ABN 96 095 684 389

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015

FRONTIER RESOURCES LTD

ABN 96 095 684 389

CONTENTS

CORPORATE DIRECTORY

Chairman Peter A. McNeil **Managing Director** Paige McNeil **Non-Executive Director** Peter Swiridiuk **Company Secretary** Matthew Foy **Stock Exchange** Australian Securities Exchange – FNT Frankfurt Stock Exchange – TG5	**Operations Office** 120 Tranquil Place Stoneville WA 6081 Australia Telephone: (08) 9295 0388 **Registered Office** Office J, Level 2, 1139 Hay Street West Perth WA 6005 Australia Telephone: (08) 9486 4036 Facsimile: (08) 9486 4799 Email: info@frontierresources.com.au Website: www.frontierresources.com.au **Postal Address:** PO Box 7653 Cloisters Square Perth WA 6850 Australia	**Share Registry** Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace PERTH WA 6000 **Auditors** Moore Stephens Perth Level 3, 12 St Georges Tce Perth, Western Australia 6000 **Bankers** Westpac Banking Corporation 1/100 Bundall Road Bundall, QLD 4217 **Lawyers** Steinepreis Paganin Level 4, 16 Milligan Street Perth, WA 6000

Your Directors present their report on the Group for the financial year ended 30 June 2015.

DIRECTORS

The following persons were Directors of Frontier Resources Ltd during the financial year and up to the date of this report unless otherwise stated:

P.A. McNeil
P.S. McNeil (appointed 1 December 2014)
P. Swiridiuk (appointed 1 December 2014)
G.J. Fish (resigned 11 November 2014)
W.J. Staude (resigned 27 November 2014)
H.D. Swain (resigned 27 November 2014)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were exploration and evaluation of gold and base metal projects in Papua New Guinea.

RESULTS AND DIVIDENDS

The consolidated loss of the Group after tax (including discontinued operations) amounted to $2,413,968 (2014: $1,479,803). There were no dividends paid or recommended during the financial year ended 30 June 2015.

REVIEW OF OPERATIONS

Frontier Resources Ltd is a socially responsible, innovative and technically successful junior mineral explorer. Frontier is focused on a highly prospective portfolio of two intrusive and epithermal related gold, plus porphyry copper-gold-molybdenum, hosting exploration licenses (ELs) in Papua New Guinea.

The Company's strategy remains to produce high quality targets for drill testing by Frontier owned/operated diamond core drill rigs and also to obtain quality Joint Venture partners to limit Frontier's risk while enhancing possible future development of any discoveries.

Bulago EL 1595, Papua New Guinea

During the reporting period, drilling commenced at the very high grade gold Upper Zone of the Swit Kia Prospect, EL 1595 – Bulago in PNG (**Figures 1 and 2**).

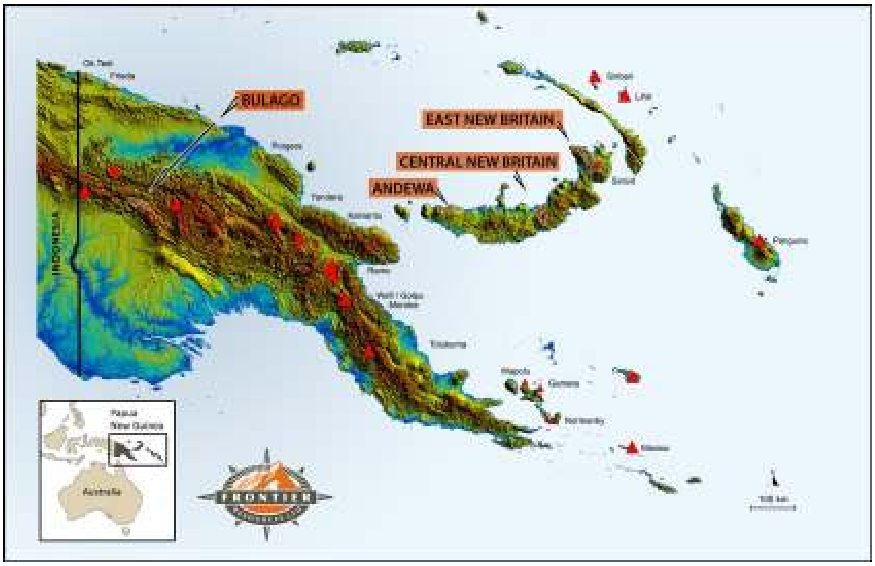
Six diamond core drill holes were completed in November, however these did not significantly intersect the targeted high grade gold mineralisation, with the best result in hole SKD004 with 0.5m grading 46.3 g/t gold + 11.4 g/t silver, from 1.2m to 1.7m downhole.

