was settled on 17 December 2015 and consideration for the projects consisted of 20% of the share capital of Modeling and an agreement for Gold Fields to maintain a 20% shareholding until such time as Modeling has spent $3m in exploration of the tenements.

On 19 September 2016, the Company raised a total of $500,000 through the issue of convertible notes with a coupon of 5%. The notes are convertible at a 15% discount to the Initial Public Offering (IPO) price of the Company with a maturity date of 30 September 2017.

On 28 October 2016, Magmatic Resources Limited (Magmatic) was incorporated and following a transfer of Modeling shares from existing Modeling shareholders in the Company for shares in Magmatic by way of a scrip for scrip transfer, Modeling became a wholly owned subsidiary of Magmatic.

As at the date of this report, the Company is currently undertaking an IPO process to be listed on the Australian Securities Exchange (ASX) which is expected to be finalised by late February 2017.

Other than as outlined above, no matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.
Modeling Resources Pty Ltd
Directors' report
30 June 2014

Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the period ended 30 June 2014 and up to the date of this report.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

This report is made in accordance with a resolution of directors.

On behalf of the directors

[Signature]

David W Barrie
Director

22 December 2016
Perth
DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF MODELING RESOURCES PTY LTD

As lead auditor of Modeling Resources Pty Ltd for the period 23 April 2014 to 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Smith
Director

BDO Audit (WA) Pty Ltd
Perth, 22 December 2016
Modeling Resources Pty Ltd
Contents
30 June 2014

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General information

The financial statements cover Modeling Resources Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Modeling Resources Pty Ltd's functional and presentation currency.

Modeling Resources Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office  Principal place of business
Level 1  Level 1
11 Lucknow Place  11 Lucknow Place
West Perth WA 6005  West Perth WA 6005

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 December 2016. The directors have the power to amend and reissue the financial statements.
Modeling Resources Pty Ltd
Statement of profit or loss and other comprehensive income
For the period 23 April 2014 to 30 June 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3</td>
<td>79</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate and administrative expenses</td>
<td></td>
<td>(6,694)</td>
</tr>
<tr>
<td>Exploration and evaluation expenses</td>
<td></td>
<td>(6,500)</td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Loss before income tax expense</td>
<td></td>
<td>(13,115)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Loss after income tax expense for the year attributable to the owners of Modeling Resources Pty Ltd</td>
<td></td>
<td>(13,115)</td>
</tr>
<tr>
<td>Other comprehensive income for the year, net of tax</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive loss for the year attributable to the owners of Modeling Resources Pty Ltd</td>
<td></td>
<td>(13,115)</td>
</tr>
</tbody>
</table>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.
Modeling Resources Pty Ltd  
Statement of financial position  
As at 30 June 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4</td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>5</td>
</tr>
<tr>
<td>Borrowings</td>
<td>6</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets/(liabilities)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
</tr>
<tr>
<td>Issued capital</td>
<td>7</td>
</tr>
<tr>
<td>Retained profits/(losses)</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
</tr>
</tbody>
</table>

The above statement of financial position should be read in conjunction with the accompanying notes.
Modeling Resources Pty Ltd  
Statement of changes in equity  
For the period 23 April 2014 to 30 June 2014

<table>
<thead>
<tr>
<th></th>
<th>Issued capital $</th>
<th>Retained profits/ (losses) $</th>
<th>Total equity $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 23 April 2014 (date of incorporation)</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Loss after income tax expense for the period</td>
<td>-</td>
<td>(13,115)</td>
<td>(13,115)</td>
</tr>
<tr>
<td>Other comprehensive income for the period, net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive loss for the period</td>
<td>-</td>
<td>(13,115)</td>
<td>(13,115)</td>
</tr>
<tr>
<td>Transactions with owners recorded directly in equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue of ordinary shares</td>
<td>98</td>
<td>-</td>
<td>98</td>
</tr>
<tr>
<td>Total transactions with owners recorded directly in equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 30 June 2014</td>
<td>100</td>
<td>(13,115)</td>
<td>(13,015)</td>
</tr>
</tbody>
</table>

