ANNUAL REPORT

Great Southern Mining Limited
(Formerly "Forte Consolidated Limited")

30th June 2018

ABN 37 148 168 825

Directors

John Terpu (Executive Chairman)
Kathleen Bozanic (Non-executive Director)
Andrew Caruso (Non-executive Director)

Company Secretary

Mark Petricevic

Registered Office and Principal Place of Business

Suite 4, 213 Balcatta Road
Balcatta WA 6021
Telephone: (08) 9240 4111
Facsimile: (08) 9240 4054

Website: www.gsml.com.au

Solicitors

Gilbert & Tobin
Level 16
Brookfield Place Tower 2
123 St Georges Tce
PERTH WA 6000
Telephone: (08) 9413 8400
Facsimile: (08) 9413 8444

Auditors

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000
Telephone: (08) 9227 7500
Facsimile: (08) 9227 7533

Share Register

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Telephone: (within Australia): 1300 554 474
Telephone: (outside Australia): +61 (02) 8280 7761
Facsimile: (02) 9287 0303

Securities Exchange Listing and domicile

Great Southern Mining Limited (formerly Forte Consolidated Limited) is an Australian Company limited by shares and listed on the Australian Securities Exchange (ASX: GSN)

CONTENTS

Operating and Financial Review

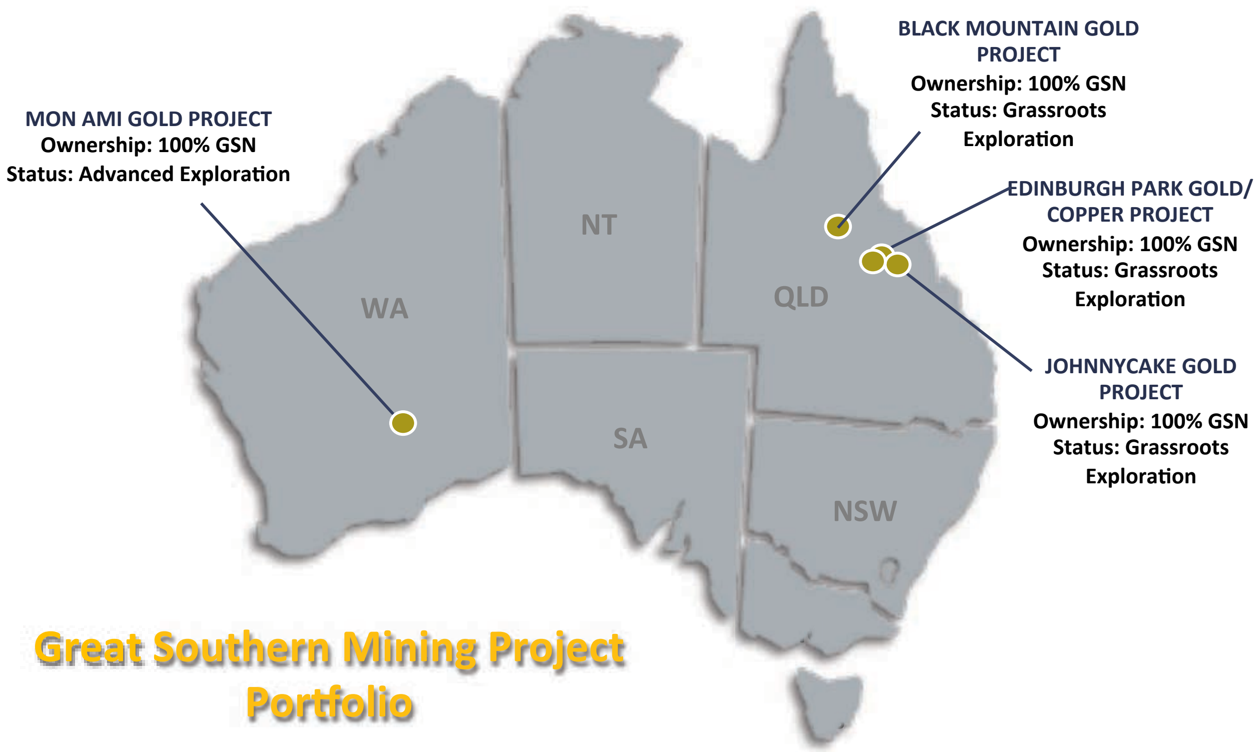
EXPLORATION STRATEGY

The Company's strategy has been to undertake efficient and economical drilling campaigns utilising the available existing resources to improve the knowledge of each mineral deposit and identify future targets. Following the acquisition of the Mt Lucky Project (hereafter referred to as the "Mon Ami Gold Project" or "Mon Ami") in WA in early 2018, a tailored and targeted drill campaign was undertaken which produced some exciting results.

Exploration also continued in North Queensland to further our understanding of the resource profile of the tenements.

FY2018 HIGHLIGHTS

- Acquisition of Mon Ami Gold Project in WA;
- Completed RC drill program at Mon Ami;
- Application and grant of the Edinburgh Park Project in QLD;
- Commencement of ground exploration activities at Edinburgh Park.

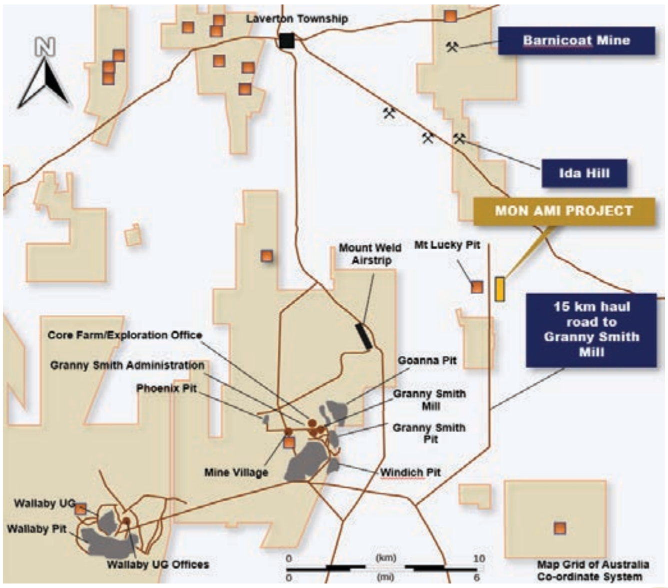


MON AMI GOLD PROJECT

In March 2018 Great Southern Mining Limited (formerly Forte Consolidated Limited) acquired the Mining Lease for the Mon Ami Project in Western Australia. Mon Ami comprises a Mining Lease M38/1256 granted in 2012 for a term of 21 years. The tenement lies within the Mt Margaret Mineral Field of the north-eastern Goldfields of Western Australia (Laverton Greenstone Belt), approximately 10 km east of the Granny Smith Mill and 18 km southeast of Laverton.

There are several historic shafts along a regional shear which have extracted gold in the early 19th century (the most significant one being the Mon Ami shaft that produced 311 oz of gold from 128 tonnes of ore crushed at a grade of ~48 g/t Au (GSWA, 1906). The tenement has been subjected to 'modern' exploration since the late 1980s through a number of exploration companies including Placer (Granny Smith) Pty Ltd between 2001 and 2002.

The project has accumulated a significant wealth of exploration data. This exploration has included prospect-scale geological mapping, soil and rock chip sampling, geophysical surveys, 2,950m of



RAB drilling, 52 RC holes for 5,000 metres and two diamond cored holes for 280m.

Forty (40) Reverse Circulation (RC) holes for a total of 5,821m were completed at the Mon Ami Gold Project during the June drilling campaign. Best results returned were:

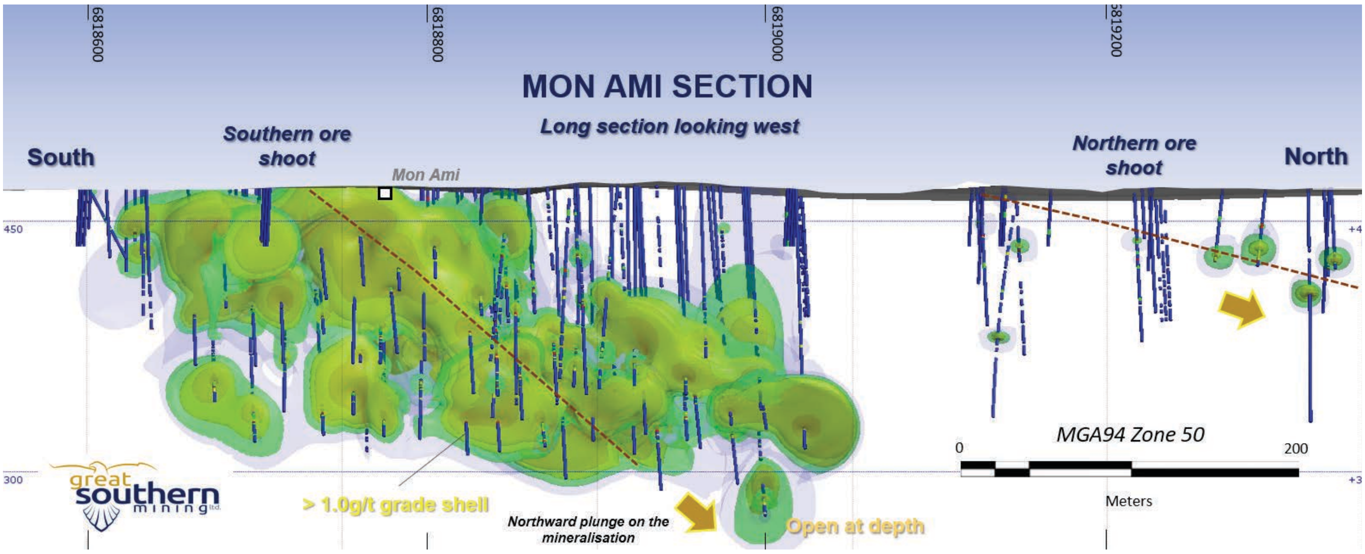
- 20m at 2.03 g/t Au from 26m (MLRC015)
- 4m at 10.03 g/t Au from 31m (MLRC018)
- 12m at 2.90 g/t Au from 44m (MLRC021)
- 14m at 5.41 g/t Au from 64m (MLRC024)
- 8m at 4.17 g/t Au from 136m (MLRC020)
- 8m at 3.20 g/t Au from 108m (MLRC038)
- 2m at 29.85 g/t Au from 173m (MLRC036)