Drill Pad 1 was located in the central sector of the Swit Kia Prospect near the top end of Trench 1. One 'section fan' of five holes was completed from drill pad 1 and the sixth hole started a new 'horizontal fan'.

The drilling targeted the high grade gold mineralisation related to the 45º dip slope, an associated 70º north dipping strongly silicified intrusive with hydrothermal breccias/sulphides and the flat lying host sediments (for conformable mineralisation as at the Lower Zone).

Drill holes tested down /across the surficial high grade gold zone and also across the intrusive for proximal sub-parallel repeats of the high grade gold and for possible lower grade bulk gold mineralisation. The intrusive was strongly silicified and fractured but lacked significant hydrothermal breccias/sulphides.

The very high grade gold mineralisation at the Upper Zone appears to be a relatively thin layer associated intrusives and concentrating at the dip slope. The lack of breccias in the core holes implies that the high grade mineralisation was not intersected.

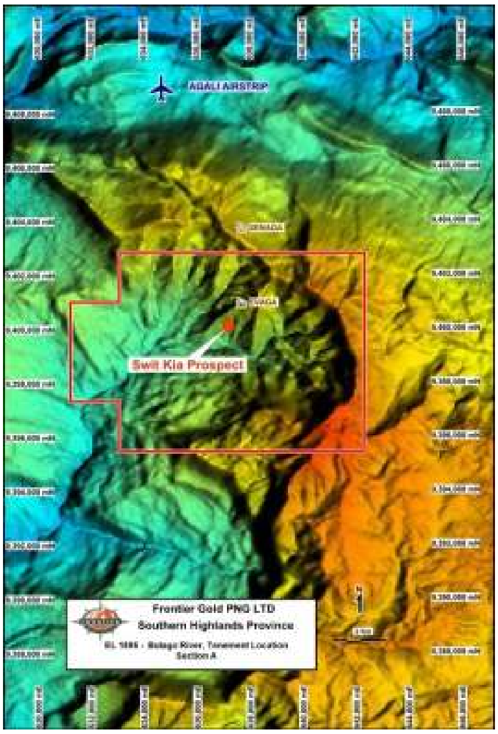


No significant width breccia repeats were noted downhole in the drilling, however SKD005 had a semi massive pyrite, pyrrhotite, magnetite, galena and sphalerite vein from 39.3m to 39.6m.

The Swit Kia drilling targeted the high grade gold mineralisation related to a 45° south dipping /E-W trending fault (dip slope) and attempted to test:

1. Down and across (to the south) the surficial high grade gold zone.
2. Across the host and related 70° south dipping intrusive for proximal sub-parallel (stacked) repeats of the high grade gold.
3. For proximal lower grade bulk gold mineralisation within the intrusive.
4. For conformable high grade gold mineralisation (as demonstrated in April at the Lower Zone).

Figures 1 (above) & 2 (below: Frontier Project Locations



The intrusive was strongly silicified and fractured but lacked significant hydrothermal breccias/sulphides as observed in the surficial high grade rocks and was only very weakly gold mineralised.

The relatively thin, high grade gold mineralisation at the Upper Zone appears to be controlled by the 45° south dip fault (dip slope), is localised by/in the intrusive and at the contact of the relatively flat lying siltstones, but there was no evidence for conformable gold mineralisation.

One 'section fan' of five holes was completed from drill pad 1 (**Figure 4**) and the sixth hole started a new 'horizontal fan'. Drill assays are tabulated below along with drill collar information. Additional geological information was released 5/12/2014 to which the reader is referred

<u>Significant Swit Kia Prospect Upper Zone Drill Results Included:</u>

SKD001 with 0.80m grading 0.76 g/t gold + 8.6 g/t silver, from 0.00 to 0.80m.

SKD002 with 1.95m grading 0.75 g/t gold + 4.8 g/t silver, from 58.45m to 60.4m.

SKD003 with no significant assay results.

SKD004 with 0.50m grading 46.3 g/t gold + 11.4 g/t silver, from 1.20m to 1.70m.

SKD005 with 0.60m grading 0.91 g/t gold + 13.6 g/t silver (+741 ppm copper in a semi massive sulphide vein), from 39.3m to 39.6m.

SKD006 with 1.90m grading 5.73 g/t gold + 9.8 g/t silver (+0.42% zinc), from 7.40m to 9.30m.