The above statement of changes in equity should be read in conjunction with the accompanying notes.
Modeling Resources Pty Ltd  
Statement of cash flows  
For the period 23 April 2014 to 30 June 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Cash flows from operating activities**
- Payments to suppliers and consultants (inclusive of GST): (7,221)
- Interest received: 79
- Net cash from operating activities: 12, (7,142)

**Cash flows from financing activities**
- Proceeds from borrowings: 86,001
- Proceeds from issue of shares: 100
- Net cash from financing activities: 86,101

Net increase/(decrease) in cash and cash equivalents: 78,959
Cash and cash equivalents at the beginning of the financial period: 0
Cash and cash equivalents at the end of the financial period: 4, 78,959

*The above statement of cash flows should be read in conjunction with the accompanying notes.*
Modeling Resources Pty Ltd
Notes to the financial statements
30 June 2014

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New, revised or amending Accounting Standards and Interpretations adopted
The company 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.

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

Accounting period
The company’s accounting period is from 23 April 2014 to 30 June 2014. Given the company was incorporated on 23 April 2014, there are no comparatives for this reporting period.

Basis of preparation
In the directors’ opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of preparing and distributing financial statements to the owners of Modeling Resources Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Modeling Resources Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the disclosure requirements of AASB 101 ‘Presentation of Financial Statements’, AASB 107 ‘Statement of Cash Flows’, AASB 108 ‘Accounting Policies, Changes in Accounting Estimates and Errors’, AASB 1031 ‘Materiality’, AASB 1048 ‘Interpretation of Standards’ and AASB 1054 ‘Australian Additional Disclosures’, as appropriate for for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. 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 financial statements, are disclosed in note 2.

Going concern
During the period, the company incurred a net loss before income tax of $13,115, experienced net cash outflows from operations of $7,142 and had a working capital deficiency of $13,015. As at 30 June 2014 the cash balance is $78,959. Subsequent to balance date the company acquired 6 tenements which included minimum expenditure commitments.

The Directors have reviewed the cash flow requirements in the next 12 months and recognise that the ability of the company to continue as a going concern is dependent upon the success of the fundraising under the prospectus and continued shareholder support to continue to fund its operational activities.

These conditions indicate a material uncertainty that may cast significant doubt about the company’s ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe there are sufficient funds to meet the company’s working capital requirements as at the date of this report.
Modeling Resources Pty Ltd
Notes to the financial statements
30 June 2014

Note 1. Significant accounting policies (continued)

These financial statements have been prepared on the basis that the company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:
- The company is currently in the process of completing a prospectus to raise approximately $5,000,000 in funds; and
- The company has obtained confirmation that the shareholder loans will not be recalled in the next 12 months from the date of this report and continue to provide financial support until the completion of the IPO.

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded assets amounts or liabilities that might be necessary should the entity not continue as a going concern.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that 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, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

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

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.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and assumes that the transaction will take place either in the principle market, or in the absence of a principal market, in the most advantageous market.
Note 1. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Exploration expenditure
Exploration expenditure is expensed to the statement of profit or loss as incurred.

Borrowings
Loans and borrowings are initially recognised at the fair value of consideration received, net of transaction costs. They are subsequently measured at amortised cost using effective interest method.

Issued capital
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, net of tax, from the proceeds.

Goods and Services Tax (‘GST’) and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Deferred tax
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.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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 company for the reporting period ended 30 June 2014. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.
Modeling Resources Pty Ltd
Notes to the financial statements
30 June 2014

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Revenue

<table>
<thead>
<tr>
<th>Other revenue</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>70</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>79</td>
</tr>
<tr>
<td>Revenue</td>
<td>79</td>
</tr>
</tbody>
</table>

Note 4. Current assets - cash and cash equivalents

<table>
<thead>
<tr>
<th>Cash on hand</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>78,859</td>
</tr>
<tr>
<td></td>
<td>78,959</td>
</tr>
</tbody>
</table>

Note 5. Current liabilities - trade and other payables

<table>
<thead>
<tr>
<th>Trade payables</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued Expenses</td>
<td>473</td>
</tr>
<tr>
<td></td>
<td>5,500</td>
</tr>
<tr>
<td></td>
<td>5,973</td>
</tr>
</tbody>
</table>
Note 6. Current liabilities – borrowings

2014
$  
Shareholder Loan – Bilingual Software Pty Ltd  56,001  
Shareholder Loan – Davthea Pty Ltd  30,000  
86,001

The shareholder loans have been incurred to fund the ongoing exploration activities and general working capital of the Company. The loans are interest free and are not expected to be repaid prior to the Company listing on ASX.