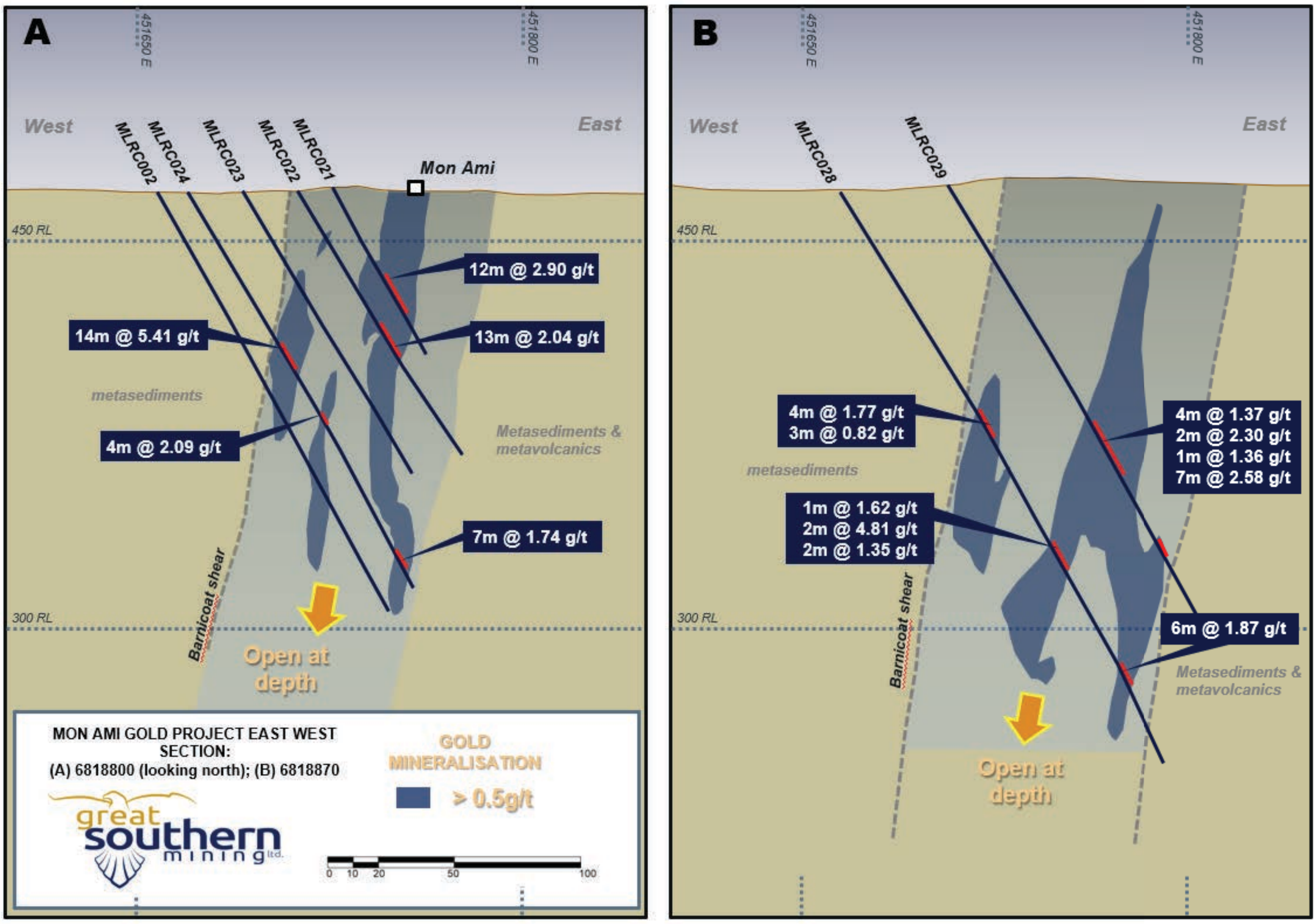
All holes successfully intersected shear hosted alteration and anomalous gold mineralization. Gold mineralisation at Mon Ami is hosted by quartz – sulphide veining within a sheared metasediment / carbonaceous contact zone within a regional north-south trending shear zone. The contact is marked by a 40-50 m wide deformation zone with intense shearing and alteration. Significant intercepts from the drilling were reported in an ASX release dated 16 July 2018.

Based on these early results, further drilling is planned in FY2019 to test the along strike and depth extensions to Mon Ami.

Drilling at Mon Ami

MON AMI GOLD PROJECT





Assay intersections through modelled grade domains within the Barnicoat shearzone

NORTH QUEENSLAND EXPLORATION EDINBURGH PARK GOLD-SILVER PROJECT

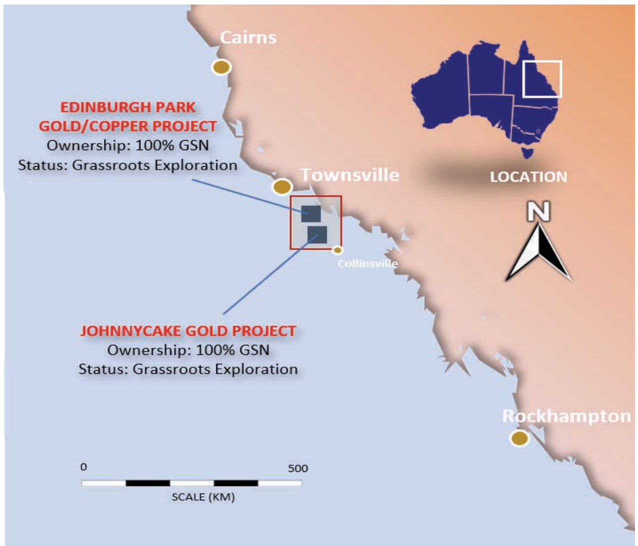
The 'Edinburgh Park' project is a new acquisition for the Company in FY2018 and comprises two contiguous EPM's (26527 & 26810) located at the northern margin of the Bowen Basin. EPM 26527 was granted in September 2017 for a period of five (5) years. EPM 26810 was applied for in March 2018 and was still pending grant at the end of FY 2018.

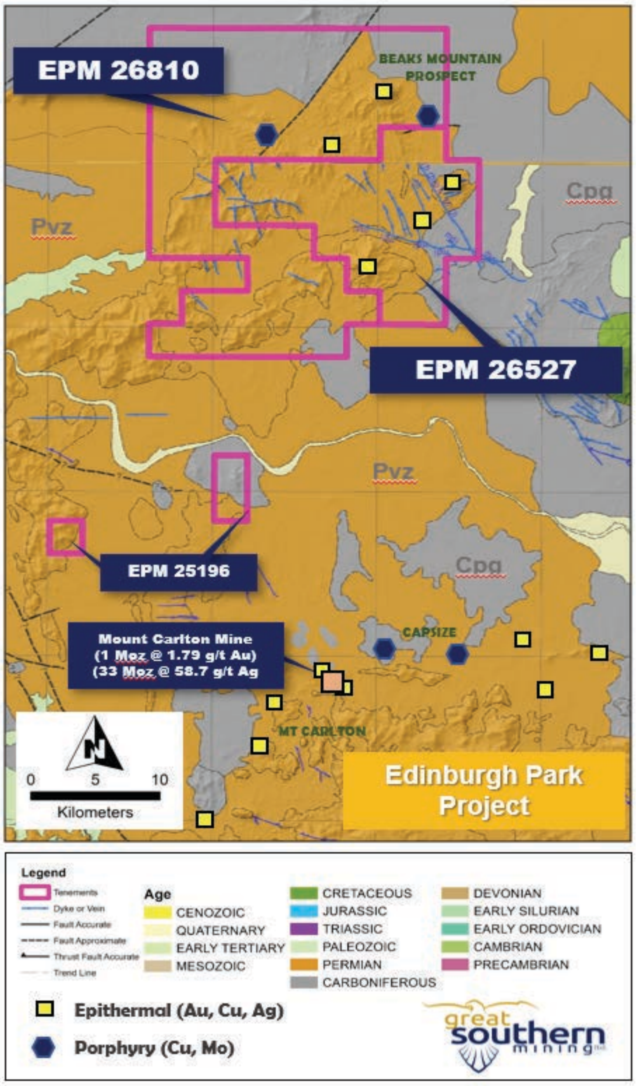
The Project is a "grass roots stage" exploration project located in a region interpreted to represent a magmatic arc setting which is regarded as being prospective for porphyry copper-molybdenum deposits and epithermal gold-silver deposits. Desktop studies highlight strong similarities with the Mt Carlton district some 30 kilometres to the south. A program of detailed geological mapping and geochemical sampling within granted EPM 25196 commenced during the last quarter.

The field based programs are focused on detailed geological and structural mapping, validation of historic exploration results and drill collars and confirmatory mapping and sampling of defined prospects to gain an understanding of the nature of gold (± copper and silver) mineralization.

As announced to the market on 19 July 2018, EPM 26810 has been granted. The exploration program has been extended to include EPM 26527 and EPM 26810 and is aimed to provide a more detailed understanding of the structures and further refine future drilling targets on the Project. The program will extend into the next quarter.

Mapping and sampling hydrothermal breccias at Edinburgh Park





NORTH QUEENSLAND EXPLORATION JOHNNYCAKE GOLD-SILVER PROJECT

BACKGROUND

The 'Johnnycake' project comprises EPM 18986 and is located at the northern margin of the Bowen Basin.

The Project is a "grass roots stage" exploration project located in a region interpreted to represent a magmatic arc setting which is regarded as being prospective epithermal gold-silver deposits.