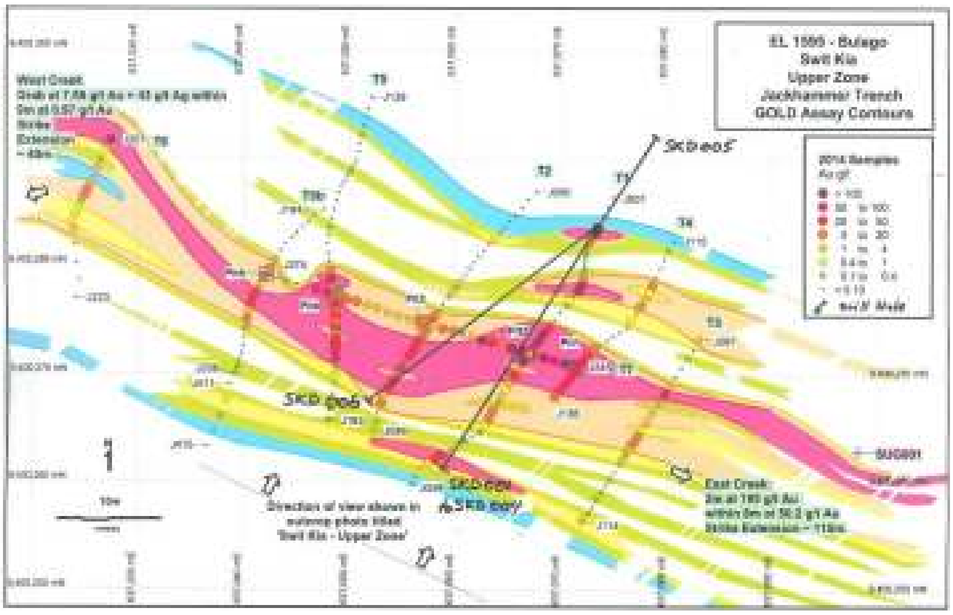


Figure 3: Drilling at EL1595

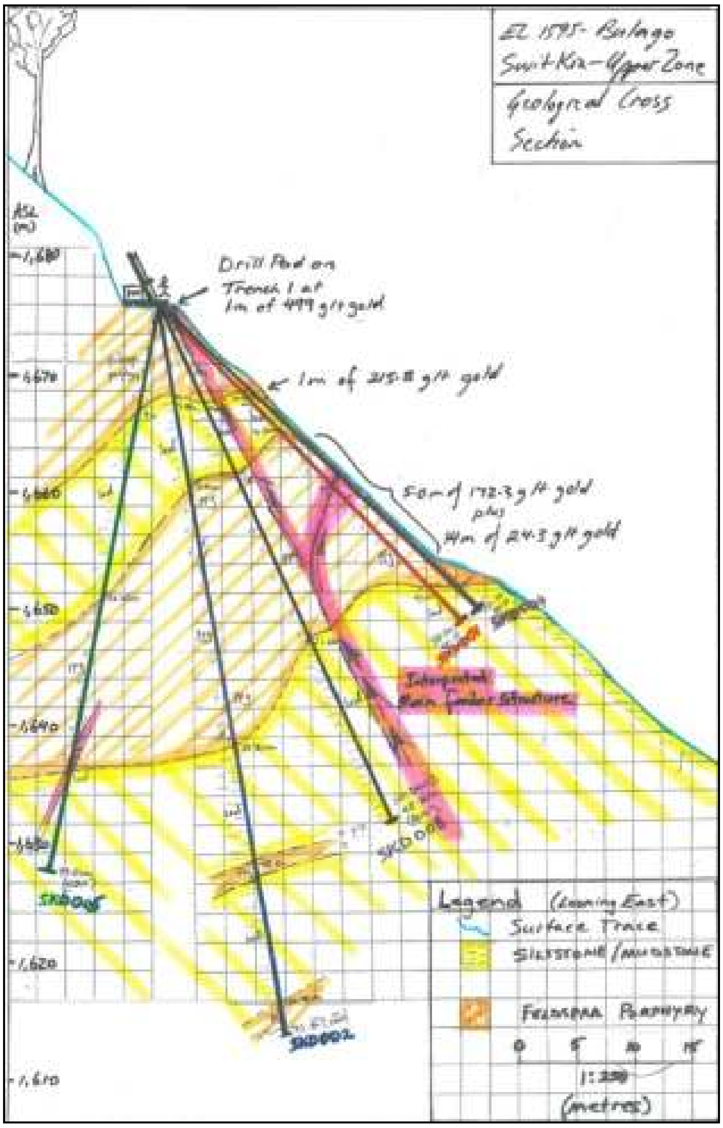


Figure 4: EL1595 Cross Section

Competent Person

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by, or compiled under the supervision of Peter A. McNeil - Member of the Aust. Inst. of Geoscientists. Peter McNeil is the Managing Director of Frontier Resources, who consults to the Company. Peter McNeil has sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Resources. Peter McNeil consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

CORPORATE

Board Changes

During the period, Directors G.Fish, H.Swain and W.Staude resigned. At the Annual General Meeting shareholders voted on the re-election of Director Peter McNeil. Peter Swiridiuk and Paige McNeil were appointed as a Non-Executive Director and as Executive Director respectively.