Note 7. Equity - issued capital

2014  2014
Shares  $  
Ordinary shares - fully paid  100  100

Movements in ordinary share capital during the current financial period was as follows:

<table>
<thead>
<tr>
<th>Shares</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 23 April 2014 (date of incorporation)</td>
<td>2  2</td>
</tr>
<tr>
<td>17 May 2014 – Share Issue</td>
<td>98  98</td>
</tr>
<tr>
<td>Balance as at 30 June 2014</td>
<td>100 100</td>
</tr>
</tbody>
</table>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

Note 8. Equity - retained losses

2014
$  
Retained losses at date of incorporation  
Loss after income tax expense for the period (13,115)  
Retained losses at the end of the financial period (13,115)

Note 9. Contingent liabilities

The company had no contingent liabilities as at 30 June 2014.

Note 10. Commitments

The company had no commitments for expenditure as at 30 June 2014.
Note 11. Events after the reporting period

On 27 August 2015, the Company entered into a Tenement Sale and Purchase Agreement with Gold Fields Australia Pty Ltd in relation to 4 exploration projects (consisting of 6 tenements) located in the East Lachlan region of New South Wales, Australia. The acquisition was settled on 17 December 2015 and consideration for the projects consisted of 20% of the share capital of Modeling and an agreement for Gold Fields to maintain a 20% shareholding until such time as Modeling has spent $3m in exploration of the tenements.

On 19 September 2016, the Company raised a total of $500,000 through the issue of convertible notes with a coupon of 5%. The notes are convertible at a 15% discount to the Initial Public Offering (IPO) price of the Company with a maturity date of 30 September 2017.

On 28 October 2016, Magmatic Resources Limited (Magmatic) was incorporated and following a transfer of Modeling shares from existing Modeling shareholders in the Company for shares in Magmatic by way of a scrip for scrip transfer, Modeling became a wholly owned subsidiary of Magmatic.

As at the date of this report, the Company is currently undertaking an IPO process to be listed on the Australian Securities Exchange (ASX) which is expected to be finalised by late February 2017.

Other than as outlined above, no matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the company’s operations, the results of those operations, or the company’s state of affairs in future financial years.

Note 12. Reconciliation of loss after income tax to net cash from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2014 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss after income tax expense for the period</td>
<td>(13,115)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td></td>
</tr>
<tr>
<td>Change in operating assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Increase in trade and other receivables</td>
<td></td>
</tr>
<tr>
<td>Increase in prepayments</td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in trade and other payables</td>
<td>5,973</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>(7,142)</td>
</tr>
</tbody>
</table>
Modeling Resources Pty Ltd
Directors' declaration
30 June 2014

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of preparing and distributing financial statements to the owners of Modeling Resources Pty Ltd;

- the attached financial statements and notes thereto comply with the Accounting Standards as described in note 1 to the financial statements and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the financial period ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

[Signature]

David W Berrie
Director

22 December 2016
Perth
INDEPENDENT AUDITOR’S REPORT

To the members of Modeling Resources Pty Ltd


We have audited the accompanying financial report, being a special purpose financial report of Modeling Resources Pty Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors’ declaration.

Directors’ Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the owners of Modeling Resources Pty Ltd. The directors’ responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have 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 whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s 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 company’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.
Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Modeling Resources Pty Ltd as at 30 June 2014, and its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards to the extent described in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the company to continue as a going concern is dependent on the success of the fundraising under the prospectus and the continued financial support from its shareholders. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company’s ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors’ financial reporting responsibilities to meet the needs of the owners of Modeling Resources Pty Ltd. As a result, the financial report may not be suitable for another purpose.

Yours faithfully

BDO Audit (WA) Pty Ltd

Neil Smith
Director

Perth, 22 December 2016