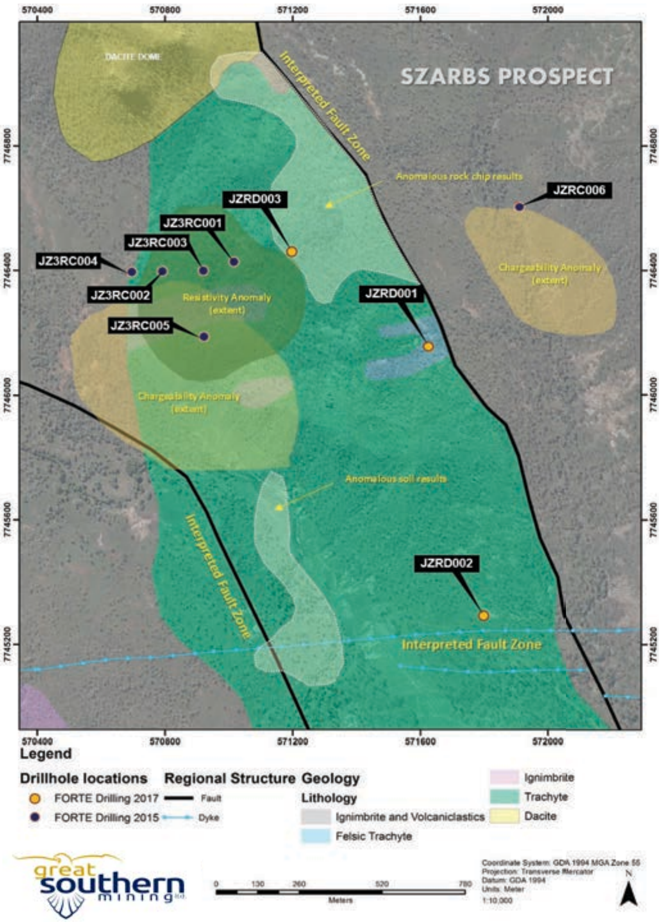
In order to advance the geological understanding of the Szarbs and Sledgehammer prospects, Great Southern Mining undertook a small targeted stratigraphic drilling program at each prospect to better understand the geology at depth.

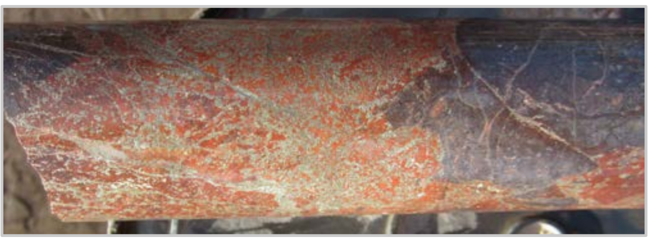
In October, 2017, Four holes were completed for a total of 1,559m, including 718m of diamond core.

The exploration results relating to this drilling program were reported in an ASX release dated 11 October 2017.

The extent and intensity of alteration observed in the holes confirmed the presence of a significant fossil hydrothermal system at both prospects and delineated a wide 15-20m zone of shear-hosted sulphide mineralization at the Szarbs prospect.

The sulphide mineralization provides further evidence on the strong structural controls on hydrothermal fluid flow which overprint pervasive propylitic alteration halos. The zone was not geochemically anomalous, however the shear zone provides a good target to define lateral zones of metal concentrations in sulphide mineralization.





Massive sulphides intersected at Szarbs drilling

Drilling at Szarbs Prospect

OTHER PROJECTS

BACKGROUND

EPM 25755, known as 'Black Mountain', was granted to Great Southern Mining Limited on the 8 April 2015 for a period of five years.

The permit is located in north Queensland, approximately 100 kilometres northwest of Townsville, and some 50 km west of the city of Ingham. EPM 25755 is situated within the Camel Creek Sub-province which is composed of Ordovician to Early Devonian sedimentary rocks which have been deformed and have been intruded by granitoids of mid-Carboniferous to mid-Permian age.

The primary exploration target is intrusion related porphyry and mesothermal gold (± Cu) systems associated with the intrusive phases and/or older slate-belt-style lode gold mineralisation within the metasedimentary host rock.

During the reporting period, only limited desktop review was undertaken.

MCAREA

EPM 25196 is known as the 'MCArea' Project and was granted to Great Southern Mining Limited in March 2014 for a term of 6 years.

The tenure is considered prospective for epithermal-style gold-silver mineralisation.

During the reporting period, only limited desktop review was undertaken.

CORPORATE

During the year the Company achieved a number of major milestones in its transformation to becoming Great Southern Mining Limited. The following significant matters and changes during the period have occurred:

Acquisition of the Mon Ami Gold Project:

In March 2018 the Company finalised the acquisition of the Mon Ami Gold Project from a Director related entity. The acquisition was made to provide the Company with access to prospective gold tenements in Western Australia. The consideration for the acquisition included 15 million shares (subject to twelve months escrow period) and $250,000 cash. The Company also entered a royalty deed entitling the holder to a net smelter return of 2.75% on revenue produced from sales of ore extracted. The term of the Royalty is for the life of the mining lease on the Mon Ami Gold Project, subject to the availability of ore to be extracted.

Issue of share capital:

The Company undertook several capital raisings during the period to fund drilling campaigns in North Queensland and Western Australia. In November 2017, 35.4 million shares were issued generating $0.7 million (prior to costs) and a further placement was undertaken in April 2018 of 16.5 million shares providing the Company with $0.4 million (prior to costs) of working capital.

Appointment of new board members and executives:

In April 2018 the Company undertook a refresh of the Board and appointed two new non-executive directors as well as a new Company Secretary and Chief Financial Officer. In addition a Head of Exploration was engaged along with a Senior Advisor.

Change of Name and Constitution:

On 29 June 2018 the Company held a General Meeting of members to approve the change in Company name to Great Southern Mining Limited and adopt a new Company constitution.

Operating and Financial Review

FINANCIAL POSITION AND PERFORMANCE

The Company's net assets increased 35% from the year ended 30 June 2017 predominately due to capital raising activities and the acquisition of the Mon Ami Gold Project. Following the successful capital raising activities during the year the Company raised $1.1 million with funds used to advance drilling campaigns in North Queensland and undertake the maiden drilling program at Mon Ami. The Company held $0.7 million as cash and cash equivalents at 30 June 2018.

Exploration and evaluation assets increased significantly during the period predominately due to the acquisition of the Mon Ami Gold Project with $480,000 relating to the issue of shares to a director related entity and $250,000 cash component which has been deferred and classified as a current liability.

Operating cash outflows for the period totalled $0.6 million with cash outflows from investing activities totalling $0.6 million. We note the emphasis of matter paragraph regarding the going concern assumption included in the auditor's report, refer to Note 1(w) for further disclosure.

The Company has performed in a manner consistent with that of a junior exploration Company. The focus during the period was on undertaking drilling and exploration programs. The net loss for the period of $0.7 million is reflective of the corporate and overhead costs incurred in ensuring regulatory compliance is maintained. In addition, the loss is inclusive of Director's fees ($0.09 million) and consultants fees ($0.08 million). The Company also employed a Chief Financial Officer and Company Secretary in April 2018 along with additional corporate staff in June 2018 and therefore has incurred $0.03 million in wages and salaries expenses during the financial year ended 30 June 2018.

FUTURE PROSPECTS

As discussed elsewhere in this report, with the capital raising undertaken in August 2018 the Company is looking to proceed with further drilling campaigns at Mon Ami and undertake additional exploration programs at North Queensland to further understand the potential of the projects.

Further disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

BUSINESS RISKS

The Company is subject to a number of risks that could potentially have an adverse impact on the performance of the Company. The Company has in place policies and procedures to monitor and manage these risks which can broadly be catergorised as:

- commodity prices;
- currency risks;
- market risks;
- liquidity risks; and
- credit risks.

As the Company is in early stage exploration programs and not a mineral producer the exposure to commodity risk and currency risk is minimal. The Company does hold investments in a ASX listed Company and is therefore subject to significant movements in the underlying share price of the investment. Additionally, liquidity risk is a constant focus of the directors' being mindful of the ability of the Company to raise additional capital to meet expenditure commitments and further drilling programs. Further disclosure of these risks can be found in Note 21 to the Annual Financial Report.

COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration targets and exploration results on ML38/1256, EPM's 25196, 25755, 18986, 26527 and 26810 and is based on information compiled by Dr Bryce Healy. Dr Healy is an employee of Noventum Group Pty Ltd (ACN 624 875 323) and has been engaged by Great Southern Mining Limited as Head of Exploration with GSN. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. Dr Healy is a Member of the Australasian Institute of Geoscientists and as such, is a Competent Person for the Reporting of Exploration Results, Mineral Resources and Ore Reserves under the JORC Code (2012). Dr Healy consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.

The information in this review of operations has contained information that has been extracted from a number of ASX announcements released during the year and up to the date of this report. All announcements are available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

FORWARD LOOKING STATEMENTS

Forward- looking statements are only predictions and are not guaranteed. They are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of the Company. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ from those referred to in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward- looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this announcement will occur as contemplate.

Directors' Report

Your directors submit the annual financial report of Great Southern Mining Limited, (the Company), (formerly Forte Consolidated Limited), for the year ended 30 June 2018.

DIRECTORS AND COMPANY SECRETARY

The names of directors and the secretary who held office during or since the end of the year and until the date of this report are as follows.

John Terpu – Executive Chairman (Appointed Non-executive Chairman 12 January 2011, appointed Executive Chairman 1 July 2013)

Mr Terpu has over twenty years' of commercial and management expertise gained in a broad range of business and investment activities. He has been involved in the mining and exploration industry through the acquisition and investment in a number of strategic exploration and mining projects. Mr Terpu has a wide range of contacts in the exploration and mining investment community. Mr Terpu had no other public Company directorships in the previous three years.

Kathleen Bozanic B.Com, ACA, AICD – Non-executive Director (Appointed 26 April 2018)

Ms Bozanic is a chartered accountant with over twenty five years' of experience in compliance, governance, risk, commercial and financial management including leadership experience in strategic transformation and restructuring. Ms Bonzanic also has considerable experience as a Audit Partner, Chief Financial Officer and the General Manager of Finance in the mining and construction sector. Ms Bozanic had no other public Company directorships in the previous three years.

Mr Andrew Caruso B.Eng (Mining)(Hons), – Non-executive Director (Appointed 26 April 2018)

Mr Caruso has over twenty five years' experience as a mining engineer in the Australian and international mining industries including significant corporate leadership roles. Mr Caruso has business development experience including operations and strategic planning including large scale capital projects and mine management.

Mr Caruso has been the director of Ascot Resources Ltd; a public Company, in the previous three years.

Bruno Firriolo B.Bus (Acctg) – Non-executive Director (Appointed 12 January 2011) (Resigned as Non-Executive Director 26 April 2018, Resigned as Company Secretary 30 April 2018)

Mr Firriolo is an accountant who has been a partner with the accounting firm Cleaver & Associates since April 1991 dealing with all aspects of accounting and taxation. Mr Firriolo's experience in financial and corporate matters is supplemented by a period of co-ownership in a national wholesale business. Mr Firriolo had no other public Company directorships in the previous three years.