During the reporting period, Matthew Foy was appointed as Company Secretary following the resignations of Jay Stephenson and Julia Beckett as Joint Company Secretaries.

Paige McNeil – Managing Director

Paige McNeil (GradDipEd, ACIS, GAICD, AGIA) is a Corporate Governance practitioner with 14 years' operational and administrative experience in the mineral exploration industry in Papua New Guinea, Australia and Canada. Paige was a Founding Director and Company Secretary of Kanon Resources Ltd (2003) and Quintessential Resources Ltd (2010) which were subsequently listed on the TSX-V and ASX respectively. Paige was responsible for raising over $10M in capital for Quintessential over 2 years. Paige was the former Administration Manager and Company Secretary for Frontier Resources (2006 and 2010). She was appointed Alternate Director for Peter McNeil in August 2014 and has now resigned from this position. Paige holds a Graduate Diploma in Corporate Governance from Governance Institute of Australia (2006) and is a Graduate of the Australian Institute of Company Directors (2008). She is a director of two private Australian companies and also facilitates modules for the Governance Institute of Australia.

Peter Swiridiuk – Non Executive Director

Peter Swiridiuk, BSc (Hons), DipEd, MAIG has over 24 years' experience exploring for copper, gold, diamonds, coal and base metals. Between 1997 and 2012, he spent substantial amounts of time managing exploration, discovery and resource definition for projects in Papua New Guinea, including evaluation of data at Frieda River and acting as a consultant geophysicist to Frontier Resources (2003-2013). In 2007 he spent over six years as Managing Director of ASX listed Coppermoly Limited where he attracted over $32 million through an IPO, capital raisings and joint venture partner Barrick Gold Corp. While leading Coppermoly, over 2 billion pounds of copper, in two separate JORC resources, were delineated on New Britain Island, Papua New Guinea.

Peter was geophysicist for DeBeers diamond services during the 1990's where he managed geophysical surveys for the exploration of diamonds in Australia. Since 1997, he has been a technical consultant working on projects in Australia, PNG, Solomon Islands, Philippines, Cyprus, Mexico and Oman, where his exploration led to the discovery of two copper mines. Peter has authored numerous independent technical reports for the purpose of capital raisings.

Entitlements Issue

A non-renounceable entitlements issue closed on 11th May 2015 (**Entitlements Issue**). The Entitlements Issue offered eligible shareholders the opportunity to subscribe for one new fully paid ordinary share in the Company for every one share held on the Record Date at an issue price of $0.002 per share.

Entitlements Issue	Shares	Value
Shares validly applied for under the Entitlements Issue	108,577,298	$217,155
Total Shortfall from Entitlements Issue	272,898,408	$545,797
Shortfall Applications	91,918,492	$183,837
Shortfall Remaining	180,979,916	$361,960

Total applications under the Entitlements Issue and shortfall offer totaled 200,495,790 Shares for $400,992 representing 52.56% of all shares offered. The Directors closed the Shortfall Offer under the Replacement Prospectus and consequently the remaining Entitlements Issue shortfall of 180,979,916 shares were not placed.

Share Purchase Plan
During the reporting period, Frontier conducted a Share Purchase Plan to raise up to $650,000 at $0.013 per share (**SPP**). The SPP closed on Wednesday 30 July 2014 with applications for 45,278,757 shares for a total of $588,624 received. On 4 September 2014 the Company advised it had placed a further 4,736,614 ordinary shares at an issue price of $0.013 to raise $61,576, utilising the Company's existing placement capacity under ASX Listing Rule 7.1.

Gold Ridge Joint Venture
On 25 May 2015, Frontier announced that it had signed a Heads of Agreement with GoldRidge Community Investment Limited (**GCIL**), the Solomon Islands Landowner company that owns 100% of the Gold Ridge Mine/Project on Guadalcanal Island to acquire an 80% interest of the Gold Ridge Mine/Project. Consideration included equity in FNT shares and deferred carry of GCIL's 20% interest into production.

Subsequently on 22 June 2015, Frontier announced that GCIL had not negotiated in good faith or exclusively with Frontier as required by the terms of the Heads of Agreement and negotiations were terminated, with Frontier to seek recovery of costs from GCIL.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year not otherwise disclosed in this report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

(i) the Group's operations in future financial years; or
(ii) the results of those operations in future financial years; or
(iii) the Group's state of affairs in future financial years.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement is available on its website www.frontierresources.com.au

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Group and the expected results of those operations in subsequent financial years are consistent with those reported for the current period.

The Directors are pleased with exploration results during the financial year, however, they are conscious that additional funding through equity, joint ventures or borrowings will be required to pursue the potential of existing projects in the future. Further discussion on the Company's Going Concern assumption is set out in Note 1 on page 28.

ENVIRONMENTAL REGULATIONS

The Group is subject to significant environmental regulation in respect of its mineral exploration activities.

The Group has exploration and mining tenements in Papua New Guinea. The Group is not aware of any breach of environmental regulations during or since the end of the financial year.

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the company for the current, nor subsequent, financial years. The Directors will reassess this position as and when the need arises.

INFORMATION ON DIRECTORS

Director and Experience	Particulars of Directors' interest in shares and options of Frontier Resources Ltd: Ordinary Shares	Options
Peter A. McNeil		
Chairman appointed 20 January 2010.	60,742,128	20,000,000 Unlisted

Age 54. B.Sc., M.Sc. He has 32 years' exploration experience in Papua New Guinea, U.S.A., Canada and Australia, including programs at the Lihir gold deposit and in the Goldfields and Kimberley regions of Western Australia and Tasmania.

Peter has been associated with the discovery of a number of orebodies including Nimary and Sunrise Dam in Western Australia

Peter McNeil is a graduate from the University of Houston, Texas B.Sc. (1982) and M.Sc. (Geochemistry-1985). He has accumulated 33 year's continuous professional post-graduate mineral exploration industry experience, with 29 of those in Papua New Guinea (including the Lihir gold Deposit).

Peter has also worked in Tasmania, WA's Kimberley and NE Goldfields, Arizona and Newfoundland. He was consultant site supervisory geologist on the 'discovery' holes of both the Nimary and Sunrise Dam gold ore bodies in WA, which became the largest and second largest gold discoveries in Australia during the 1990's totalling >15 million ounces combined.

Mr McNeil has 23 years' corporate and managerial experience as a Chairman, Managing Director, Director, and President associated with several ASX and TSX-V listed companies.

Mr McNeil is a member of the Australian Institute of Geoscientists, the Society of Economic Geologists, the Society for Geology Applied to Mineral Deposits and the Society of Resource Geology. He is the principal of a private mineral exploration consultancy (Exploration & Management Consultants Pty Ltd), which has provided a varied range of exploration and corporate services to the minerals exploration industry for the past 23 years.

Peter has not held any other former directorships of listed companies within the last 3 years.

Paige McNeil (appointed 1 December 2014)

	Ordinary Shares	Options
Age 45. GradDipEd, ACIS, GAICD, AGIA. Is a Corporate Governance practitioner with 14 years' operational and administrative experience in the mineral exploration industry in Papua New Guinea, Australia and Canada. Paige was a Founding Director and Company Secretary of Kanon Resources Ltd (2003) and Quintessential Resources Ltd (2010) which were subsequently listed on the TSX-V and ASX respectively. Paige was responsible for raising over $10M in capital for Quintessential over 2 years. Paige was the former Administration Manager and Company Secretary for Frontier Resources (2006 and 2010). She was appointed Alternate Director for Peter McNeil in August 2014 and has now resigned from this position. Paige holds a Graduate Diploma in Corporate Governance from Governance Institute of Australia (2006) and is a Graduate of the Australian Institute of Company Directors (2008). She is a director of two private Australian companies and also facilitates modules for the Governance Institute of Australia.	60,742,128	20,000,000 Unlisted

Paige was previously Managing Director of Quintessential Resources Ltd.

INFORMATION ON DIRECTORS

Director and Experience	Ordinary Shares	Options
Peter Swiridiuk (appointed 1 December 2014)	Nil	Nil

Particulars of Directors' interest in shares and options of Frontier Resources Ltd

Age 48. BSc (Hons), DipEd, MAIG. Peter has over 24 years' experience exploring for copper, gold, diamonds, coal and base metals. Between 1997 and 2012, he spent substantial amounts of time managing exploration, discovery and resource definition for projects in Papua New Guinea, including evaluation of data at Frieda River and acting as a consultant geophysicist to Frontier Resources (2003-2013). In 2007 he spent over six years as Managing Director of ASX listed Coppermoly Limited where he attracted over $32 million through an IPO, capital raisings and joint venture partner Barrick Gold Corp. While leading Coppermoly, over 2 billion pounds of copper, in two separate JORC resources, were delineated on New Britain Island, Papua New Guinea.

Peter was geophysicist for DeBeers diamond services during the 1990's where he managed geophysical surveys for the exploration of diamonds in Australia. Since 1997, he has been a technical consultant working on projects in Australia, PNG, Solomon Islands, Philippines, Cyprus, Mexico and Oman, where his exploration led to the discovery of two copper mines. Peter has authored numerous independent technical reports for the purpose of capital raisings.

Peter was previously a Director of Coppermoly Ltd.