Joseph Radici CPA, B.Bus (Acctg) – Non-executive Director (Appointed 31 March 2015) (Resigned 26 April 2018)

Mr Radici is a Certified Practising Accountant and Fellow of the Taxation Institute of Australia. Since 1995 Mr Radici has been on the board of a number of unlisted public companies as well as being a non-executive director of Conquest Mining Limited for a period of 4 years to May 2010. In addition to skills gained on serving on Company boards, Mr Radici has a wide network of entrepreneurial associations and is a respected member of Perth's business community. Mr Radici had no other public Company directorships in the previous three years.

COMPANY SECRETARY

Mark Petricevic CA, B.Com (Acctg & C. Finance) (Appointed 30 April 2018)

Mark is a chartered accountant with over fifteen years' experience in accounting, audit and corporate finance including the last four years as an Audit and Assurance Partner. Mark has had no public Company directorships in the previous three years.

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors attended by each Director during the year ended 30 June 2018 was as follows:

	Number of Board Meetings Held Whilst in Office	Number of Board Meetings Attended
J. Terpu	12	12
B. Firriolo	10	10
J. Radici	10	10
K. Bozanic	2	2
A. Caruso	2	2

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of fully paid ordinary shares
John Terpu	105,567,717
K. Bozanic	1,200,000
A. Caruso	1,200,000

OPTIONS

Details of ordinary shares issued by the Company during or since the end of the financial year as a result of the exercise of an option are:
Nil.

At the date of this report unissued ordinary shares of the Company under option are:

Date options granted	Expiry date	Exercise price of shares ($)	Number under option
14-May-18	31-Dec-19	$0.02	11,800,000

The options were issued to a Senior Advisor upon entering the consulting arrangement with the Company. The options where not issued as consideration for services provided. These options do not entitle the holder to participate in any share issues of the Company.

No shares have been issued as a result of the exercise of options during or since the end of the financial year.

DIVIDENDS

No dividends were declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

REVIEW OF OPERATIONS

During the year, the Company carried out exploration on its tenements with the objective of identifying economic deposits of gold and other metals. The full review of operations immediately precedes this report.

Operating results for the year

The net result of operations for the year was a loss after income tax of $725,433 (2017: $171,411). The Operating and Financial Review can be found in the in the "Review of Operations Section" in this Annual Report.

Directors' Report

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was exploration for and evaluation of economic deposits for gold and other minerals in Western Australia and Queensland.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, the following changes occurred:

1. Acquisition of the Mt Lucky (Mon Ami) Project: In March 2018 the Company finalised the acquisition of the Mon Ami Gold Project from a director related entity. The acquisition was made to provide the Company with access to prospective gold tenements in Western Australia. The consideration for the acquisition included 15 million shares (subject to twelve months escrow period) and $250,000 cash and is yet to be paid.
2. Issue of share capital: The Company undertook several capital raisings during the period to fund drilling campaigns in North Queensland and Western Australia. In November 2017, 35.4 million shares were issued generating $0.7 million (prior to costs) and a further placement was undertaken in April 2018 of 16.4 million shares providing the Company with $0.4 million (prior to costs) of working capital.
3. On 29 June 2018 the Company held a General Meeting of members to approve the change in Company name to Great Southern Mining Limited and adopt a new Company constitution.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

The Company completed a placement of 31,846,669 fully paid ordinary shares to sophisticated investors raising $1,115,429 net of costs.

The Company entered an executive services agreement with John Terpu as Executive Chairman. The terms and conditions have been included in the Remuneration Report.

In September 2018 the Company entered into a transaction to acquire several exploration licences from Central Australia Rare Earths Pty Ltd, a wholly owned subsidiary of Strategic Minerals plc, a AIM listed Company. Subject to the completion of due diligence and completion of the transaction the consideration will consist of $100,000 cash and 1 million shares in the Company. At the date of this report, the transaction is subject to completion conditions.

Apart from the above, there has not been any other matter or circumstance that has arisen after the reporting date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

LIKELY DEVELOPMENTS & EXPECTED RESULTS

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

ENVIRONMENTAL LEGISLATION

The Company's exploration activities are subject to conditions and environmental regulations under the Western Australian and Queensland State Governments. So far, the Directors are aware all activities have been undertaken in compliance with relevant regulations.

INDEMNIFICATION & INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for the key management personnel ("KMP") of the Company for the financial year ended 30 June 2018. KMP's being defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise). The report also includes remuneration arrangements of the executives in the Company receiving the higher remuneration. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

Key Management Personnel

Directors

J. Terpu (Executive Chairman appointed 1 July 2013, Non-executive Chairman appointed 12 January 2011).

B. Firriolo (Non-executive Director and Company Secretary appointed 12 January 2011, resigned 26 April 2018 and 30 April 2018 respectively).

J. Radici (Non-executive Director appointed 31 March 2015, resigned 26 April 2018).

K. Bozanic (Non-executive Director appointed 26 April 2018).

A. Caruso (Non-executive Director appointed 26 April 2018).

Company Secretary and CFO

M. Petricevic (Company Secretary and CFO, appointed 30 April 2018).

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

Remuneration Committee

Great Southern Mining Limited has not established a Remuneration Committee. The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

REMUNERATION REPORT (CONTINUED)

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at a General Meeting, prior to the Company's listing on ASX, held on 30 March 2011 when shareholders approved an aggregate remuneration of $300,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board refers to the fees paid to non-executive directors of comparable companies, when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company. Should the Company establish a Board committee, an additional fee would be paid for each committee on which a non-executive director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by non-executive directors who serve on one or more sub committees. During the financial year ended 30 June 2018 no such committees were in place.

Senior Manager and Executive Director Remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice where necessary.

Senior managers and executive directors are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Remuneration

During the year ended 30 June 2018 the Company did not have a performance-based remuneration component built into director and executive remuneration packages. A long-term incentive plan was adopted by shareholders of the Company at the general meeting of members held 29th June 2018. No components of variable remuneration were granted to any eligible persons during the financial year.

Service Agreements

Remuneration and other terms of employment for the Executive Director and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Employee	Base salary ($)	Term of agreement	Notice period
J Terpu*	50,000	2 years	3 months
M Petricevic	180,000	No fixed term	3 months

* Subsequent to 30 June 2018 a new service agreement was entered into with J Terpu. The terms of the agreement are as follow:

Employee	Base salary ($)	Term of agreement	Notice period
J Terpu	219,000	2 years	6 months

During the mining downturn experienced in prior years the Company limited its activity and reduced the Executive Chairman's salary below market rates in order to limit cash outflows. The increase in salary noted above is a result of improving market conditions and reinstatement of the Executive Chairman's salary to market rates.

REMUNERATION REPORT (CONTINUED)

Remuneration of key management personnel

Table 1: Remuneration of key management personnel for the years ended 30 June 2018 and 30 June 2017

		Short-term employee benefits				Post-employment benefits	Other long-term benefits			
Directors	Year	Cash Salary & Fees $	Bonuses $	Non-Monetary Benefits $	Other $	Superannuation $	Long-service Leave $	Equity Share Options $	Total $	Performance Related %
J Terpu Executive Chairman	2018	45,665	-	5,265	-	4,338	20,350	-	75,618	-
	2017	45,664	-	3,797	-	4,338	4,881	-	58,680	-
B Firriolo Non-Executive Director	2018	4,566	-	551	-	20,434	-	-	25,551	-
	2017	2,283	-	740	-	27,717	-	-	30,740	-
J. Radici Non-Executive Director	2018	-	-	551	-	10,000	-	-	10,551	-
	2017	-	-	693	-	7,500	-	-	8,193	-
K. Bozanic Non-Executive Director	2018	6,217	-	-	-	591	-	-	6,808	-
	2017	-	-	-	-	-	-	-	-	-
A. Caruso Non-Executive Director	2018	6,217	-	-	-	591	-	-	6,808	-
	2017	-	-	-	-	-	-	-	-	-
Total to Directors	2018	62,665	-	6,367	-	35,954	20,350	-	125,336	-
	2017	47,947	-	5,230	-	39,555	4,881	-	97,613	-
Other Key Management Personnel										
M Petricevic Company Secretary/ CFO	2018	28,557	-	551	-	2,713	22	-	31,843	-
	2017	-	-	-	-	-	-	-	-	-
Total to KMP	2018	91,222	-	6,918	-	38,666	20,372	-	157,178	-
	2017	47,947	-	5,230	-	39,555	4,881	-	97,613	-

K Bozanic, A Caruso and M Petricevic commenced with the Company in April 2018 and were therefore not remunerated by the Company during the 2017 financial year.

No performance related remuneration was paid to any director or Key Management Personnel during 2018 and 2017.

REMUNERATION REPORT (CONTINUED)

OPTION PLANS IN EXISTENCE DURING THE FINANCIAL YEAR:

On 29 June 2018 the Shareholders of the Company approved the long-term incentive plan to be adopted. No options over ordinary shares in the Company were granted as remuneration to KMP during the financial year and up to the date of this report.

SHARE-BASED COMPENSATION TO DIRECTORS AND EXECUTIVES DURING THE YEAR:

During the period the Company issued 15 million fully paid ordinary shares to entities associated with Mr John Terpu as consideration for the acquisition of the Mon Ami Gold Project, approved by shareholders at a General Meeting held 29 March 2018. The ordinary shares were not issued as part of the remuneration.

OPTIONS GRANTED TO DIRECTORS AND EXERCISED OR LAPSED DURING THE YEAR: Nil

Movements in KMP share and option holdings (Directors unless stated otherwise)
Fully paid ordinary shares – directly and indirectly held

2018	Opening Balance 1/7/2017	At time of commencing/ (ceasing)	Bought	Sold	Closing Balance 30/06/2018
J. Terpu	72,394,181	-	33,273,536	-	105,667,717
B. Firriolo	1,790,000	(1,790,000)	-	-	-
J.Radici	100,000	(100,000)	-	-	-
K. Bozanic	-	1,200,000	-	-	1,200,000
A. Caruso	-	1,200,000	-	-	1,200,000

2017	Opening Balance 1/7/2016	At time of commencing/ (ceasing)	Bought	Sold	Closing Balance 30/06/2017
J. Terpu	71,840,312	-	553,869	-	72,394,181
B. Firriolo	1,790,000	-	-	-	1,790,000
J.Radici	100,000	-	-	-	100,000

The increase for J Terpu of 33,273,536 during 2018 includes the 15,000,000 shares issued relating to the acquisition of the Mon Ami Gold Project, subject to 12 months escrow, as announced on the ASX on 22 February 2018. No cash consideration was payable.