Graham J. Fish (resigned 11 November 2014)

Director for 12 years. Age 75. He graduated B.Sc. (Geology, Chemistry) in 1958, Dip. Ed. in 1961 and M.Ed. in 1980 from the University of Tasmania. He worked as a teacher of Geology and Chemistry in Tasmanian Education Department Colleges before promotion into administrative roles from 1973.

Graham has 40 years of management skills and extensive experience in administration and education development in Tasmania. He has a background in geology and has chaired committees on both national and state school curriculum and assessment boards.

He has delivered papers and written science and education reports for UNESCO in Bangkok in 1983, and in Korea in 1988, for the South Pacific in Fiji in 1995, for International Conferences in Sydney in 1993 and New Zealand in 1994.

Warren J. Staude (resigned 24 November 2014)

B.Sc., M.Sc., MAusIMM, MAICD, SF Fin: Non-executive Director for 12 years. Age 72. Has over 42 years professional experience in the mining, exploration and resource finance industries. He is a graduate of University of Sydney (BSc), Macquarie University (MSc) and holds a Graduate Diploma from the Securities Institute of Australia and was previously a member of the Joint Ore Reserves Committee.

Warren has worked in Government, in industry, as a private consultant and on the academic staff at Macquarie University. He worked for the AMP Society's resource investment team, in the stockbroking industry and GIO Australia Asset Management. He brings your Company a wealth of experience in the Australian financial markets.

INFORMATION ON DIRECTORS

Director and Experience	Particulars of Directors' interest in shares and options of Frontier Resources Ltd	
	Ordinary Shares	**Options**

Hugh David Swain (resigned 24 November 2014)

Non-executive Director for 7 years. Age 78. Mr H David Swain, B.Eng (Mining) 1962, M.Eng. (Civil) 1972 – University of Sheffield, is a Mining/Civil Engineer with 49 years' professional experience, who has held senior management positions both operating and technical including Mine Superintendent and Chief Mining Engineer at Bougainville Copper, General Manager of Rossarden Tin Mines and Executive Manager with Goldsworthy Iron.

David has worked as a consultant for 32 years and has completed projects in Australasia, West Africa, SE Asia and China.

David is a Fellow of the AIMM and has presented and published several papers on ore reserve estimation and other aspects of mining engineering. He has not held any other former Directorships within the last 3 years.

COMPANY SECRETARY – QUALIFICATIONS & EXPERIENCE

Matthew Foy - BCom, GradDipAppFin, GradDipACG, SAFin, AGIA, ACIS *– Appointed on 4 August 2014*

Matthew is a contract company secretary and active member of the WA State Governance Council of the Governance Institute Australia (GIA). He spent four years at the ASX facilitating the listing and compliance of companies and possess core competencies in publicly listed company secretarial, operational and governance disciplines. Matthew is currently Company Secretary for a number of ASX listed companies.

Jay Stephenson *– Resigned 4 August 2014*

Jay Stephenson holds a Master of Business Administration, is a Fellow of the Certified Practising Accountants, Certified Management Accountant (Canada), Member of the Australian Institute of Company Directors and Fellow of the Chartered Institute of Secretaries. Jay is currently Company Secretary for a number of ASX listed resources and industrial companies.

Julia Beckett – *Resigned 4 August 2014*

Julia Beckett holds a Certificate in Governance Practice and Administration and is a Certificated Member of Chartered Secretaries Australia. Julia has extensive project management experience in both public institution and company administration, the past 4 years more specifically focusing on corporate governance and compliance. She has been involved in business acquisitions, mergers, initial public offerings, capital raisings as well as statutory and financial reporting.

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year (and the number each Director was entitled to attend):

	Directors' Meetings	
	Number eligible to attend	**Number attended**
P.A. McNeil	4	4
P.S. McNeil[1]	3	3
P. Swiriduk[1]	3	3
W.J. Staude[2]	1	1
H.D. Swain[2]	1	1
G.J. Fish[3]	1	1

[1] Appointed 1 December 2014
[2] Resigned 24 November 2014
[3] Resigned 11 November 2014

REMUNERATION REPORT (Audited)

The information in this remuneration report has been audited as required by s.308(3C) of the *Corporations Act 2001.*

(a) Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. As there is no remuneration committee the role is assumed by the full Board of Directors. The Board ensures that director and executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- transparency; and
- capital management.

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

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in share price and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value;
- attracts and retains high calibre executives;
- rewards capability and experience;
- reflects competitive reward for contribution to shareholder growth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

Relationship between remuneration and Group performance
During the past year and since listing on 9 April 2003 the Group has generated losses because it is still involved in mineral exploration, not in production.

Given that the remuneration is commercially reasonable / appropriate / benchmarked, the link between remuneration, Group performance and shareholder wealth generation is tenuous, particularly in the exploration stage of a minerals company. Since listing the Group has recorded significant losses as it carries out exploration activities on its tenements, and no dividend has been paid. Share prices are subject to the influence of international metal prices and market sentiment toward the sector, and increases or decreases may occur quite independent of executive performance or remuneration. Share prices, largely unrelated to profit and loss, have fluctuated between $0.001 and $0.42 during the last five years, and at 30 June 2015 the price was $0.002.

Non-Executive Directors
Fees and payments to Non-Executive Directors reflect their responsibilities and the demands placed on individual Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board seeks to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

Directors' fees
The current base remuneration was last reviewed with effect from January 2010. Directors' fees are inclusive of committee fees.

Non-Executive Directors' fees are determined within the Non-Executive Directors' fee pool limit, which is periodically recommended for approval by shareholders. The pool currently stands at $150,000 per annum for Non-Executive Directors as approved at the Company's Annual General Meeting on 25 November 2009.

REMUNERATION REPORT (continued)

Retirement allowances for Directors
The Company provides no retirement allowances for Non-Executive Directors.

Executive pay
The executive pay and reward framework has four components:

- base pay and benefits;
- short-term incentives;
- long-term incentives through Directors options (refer Note 22); and
- other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Base pay
Structured as a total employment cost package which may be delivered as a mix of cash and prescribed non-financial benefits at the executive's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually by the Board to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases fixed in any senior executives' contracts.

Benefits
Executives receive no benefits outside of the base pay, options and superannuation disclosed in this report.

Retirement benefits
Other than statutory superannuation contributions, no retirement benefits are provided for executives except statutory entitlements.

Short-term incentives
Key management personnel are entitled to short term incentives (STI's) based on performance that is agreed by the board from time to time.

Frontier Resources Ltd Employee Option Plan
Information on the Frontier Resources Ltd Employee Option Plan is set out in Note 22. Directors may not participate in the Employee Option Plan. The Frontier Option Plan does not remove the at risk aspect of options granted under the plan. The plan does not include any limitation of risk for option holders.

Performance Conditions
There are no performance conditions on remuneration other than options granted to Directors and those issued under the Employee Option Plan are not vested until the employee or Director have been with the Company for 12 months. In addition, the Board may from time to time pay a cash bonus to employees on the achievement of agreed individual performance indicators.

(b) Other key management personnel

In addition to the Directors, the following persons also had authority for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	Position	Employer
Jay Stephenson[1]	Company Secretary and Chief Financial Officer	Frontier Resources Ltd

[1] Resigned 4 August 2014

REMUNERATION REPORT (continued)

(c) Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group for the year ended 30 June 2015 are set out in the following tables:

	Short-term employee benefits			Post-employment benefits		Share-based payment		Total
	Cash salary and fees	Cash bonus	Non-Monetary benefits	Super-annuation	Retirement benefits	Options*	Shares	$
2015	$	$	$	$	$	$	$	
Executive Director								
P.A. McNeil	333,477	-	-	-	-	78,000	-	411,477
Non-Executive Directors								
P.S. McNeil	59,700	-	-	-	-	-	-	59,700
P. Swiridiuk	21,860	-	-	-	-	-	-	21,860
G.J. Fish	8,819	-	-	869	-	-	-	9,688
W.J. Staude	9,775	-	-	-	-	-	-	9,775
H.D. Swain	9,052	-	-	-	-	-	-	9,052
Other key management personnel								
J. Stephenson	-	-	-	-	-	-	-	-
Total	442,683	-	-	869	-	78,000	-	521,552
2014								
Executive Director								
P.A. McNeil	225,113	-	-	-	-	-	-	225,113
Non-Executive Directors								
G.J. Fish	27,083	-	-	2,505	-	-	-	29,588
M.H. Otway**	12,500	-	-	-	-	-	-	12,500
W.J. Staude	26,042	-	-	1,831	-	-	-	27,873
H.D. Swain	29,589	-	-	-	-	-	-	29,589
Other key management personnel								
J. Stephenson	58,636	-	-	-	-	-	22,500	81,136
Total	378,463	-	-	4,336	-	-	22,500	405,799

* Option value calculation using Black-Scholes Model.
** Appointed 17 October 2012. Resigned 13 January 2014.

Remuneration that is performance based % is that percentage of remuneration that consisted of options.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed Remuneration		At risk - STI		At risk - LTI *	
	2015	2014	2015	2014	2015	2014
P.A. McNeil	81%	100%	-	-	19%	-
P.S. McNeil	100%	-	-	-	-	-
P. Swiridiuk	100%	-	-	-	-	-
G.J. Fish	100%	100%	-	-	-	-
W.J. Staude	100%	100%	-	-	-	-
H.D.Swain	100%	100%	-	-	-	-
J. Stephenson	100%	100%	-	-	-	-

* Long-term incentives reflect the value of remuneration consisting of options expensed during the year.