All other shares were acquired on market.

Transactions with Key Management Personnel

The following comprises amounts paid or payable and received or receivable applicable to entities in which KMP have an interest.

REMUNERATION REPORT (CONTINUED)

Transactions with Key Management Personnel

Directors	2018 $	2017 $
Paid/payable to:		
J Terpu (as Director of Chellingtons Pty Ltd atft Red Star Trust) for administration services	318,768	350,222
Amounts owed to related parties at 30 June 2018 including Chellingtons Pty Ltd and Valleybrook Investments Pty Ltd:	273,630	28,972

The amount above includes $250,000 owing to Valleybrook Investments Pty Ltd relating to the acquisition of the Mon Ami Gold Project. The transaction also included the issue of 15,000,000 shares, subject to 12 months escrow. Consideration also included a Royalty Deed which is further outlined in Note 18.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2017 ANNUAL GENERAL MEETING

The Company received more than 99% of "yes" votes on its remuneration report for 2017. No specific feedback at the AGM or throughout the year was received.

PROCEEDINGS ON BEHALF OF THE COMPANY

No persons have applied for leave pursuant to section 327 of the Corporation Act 2001 to bring, or intervene in, proceedings on behalf of Great Southern Mining Limited (or Forte Consolidated Limited).

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on the next page and forms part of this directors' report for the year ended 30 June 2018.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 3 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Signed in accordance with a resolution of the directors.

John Terpu

Executive Chairman

Perth WA

27 September 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Great Southern Mining Limited (formerly "Forte Consolidated Limited") for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**D I Buckley**
27 September 2018	**Partner**

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Great Southern Mining Limited (the "Company") has adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for the financial years beginning on or after 1 July 2014.

The Company's Corporate Governance Statement for the financial year ended 30 June 2018 was approved by the Board on 27 September 2018. The Corporate Governance Statement is available on the Company's website at www.gsml.com.au.

Great Southern Mining Limited
Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	Notes	2018 $	2017 $
Revenue and other income	**2**	**15,348**	**340,623**
Expenses			
Administration expenses	2	(510,357)	(419,000)
Consulting fees		(85,000)	-
Legal fees		(41,509)	(1,307)
Director's fees		(98,619)	(85,771)
Depreciation expense		(5,296)	(5.037)
Loss on sale of fixed assets		-	(919)
Total expenses		(740,781)	(512,034)
Loss before income tax expense		(725,433)	(171,411)
Income tax expense	4	-	-
Net loss for the year		(725,433)	(171,411)
Other comprehensive income, net of income tax			
Items that will not be reclassified to profit or loss *Available-for-sale assets disposed of during the year*		-	(300,395)
Items that may be reclassified to profit or loss *Change in the fair value of available-for-sale investments*		42,000	38,815
Income tax expense		-	-
Total comprehensive (loss)/income for the year		(683,433)	(432,991)
Basic and diluted loss per share (cents per share)	5	(0.348)	(0.096)

The accompanying notes form part of these financial statements.

Statement of Financial Position As at 30 June 2018

	Notes	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	6	748,423	870,380
Other receivables - current	7	-	7,116
Other assets	8	13,244	20,836
Total Current Assets		**761,667**	**898,332**
NON-CURRENT ASSETS			
Other receivables - non current	9	10,000	7,500
Available-for-sale listed securities	10	180,000	138,000
Plant and equipment	11	19,518	11,546
Exploration and evaluation expenditure	12	3,455,352	1,668,573
Total Non-Current Assets		**3,664,870**	**1,825,619**
TOTAL ASSETS		**4,426,538**	**2,723,951**
CURRENT LIABILITIES			
Trade and other payables	13	810,402	65,470
Employee benefits	14	34,014	8,772
Total Current Liabilities		844,416	74,242
TOTAL LIABILITIES		**844,416**	**74,242**
NET ASSETS		**3,582,122**	**2,649,709**
EQUITY			
Issued capital	15	21,750,349	20,169,503
Reserves	16	128,470	51,470
Accumulated losses		(18,296,697)	(17,571,264)
TOTAL EQUITY		**3,582,122**	**2,649,709**

The accompanying notes form part of these financial statements.

Great Southern Mining Limited
Statement of Cash Flows For the year ended 30 June 2018

	Notes	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(649,041)	(501,281)
Interest received		18,364	29,480
NET CASH USED IN OPERATING ACTIVITIES	17	**(630,676)**	**(471,801)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(7,972)	-
Payments for exploration and evaluation expenditure		(584,154)	(140,502)
Payments for purchase of available-for-sale investments		-	(36,185)
Proceeds from sale of available-for-sale investments		-	494,810
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		**(592,127)**	**318,123**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of Shares (net of costs)		1,100,846	-
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		**1,100,846**	**-**
Net decrease in cash held		(121,957)	(153,678)
Cash at beginning of year		870,380	1,024,058
CASH AT END OF YEAR	6	**748,423**	**870,380**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the year ended 30 June 2018

	Notes	Issued Capital $	Accumulated Losses $	Financial Asset Reserve $	Share Option Reserve $	Total $
Company						
Balance at 1 July 2016		20,169,503	(17,399,853)	313,050	-	3,082,700
Total comprehensive income :		-	(171,411)	-		(171,411)
Loss for the year						
Available-for-sale assets disposed of during the year		-	-	(300,395)	-	(300,395)
Change in the fair value of available for sale investments		-	-	38,815	-	38,815
Balance at 30 June 2017		20,169,503	(17,571,264)	51,470	-	2,649,709

Company						
Balance at 1 July 2017		20,169,503	(17,571,264)	51,470	-	2,649,709
Options Issued During the Period		-	-	-	35,000	35,000
Issue of Share Capital	15	1,118,416	-	-	-	1,118,416
Capital Raising costs	15	(17,570)	-	-	-	(17,570)
Issue of Shares under share-based payment	15	480,000	-	-	-	480,000
		21,750,349	(17,571,264)	51,470	35,000	4,265,555
Loss for the year		-	(725,433)	-	-	(725,433)
Change in the fair value of available for sale investments		-	-	42,000	-	42,000
Balance at 30 June 2018		21,750,349	(18,296,697)	93,470	35,000	3,582,122

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Your directors present their report on the Company for the financial year ended 30 June 2018. The Company is a listed public Company registered in Australia. The principal activities are the exploration for and evaluation of economic deposits for gold and other minerals in North Queensland and Western Australia.

The address of the Company's registered office is Suite 4, 213 Balcatta Rd, Balcatta WA 6021.

(b) Basis of preparation and statement of compliance

The general-purpose financial statements of the Company have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Great Southern Mining Limited is a for-profit entity for the purpose of preparing the financial statements.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial report is presented in Australian dollars.

The financial statements for the year ended 30 June 2018 were approved and authorised for issue by the Board of Directors on 27 September 2018.

(c) Adoption of new and revised standards Changes in accounting policies on initial application of Accounting Standards

A number of new and revised standards became effective for the current reporting period. Information on the more significant standard(s) is presented below.

AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses

AASB 2016-1 amends AASB 112 *Income Taxes* to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

AASB 2016-1 is applicable to annual reporting periods beginning on or after 1 January 2017.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

AASB 2016-2 amends AASB 107 *Statement of Cash Flows* to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

AASB 2016-2 is applicable to annual reporting periods beginning on or after 1 January 2017.

The directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised standards (continued)
Changes in accounting policies on initial application of Accounting Standards

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2018. A summary of the impact is contained in the table below:

New /revised Pronouncement	Superseded Pronouncement	Nature of Change	Effective Date	Likely impact on initial application
AASB 9 Financial Instruments (December 2014)	AASB 139 Financial Instruments: Recognition and Measurement	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are: a) Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows. b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments. d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: - the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI) - the remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	01-Jan-18	When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements. The Company has simple investments held in ASX listed companies which can be traded at quoted market prices. Should such investments be held at 30 June 2019 it is likely that the accounting treatment will be similar to the current treatment and any gains or losses on fair value will be taken to the other comprehensive income statement.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised standards (continued)
Changes in accounting policies on initial application of Accounting Standards

New /revised Pronouncement	Superseded Pronouncement	Nature of Change	Effective Date	Likely impact on initial application
		Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: - classification and measurement of financial liabilities; and - derecognition requirements for financial assets and liabilities. AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.		
AASB 16 Leases	AASB 117 Leases, Int. 4 Determining whether an Arrangement contains a Lease, Int. 115 Operating Leases—Lease Incentives, Int. 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	AASB 16: a. replaces AASB 117 Leases and some lease-related Interpretations b. requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases c. provides new guidance on the application of the definition of lease and on sale and lease back accounting d. largely retains the existing lessor accounting requirements in AASB 117 e. requires new and different disclosures about leases.	01-Jan-19	Based on the entity's assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have a material impact on the transactions and balances recognised in the financial statements, in particular: - At the time of the assessment the Company is a junior exploration Company. As exploration leases are excluded from AASB 16 the only material lease which may impact the financial statements is the lease over the premises. - lease assets and financial liabilities on the balance sheet will increase by approximately $0.16 million respectively (based on the facts at the date of the assessment). - there will be a reduction in the reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities. - EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off-balance sheet leases will be presented as part of finance costs rather than being included in operating expenses. - operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised standards (continued)
Changes in accounting policies on initial application of Accounting Standards

New /revised Pronouncement	Superseded Pronouncement	Nature of Change	Effective Date	Likely impact on initial application
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share- based Payment Transactions	None	This Standard amends AASB 2 Share-based Payment to address: a) the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; b) the classification of share-based payment transactions with a net settlement feature for withholding tax obligations; and c) the accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	01-Jan-18	Whilst a formal assessment has not yet been undertaken the Company does not anticipate a material impact for the year ending 30 June 2019.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Exploration and evaluation expenditure carried forward

In accordance with accounting policy Note 1 (t), management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions including the maintenance of title, ongoing expenditure and prospectivity are made. During the year, nil exploration expenditure was written off. See Note 12 for disclosure of carrying values.

Recovery of deferred tax assets

Deferred tax assets are currently not recognised in the financial statements. The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. Given the current stage of the Company's exploration and development cycle, the likelihood and timeline of future profits cannot be reliably estimated. Refer Note 4.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see Note 21).

Share based payments

The Company 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. For security instruments issued to consultants, consideration of the fair value of services received (if available) or fair value of the equity instruments granted as consideration is used. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. (Refer to Note 24).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Great Southern Mining Limited. The Company's activities included the exploration and evaluation of projects in North Queensland and Western Australia. The Western Australian tenements were acquired during the current financial year and hence are deemed to be a new segment.

In addition, corporate assets which are not directly attributable to the business activities of the operating segment are not allocated to a segment. In the financial periods under audit, this primarily applies to the Company's registered office and administrative duties.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

(f) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

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

(g) Income tax

The income tax expense or benefit 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 difference 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 operates and generates 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.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Income tax (continued)

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

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

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 reporting 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.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

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

Other taxes

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

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value-in-use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Trade and other receivables (continued)

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(l) Financial assets

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

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

Classification and subsequent measurement of financial assets

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

loans and receivables

financial assets at fair value through profit or loss (FVTPL)

Held-to-maturity (HTM) investments; or

Available-for-sale (AFS) financial assets

All financial assets except for those at fair value through profit or loss (FVTPL) are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Available-for-sale (AFS) financial assets

Available-for-sale (AFS) financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company's AFS financial assets includes listed securities.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial assets (continued)

All Available-for-sale (AFS) financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

For AFS equity investments, impairment reversals are not recognised in profit or loss and any subsequent increase in fair value is recognised in other comprehensive income.

Classification and subsequent measurement of financial liabilities

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

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(m) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Company could be required to repay.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

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

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit.

(o) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 3 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Plant and equipment (continued)

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in a separate line item.

(ii) Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(p) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(q) Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables or in employee benefits, in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Other long-term employee benefits

The Company's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Company presents employee benefit obligations as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(s) Earnings per share

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

Diluted earnings per share is calculated as net profit/loss adjusted for:

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

(t) Exploration and evaluation expenditure

Exploration and evaluation expenditure in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Share Based payments

The Company operates equity-settled share-based remuneration plans for its employees. None of the Company's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

(v) Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. 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. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(w) Going Concern

Notwithstanding the working capital deficiency of $82,748 (2017: surplus $824,091), the financial statements have 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.

During the year the Company incurred a net loss of $725,433 (2017: loss of $171,411). Cash outflows from operating and investing activities was $1,222,803 (2017: cash outflows of $153,678).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Going Concern (continued)

Whilst the Company has achieved exploration success with its mineral projects, the directors recognise that the Company will have to seek additional funding to continue to explore in line with planned exploration programs at the West Australian and North Queensland Projects.

The ability of the Company to continue to pay its debts as and when they fall due is dependent upon:

- Continued cash management according to exploration success. Future exploration expenditure is generally discretionary in nature and exploration activities may be slowed or suspended as part of the Company's cash management strategy;
- The Company has historically been able to raise capital via equity placements and rights issues to shareholders. Given the strong support of shareholders and the prospectivity of the Company's current projects the directors are confident that any future capital raisings will be successful. The Company has also raised $1.1 million subsequent to reporting date, refer Note 22; and
- The Company has received a letter of support from a director related entity, Valleybrook Investments Pty Ltd, to not call the $250,000 in cash consideration following the acquisition of the Mon Ami Gold Project (refer Note 13) until such time that the Company has sufficient cash reserves to make the payment.

The directors believe that the above funding strategies will be achieved and the going concern basis is appropriate.

Should the Company be unable to obtain sufficient funding, there is uncertainty which may cast significant doubt as to whether or not the Company will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE	2018 $	2017 $
The following revenue and expense items are relevant in explaining the financial performance for the year.		
Revenue		
- Interest income – other parties	15,348	26,893
Other Income		
- Profit on sale of available-for-sale listed securities	-	313,730
Expense		
- Administration services fees	318,768	350,222
- Employee benefits expense	34,295	-
- Share based payment expense (Note 24).	35,000	-

The administration service fee is paid to a related party, (refer Note 18).
Employee remuneration expenses for the year to 30 June 2018 totalled $31,320 (2017: $nil).
$2,975 was paid in superannuation (2017: $nil).

NOTE 3: AUDITOR'S REMUNERATION	2018 $	2017 $
The auditor of Great Southern Mining Limited is HLB Mann Judd.		
Amounts received or due and receivable by HLB Mann Judd for:		
Audit and review of financial reports	21,500	26,500
Other non-assurance services	-	-

NOTE 4: INCOME TAX EXPENSE	2018 $	2017 $
(a) Recognised in the statement of comprehensive income		
Current income tax expense on net loss for the year	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Total income tax benefit	-	-
(b) Reconciliation between income tax expense and pre-tax profit/(loss)		
Loss before tax	(725,433)	(171,411)
Income tax using the domestic small business corporation tax rate of 30% (2017: 27.5%).	(217,325)	(47,138)
Tax effect of:		
Non-deductible expenses	2,763	968
Unused tax losses and temporary differences not recognised as deferred tax assets	214,561	46,170
Income tax expense on pre-tax loss	-	-

NOTE 4: INCOME TAX EXPENSE (continued)	2018 $	2017 $
(c) Tax expense/(benefit) relating to items of other comprehensive income.		
Revaluation of available-for-sale investments	-	38,815
Disposal available-for-sale investments	-	(300,395)
Income tax applicable thereto	-	-
(d) Unrecognised deferred tax balances		
Deferred tax assets and (liabilities) calculated at 30% (2017: 27.5%) have not been recognised in respect of the following:		
Income tax losses	2,045,053	1,479,970
Temporary differences	(815,217)	(470,411)
	1,229,836	1,009,559

Deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets (and deferred tax liabilities relating to (i) capitalised exploration expenditure for which immediate tax write-off is available and (ii) revaluation of available-for-sale investments) have not been recognised in the financial statements. Refer Note 1(d).

The previously calculated values of unrecognised deferred tax balances brought forward have increased as the Company no longer qualifies for the small business Corporation tax rate of 27.5%.

NOTE 5: (LOSS) PER SHARE	2018 Cents per share	2017 Cents per share
Basic and diluted loss per share	(0.35)	(0.10)
Weighted average number of ordinary shares used in calculation of loss per share	208,661,685	179,078,187
Loss used in calculation of basic and diluted (loss) per share	(725,433)	(171,411)

Given the Company is in a loss position for the year ended 30 June 2018 the options that have been issued during the period are anti-dilutive in nature and therefore do not impact the earnings per share calculation.

NOTE 6: CASH AND CASH EQUIVALENTS	2018 $	2017 $
Cash on hand and at bank	748,423	295,380
Short-term deposits	-	575,000
	748,423	870,380

Cash at bank earns interest at floating rates on daily bank deposit rates.
Short-term deposits are made for varying periods of between one day and six months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

NOTE 7: OTHER RECEIVABLES – CURRENT	2018 $	2017 $
Other receivables	-	7,116

No receivables are past due.

NOTE 8: OTHER ASSETS	2018 $	2017 $
Prepaid expenses	13,244	20,836

NOTE 9: OTHER RECEIVABLES – NON-CURRENT	2018 $	2017 $
Exploration tenement guarantees	10,000	7,500

NOTE 10: AVAILABLE-FOR-SALE LISTED SECURITIES	2018 $	2017 $
Available-for-sale financial assets		
Listed securities (a)	180,000	138,000
Total available-for-sale listed securities	180,000	138,000

(a) During the prior period the Company disposed of a portion of its listed shares for a gain of $313,730. The market value of the disposed shares as recorded at 30 June 2016 was $407,522. During the year ended 2017, the Company also purchased listed securities for $36,185. Fair value of the listed securities held at 30 June 2017 was $138,000. No disposals of listed securities occurred during the 2018 financial year. The cost base for securities held at the reporting date was $198,000.

Fair values for the listed securities (Level 1) are determined by reference to quoted ASX market prices and therefore there are no unobservable inputs in fair value.

NOTE 11: PLANT AND EQUIPMENT	2018 $	2017 $
Plant and equipment at cost	93,236	79,967
Less: Accumulated depreciation	(73,718)	(68,421)
	19,518	11,546
Movement schedule for plant and equipment		
Opening written down value	11,546	17,501
Additions	13,268	-
Sale	-	-
Depreciation	(5,296)	(5,036)
Loss on sale	-	-
Loss on write-off	-	(919)
Closing written down value	19,518	11,546

NOTE 12: EXPLORATION AND EVALUATION EXPENDITURE	2018 $	2017 $
Cost brought forward in respect of areas of interest in the exploration and evaluation stage	1,668,573	1,545,416
Expenditure incurred during the year	1,056,779	123,157
Acquisition of Mon Ami Gold Project (a)	730,000	-
Cost carried forward	3,455,352	1,668,573

(a) The Company acquired the Mon Ami Gold Project in March 2018. The acquisition was deemed to be an asset acquisition. The consideration payable for the transaction and the relevant market values have been determined as follows:

Cash Consideration payable	250,000	(b)
Value of 15 million Ordinary Shares in the Company issued as consideration	480,000	(c)
Consideration payable	730,000	

NOTE 12: EXPLORATION AND EVALUATION EXPENDITURE (continued)

(b) The cash consideration is to be paid to a company related to John Terpu (Executive Chairman). This was approved by shareholders at the General Meeting held 29 March 2018. At balance date the Company has not yet paid the consideration and has entered an agreement (under commercial terms) to defer the consideration payable until such time that the Company has sufficient cash reserves or undertakes a significant capital raising. In the absence of a definitive repayment date, the amount payable has been classified as a current liability. Refer Note 13.

(c) The value of the Ordinary Shares issued was determined by reference to the Fair Value of the Equity Instruments granted as consideration at the date of the shares were issued and control of the project passed to the Company.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on successful development and commercial exploitation or sale of respective areas.

NOTE 13: TRADE AND OTHER PAYABLES	2018 $	2017 $
Trade and other payables (a)	535,921	36,498
Related party payables (Note 18)	24,481	28,972
Deferred Consideration - Mon Ami Gold Project (b)	250,000	-
	810,402	65,470

(a) All trade and other payables are non-interest bearing and are normally settled on 30 day terms. All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

(b) Deferred consideration is payable to an entity related to the Executive Chairman. The amount is considered to be current given there is no set repayment date. An offsetting amount has been capitalised to Exploration and Evaluation Expenditure as part of the acquisition costs of the Mon Ami Gold Project, refer to Note 12.

NOTE 14: EMPLOYEE BENEFITS	2018 $	2017 $
Current employee entitlements		
Annual Leave	8,759	3,891
Long-Service Leave	25,255	4,881
	34,014	8,772

NOTE 15: ISSUED CAPITAL	2018		2017	
	No.	$	No.	$
Issued capital comprises				
Fully Paid Ordinary Shares	245,899,003	21,750,349	179,078,187	20,169,503
Fully paid ordinary shares carry one vote per share and carry the right to dividends.				

Movement in issued shares for the year	2018		2017	
	No.	$	No.	$
Balance at beginning of the financial year	179,078,187	20,169,503	179,078,187	20,169,503
Issued for cash				
- 7 November 2017	35,420,816	708,416	-	-
- 19 April 2018	16,400,000	410,000	-	-
Acquisition of Mon Ami Gold Project				
- 5 April 2018 (a)	15,000,000	480,000	-	-
Costs associated with the issue of shares	-	(17,570)	-	-
- ASX listing fees- prior period issue	-	-	-	-
Balance at end of the financial year	245,899,003	21,750,349	179,078,187	20,169,503
(a) The 15,000,000 shares issued as part of the acquisition of the Mon Ami Gold Project are subject to escrow. The amount has been capitalised as exploration and evaluation expenditure as part of the acquisition costs of the project – refer Note 12.				

NOTE 16: RESERVES	2018 $	2017 $
Financial Asset Reserve	93,470	51,470
Share Option Reserve	35,000	-
Balance at end of the financial year	128,470	51,470

Reconciliation of Movements:	Financial Asset Reserve		Share Option Reserve	
	2018 $	2017 $	2018 $	2017 $
Balance at beginning of the financial year	51,470	313,050	-	-
Change during the period	42,000	(261,580)	35,000	-
Balance at end of the financial year	93,470	51,470	35,000	-
The financial assets reserve records the revaluation of available-for-sale investments. The share-based payments reserve records the value of options issued and vested during the period.				

NOTE 17: STATEMENT OF CASH FLOWS	2018 $	2017 $
Reconciliation of operating loss after income tax to net cash used in operating activities		
Loss after income tax	(725,433)	(166,530)
Non-operating income	-	(313,730)
Add: Non-cash items		
Depreciation - PPE	5,296	5,036
Share based Payment expense	35,000	-
Loss on assets written off	-	919
Change in assets and liabilities		
(Increase)/decrease in other current assets	10,608	2,332
(Increase)/decrease in other current operating receivables	4,100	3,753
Increase/(decrease) in operating payables	14,511	(3,932)
Increase/(decrease) in employee entitlements	25,242	5,232
Net cash used in operating activities	(630,676)	(471,801)

NOTE 18: RELATED PARTY DISCLOSURES Transactions with key management personnel	2018 $	2017 $
The following comprises amounts paid or payable and received or receivable applicable to entities in which key management personnel (KMP) have an interest.		
Paid/payable to:		
J Terpu (as Director of Chellingtons Pty Ltd atf Red Star Trust) for administration services)	318,768	350,222
Share based payment paid to Valleybrook Investments Pty Ltd (a)	480,000	-
Amounts owing to related parties at balance date:		
J Terpu (as Director of Chellingtons Pty Ltd atf Red Star Trust) for administration services)	23,630	28,972
Mon Ami Gold Project Acquisition (a)	250,000	-
(a) As disclosed in Note 12 consideration for the acquisition of the Mon Ami Gold Project consisted of:		
Cash Consideration payable	250,000	-
Value of 15 million Ordinary Shares in the Company issued as consideration	480,000	-
	730,000	

The cash consideration is to be paid to a Company related to John Terpu (Executive Chairman). This was approved by shareholders at the General Meeting held 29 March 2018. At balance date the Company has not yet paid the consideration and has entered an agreement (under commercial terms) to defer the consideration payable until such time that the Company has sufficient cash reserves or undertakes a significant capital raising. In the absence of a definitive repayment date, the amount payable has been classified as a current liability, refer Note 13.

The value of the 15 million Ordinary Shares issued as consideration was determined by reference to the Fair Value of the equity instruments granted at the date the shares were issued and control of the project passed to the Company. The shares are subject to twelve months escrow from the date of issue. Refer Note 12 and Note 15.

NOTE 18: RELATED PARTY DISCLOSURES (Continued)	2018 $	2017 $
As part of the acquisition of the Mon Ami Gold Project during 2018 the Company has entered a Royalty Deed with Valleybrook Investments Pty Ltd ("Valleybrook"), being a Company related to J Terpu. The royalty entitles Valleybrook to a net smelter return of 2.75% on revenue produced from sales of ore extracted. The term of the Royalty is for the life of the mining lease on the Mon Ami Gold Project, subject to the availability of ore to be extracted. At the date of this report the Company is not in a position to reliably estimate the amount, if any, that would be paid to Valleybrook as a result of successful economic extraction of Ore from the project given its exploration stage and as such this amount has not been recognised in the accounts of the Company at balance date.		
The totals of remuneration paid to KMP of the Company during the year are as follows:		
Short-term benefits	98,140	53,177
Post-employment benefits	59,038	44,436
Total KMP compensation	157,178	97,613

NOTE 19: COMMITMENTS AND CONTINGENT LIABILITIES

(a) Exploration Expenditure Commitments

The Company has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements.

These obligations will vary from time to time, subject to statutory approval and capital management. The terms of the granted licences and those subject to relinquishment will alter the expenditure commitments of the Company as will change to areas subject to licence.

(b) Native Title

Native title claims have been made with respect to areas which include tenements in which the Company has interests. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects.

(c) Administrative Services Agreement

On 1 March 2016 Mr Terpu as Sole Director of Chellingtons Pty Ltd atf Red Star Trust signed and commenced a two-year term in relation to a new Administration Service Agreement. An amount $192,000 was paid to the entity under this agreement in 2017.

At 30 June 2018 the Company has elected to terminate the agreement with Chellingtons. The Company has entered a lease agreement with Ruby Lane Pty Ltd, a Company related to Mr Terpu, refer to Note 23.

(d) Contingencies

Apart from the Royalty Deed entered during the year ended 30 June 2018 (refer Note 18), the Company has no other contingent liabilities or assets at 30 June 2018.

NOTE 20: SEGMENT INFORMATION

The Company undertakes mineral exploration and evaluation work on a number of tenements located in Western Australia and North Queensland.

Management currently identifies the Company's assets in each location as separate operating segments.

These operating segments are monitored by the Company's chief operating decision maker and strategic decisions are made on the basis of available cash reserves and exploration results.

The items included in the statement of profit or loss and other comprehensive income equate to the Corporate Segment. Segment assets and liabilities are disclosed in the table below:

NOTE 20: SEGMENT INFORMATION (continued)	Western Australia		Queensland		Corporate		Total	
	2018 $	2017 $	2018 $	2017 $	2018 $	2017 $	2018 $	2017 $
Assets								
Exploration and Evaluation Expenditure	1,227,874	-	2,227,477	1,668,573	-	-	3,455,351	1,668,573
Cash and Cash Equivalents	-	-	-	-	748,423	870,380	748,423	870,380
Financial Instruments	-	-	-	-	180,000	138,000	180,000	138,000
Other assets	-	-	-	7,500	42,762	39,498	42,763	46,998
Group assets	1,227,874	-	2,227,477	1,676,073	971,186	1,047,879	4,426,538	2,723,952
Liabilities	724,898	-	-	47,180	119,519	27,062	844,417	74,242

The Group's corporate assets, consisting of its corporate office headquarters are not allocated to any exploration segment's assets.

NOTE 21: FINANCIAL RISK MANAGEMENT

Overview

This note presents information about the Company's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Company does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities. Given the Company is not generating sales nor has significant receivable balances apart from GST payments to be received from the ATO, at the reporting date there were no significant concentrations of credit risk.

(i) Cash and cash equivalents

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. The Company has limited its risk to only holding bank accounts with two Australian financial institutions.

(ii) Trade and other receivables

As the Company operates primarily in exploration activities, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Company where necessary establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

(iii) Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

Carrying Amount	2018 $	2017 $
Cash and cash equivalents	748,423	870,380
Other receivables	10,000	14,616

(iv) Impairment Losses

None of the Company's other receivables are past due (2017: nil).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Company does not have any external borrowings.

The following are the Company's contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2018 ($)	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Non-interest bearing	810,403	810,403	534,921	274,482	-	-
30 June 2017 ($)	**Carrying amount**	**Contractual cash flows**	**6 mths or less**	**6-12 mths**	**1-2 years**	**2-5 years**
Non-interest bearing	69,361	69,361	65,470	3,891	-	-

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company holds investments in listed securities.

Currency Risk

The Company is not exposed to currency risk and at the reporting date the Company holds no financial assets or liabilities which are exposed to foreign currency risk.

Commodity Price Risk

The Company operates primarily in the exploration and evaluation phase of gold projects and accordingly the Company's financial assets and liabilities are subject to minimal commodity price risk.

NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk

The Company is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Company does not use derivatives to mitigate these exposures.

At balance date the Company did not have any cash held in term deposits. During the prior period, excess cash and cash equivalents were held in short term deposit at interest rates maturing over 90 day rolling periods.

(i) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss or through equity, therefore a change in interest rates at the reporting date would not affect profit or loss or equity.

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2017.

	Profit or loss		Equity	
	100bp increase $	100bp decrease $	100bp increase $	100bp decrease $
30 June 2018 Variable rate instruments	7,384	(7,384)	7,384	(7,384)
30 June 2017 Variable rate instruments	2,852	(2,801)	2,854	(2,801)

Fair Values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	30-Jun-18		30-Jun-17	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Cash and cash equivalents	748,423	748,423	870,380	870,380
Other receivables	10,000	10,000	14,616	14,616
Available-for-sale listed securities	180,000	180,000	138,000	138,000
Trade and other payables	(810,402)	(810,402)	(65,470)	(65,470)
Employee benefits	(34,014)	(34,014)	(3,891)	(3,891)
	94,007	94,007	953,635	953,635

NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liability.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2018 and 30 June 2017:

30 June 2018 Financial assets	Level 1 $	Level 2 $	Level 3 $	Total $
Listed securities and debentures	180,000	-	-	180,000
Net Fair Value	180,000	-	-	180,000
30 June 2017 Financial assets	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Listed securities and debentures	138,000	-	-	138,000
Net Fair Value	138,000	-	-	138,000

Measurement of fair value of financial instruments

The Company performs valuations of financial items for financial reporting purposes. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. Valuation processes and fair value changes are discussed regularly at Board meetings. As the Company holds an investment in a ASX listed Company the fair value of the investment is subject to movements in the share price. A summary of a movement in the share price of the listed investment is below:

	Profit or loss		Equity	
30 June 2018	200bp increase $	200bp decrease $	200bp increase $	200bp decrease $
Listed securities and debentures	36,000	(36,000)	36,000	(36,000)
30 June 2017	200bp increase $	200bp decrease $	200bp increase $	200bp decrease $
Listed securities and debentures	27,600	(27,600)	27,600	(27,600)

Capital Management

Capital is defined as the equity of the Company.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. Refer to Note 1(w) for additional commentary.

The Company's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Company monitors capital requirements regularly and there are no external borrowings as at reporting date and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year. The Board considers capital management at each Board meeting and mitigates risks when identified.

NOTE 22: EVENTS AFTER REPORTING DATE

The Company completed a placement of 31,846,669 fully paid ordinary shares to sophisticated investors raising $1,115,429 net of costs.

The Company entered an executive services agreement with John Terpu as Executive Chairman. The terms and conditions have been included in the Remuneration Report.

In September 2018 the Company entered into a transaction to acquire several exploration licences from Central Australia Rare Earths Pty Ltd, a wholly owned subsidiary of Strategic Minerals plc, a AIM listed Company. Subject to the completion of due diligence and completion of the transaction the consideration will consist of $100,000 cash and 1 million shares in the Company. At the date of this report, the transaction is subject to completion.

Apart from the above, there has not been any other matter or circumstance that has arisen after the reporting date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

NOTE 23: LEASES

Operating leases as lessee

As Per Note 19, the Company has entered a lease agreement to lease an office building. The lease has been assessed to be an operating lease. The future minimum lease payments are as follows:

	Minimum lease payments due			
	Within 1 year $	1-5 years $	After 5 years $	Total $
30-Jun-18	66,924	247,929	-	314,853
30-Jun-17	-	-	-	-

No lease expense payments where incurred during the year. The new rental contract has a non-cancellable term of 3 years.

NOTE 24: SHARE BASED PAYMENTS

During the period, options were issued to the Senior Advisor upon entering the consulting arrangement with the Company. The options where not issued as consideration for services provided.

Share options and weighted average exercise prices are as follows for the reporting periods presented:

	Weighted average exercise price ($)	Option Fair Value $
Outstanding at 30 June 2017	-	-
Granted	11,800,000	35,000
Forfeited / Exercised	-	-
Outstanding at 30 June 2018	11,800,000	35,000
Exercisable at 30 June 2017	-	-
Exercisable at 30 June 2018	11,800,000	35,000

NOTE 24: SHARE BASED PAYMENTS (continued)

No options were on issue at 30 June 2017. No options were exercised in 2018. The $35,000 is included in consulting fees in the statement of profit or loss and other comprehensive income.

The fair values of options granted were determined using the Black-Scholes option pricing model. There was no performance based, nor vesting conditions attached to the Options.

The following principal assumptions were used in the valuation:

Valuation assumptions	
Grant date	14-May-18
Share price at date of grant	$ 0.025
Volatility	74%
Expiry date	31-Dec-19
Dividend yield	0
Risk free investment rate	1.50%
Fair value at grant date	0.011
Exercise price at date of grant	$ 0.020
Exercisable from	14-May-18
Weighted average remaining contractual life	1.5 yrs

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time. No special features inherent to the options granted were incorporated into measurement of fair value.

Directors' Declaration

1. In the opinion of the Directors of Great Southern Mining Limited (the "Company"):

   (a) the accompanying financial statements and notes of the Company are in accordance with the Corporations Act 2001 including:

   (i) giving a true and fair view of the Company's financial position at 30 June 2018 and of its performance for the year then ended; and

   (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

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

John Terpu

Executive Chairman

Perth WA

27 September 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

Independent Auditor's Report
To the Members of Great Southern Mining Limited (formerly "Forte Consolidated Limited")

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Great Southern Mining Limited ("the Company") which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533
Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report**.**

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of exploration and evaluation expenditure (Note 12)	
The Company has capitalised exploration and evaluation expenditure of $3,455,352 as at 30 June 2018 in relation to its Queensland and Western Australia projects. Our audit procedures determined that the carrying value of exploration and evaluation expenditure was a key audit matter as it was an area which required the most audit effort, required the most communication with those charged with governance and was determined to be of key importance to the users of the financial statements.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Company has current rights to tenure of its areas of interest; • We substantiated a sample of additions to exploration expenditure during the year; • We enquired with management and reviewed ASX announcements and minutes of Directors' meetings to ensure that the Company had not decided to discontinue exploration and evaluation at its areas of interest; and • We examined the disclosures made in the financial report.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Great Southern Mining Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D I Buckley
Partner

Perth, Western Australia
27 September 2018

ASX Additional Information

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

1. Shareholder Information

1.1 As at 25 September 2018 the Company had:
259 holders of Ordinary Fully Paid Shares.
1 holder of unlised options.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

(a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;

(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each Fully Paid Share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

1.2 Distribution of Shares (as at 25 September 2018)

The number of shareholders holding less than a marketable parcel is 68 based on the closing market price at 25 September 2018.

No.	Fully Paid Shares **	Options *
1-1,000	1,649	0
1,001-5,000	16,854	0
5,001-10,000	503,262	0
10,001-100,000	3,145,509	0
100,001-over	273,808,398	11,800,000
Total	277,745,672	11,800,000

* The listed options issued at the date of this report are unquoted securities. Mr Mark Barnaba holds 100% of these securities.

** The amount includes 15,000,000 fully paid ordinary shares subject to escrow for twelve months. 100% of the class of these securities is held by Valleybrook Investments Pty Ltd. The escrow period ends 5 April 2019.

1.3 Substantial Shareholders

The following shareholders are recorded as substantial shareholders:

Name	Fully Paid Shares Number	%
VALLEYBROOK INVESTMENTS PTY LTD <TERPU A/C> & OTHERS *	105,667,717	38.04
DANNY TAK TIM CHAN & OTHERS	64,020,490	23.05
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,454,188	5.56
Total	185,142,395	

* The amount includes 15,000,000 fully paid ordinary shares subject to escrow noted above.

1.4 Twenty Largest Holders of Listed Shares (as at 25 September 2018)		
	Fully Paid Ordinary Shares	
Name	Number	Percentage %
VALLEYROSE PTY LTD	55,459,902	21.11
DANNY TAK TIM CHAN	50,672,990	19.29
VALLEYBROOK INVESTMENTS PTY LTD *	35,207,815	13.40
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,454,188	5.88
BNP PARIBAS NOMS PTY LTD	13,347,500	5.08
ANYSHA PTY LTD	12,500,105	4.76
GETMEOUTOFHERE PTY LTD	4,550,000	1.73
NAUTICAL HOLDINGS WA PTY LTD	4,427,030	1.68
MR MARK BARNABA	4,375,000	1.67
SUNSET CAPITAL MANAGEMENT PTY LTD	4,000,000	1.52
BNP PARIBAS NOMINEES PTY LTD	3,746,562	1.44
MR ROBERT ANTHONY MARTIN	2,666,667	1.01
KIWI BATTLER PTY LTD	2,452,089	0.93
MRS CARMELA FIRRIOLO	2,212,500	0.84
KAY BAY SUPER PTY LTD	2,000,000	0.76
ORBIT DRILLING PTY LTD	1,817,226	0.69
MR STACEY HUBERT CARTER	1,333,333	0.51
SUNSHORE HOLDINGS PTY LTD	1,333,333	0.51
MR PETER LESLIE CLARK	1,200,000	0.46
KATHLEEN BOZANIC	1,200,000	0.46
ANDREW JAMES PAUL CARUSO	1,200,000	0.46
COOLTRAS PTY LTD	1,010,068	0.38
MR KEVIN DANIEL LEARY & MRS HELEN PATRICIA LEARY	1,000,000	0.38
P&E QUADE PTY LTD	1,000,000	0.38
TOTAL	224,216,308	85.34

* Holder also has 15,000,000 unquoted fully paid ordinary shares subject to escrow. Total holding including escrowed shares is 105,667,717 or 38.04%.

1.5 Share Buy-Backs

There is no current on-market buy-back scheme.

1.6 Securities Purchased On-market

On 29 June 2018 the Shareholders of the Company approved the long term incentive plan to be adopted. No options over ordinary shares in the Company were or have since been granted under this program up to the date of this report. No securities have been purchased on-market (including any related to an employee incentive scheme).

2. Other Information

Great Southern Mining Limited, incorporated and domiciled in Australia, is a public listed Company limited by Shares.

ASX Additional Information

3. Tenement Schedule					
Tenement No.	**Registered Holder**	**Forte Equity**	**Area**	**Application/ Grant Date**	**Expiry Date**
Queensland					
EPM 18986	Great Southern Mining Limited	100%	47 blocks	13 Dec 2012	12 Dec 2022
EPM 25196	Great Southern Mining Limited	100%	3 blocks	3 Mar 2014	2 Mar 2020
EPM 25755	Great Southern Mining Limited	100%	24 blocks	8 Apr 2015	7 Apr 2020
EPM 26527	Great Southern Mining Limited	100%	28 blocks	23 Aug 2017	22 Aug 2022
EPM 26810	Great Southern Mining Limited	100%	58 blocks	17 July 2018	16 July 2023
Western Australia					
ML 38/1256	Great Southern Mining Limited	100%	1 block	3 Sep 2012	2 September 2033

4. Other Additional Information

Corporate Governance:
The Company's Corporate Governance Statement for 30 June 2018 as approved by the Board can be viewed as www.gsml.com.au

Company Secretary:
The name of the Company Secretary is Mark Petricevic.

Address and telephone details of the Company's Registered Office:
Suite 4, 213 Balcatta Rd
Balcatta WA 6021
T: 08 9240 4111

Share Register:
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Telephone: (within Australia): 1300 554 474
Telephone: (outside Australia): +61 (02) 8280 7761
Facsimile: (02) 9287 0303

Review of Operations:
A review of operations is contained in the Directors Report.

ABN 37 148 168 825
Great Southern Mining Limited
(Formerly "Forte Consolidated Limited)