REMUNERATION REPORT (continued)

(d) Service agreements

There are no service agreements in place for executive or non-executive Directors.

(e) Share-based Compensation

Options

Options are granted to key management personnel under the Frontier Resources Ltd Employee Option Plan and are subject to the terms of the Frontier Resources Ltd Employee Option Plan as outlined in Note 22 to the Financial Statements.

Options are granted under the Plan for no consideration and for a period not exceeding five years. There are no performance conditions attached to options, other than the employee must maintain employment for a 12 month period.

Type of Options	Grant date	Expiry date	Exercise price	Value per option at grant date	Date exercisable	% vested during the year	% forfeited during the year	Financial year options vest	Range of possible values relating to future payments
Director	2 Dec 2014	2 Dec 2017	$0.011	$0.0078	Between 2 Dec 2014 and 2 Dec 2017	100%	-	2015	-
Director	21 Dec 2012	1 Nov 2017	$0.061	$0.0330	Between 21 Dec 2012 and 1 Nov 2017	100%	-	2013	-

Options granted under the Plan carry no dividend or voting rights. All options were provided at no cost to the recipients. When exercisable, each option is convertible into one ordinary share of Frontier Resources Ltd. Further information on the options is set out in Note 22 to the Financial Statements.

No options were issued under the Plan during the reporting period. Shareholder approval was sought and obtained on 28 November 2014 for the issue of 10,000,000 options to Mr McNeil that were not issued pursuant to the Plan.

(f) Equity Instrument disclosures relating to KMP

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options over ordinary shares in the Company provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration Report.

REMUNERATION REPORT (continued)

(f) Equity Instrument disclosures relating to KMP (continued)

(ii) Option holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

2015 **Name**	**Balance at the start of the year**	**Granted during the year as remuneration**	**Exercised during the year**	**Other changes during the year**	**Balance at the end of the year**	**Vested and exercisable at the end of the year**
Directors -						
Peter McNeil*	10,000,000	10,000,000	-	-	20,000,000	20,000,000
Paige McNeil[1*]	-	-	-	20,000,000*	20,000,000	20,000,000
Peter Swiridiuk[1]	-	-	-	-	-	-
Warren Staude[2]	2,000,000	-	-	(2,000,000)	-	-
David Swain[2]	2,000,000	-	-	(2,000,000)	-	-
Graham Fish[3]	2,000,000	-	-	(2,000,000)	-	-
Other key management personnel -						
Jay Stephenson	-	-	-	-	-	-
Total	16,000,000	10,000,000	-	14,000,000	20,000,000*	20,000,000*

[1] Appointed 1 December 2014
[2] Resigned 27 November 2014
[3] Resigned 11 November 2014

*Options granted to Peter McNeil as remuneration during the year are held in an entity jointly controlled by both Peter and his spouse Paige McNeil. As such the option holdings attributed to Paige and Peter include the options they jointly control.

2014 **Name**	**Balance at the start of the year**	**Granted during the year as remuneration**	**Exercised during the year**	**Other changes during the year**	**Balance at the end of the year**	**Vested and exercisable at the end of the year**
Directors -						
Peter McNeil	10,000,000	-	-	-	10,000,000	10,000,000
Graham Fish	2,000,000	-	-	-	2,000,000	2,000,000
Martin Otway*	2,000,000	-	-	(2,000,000)	-	-
Warren Staude	2,000,000	-	-	-	2,000,000	2,000,000
David Swain	2,000,000	-	-	-	2,000,000	2,000,000
Other key management personnel -						
Jay Stephenson	160,000	-	-	(160,000)	-	-
Total	18,160,000	-	-	(2,160,000)	16,000,000	16,000,000

* Martin Otway resigned as director on 13 January 2014.

Other changes during the year include options which were cancelled or expired.

REMUNERATION REPORT (continued)

(f) Equity Instrument disclosures relating to KMP (continued)

(iii) Share holdings (continued)

The numbers of shares in the Company held during the financial year by each Director of Frontier Resources Ltd and other key management personnel of the consolidated group are set out below.

2015	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors -				
Peter McNeil*	19,601,831	-	41,140,297	60,742,128
Paige McNeil[1]**	-	-	60,742,128	60,742,128
Peter Swiridiuk[1]	-	-	-	-
Graham Fish[3]	741,457	-	(741,457)	-
Warren Staude[2]	1,548,618	-	(1,548,618)	-
David Swain[2]	360,443	-	(360,443)	-
Other key management personnel -				
Jay Stephenson	6,460,715	-	(6,460,715)	-
Total	28,713,064	-	92,771,192	60,742,128*

[1] Appointed 1 December 2014
[2] Resigned 27 November 2014
[3] Resigned 11 November 2014

* Shares attributed to Peter McNeil include 9,142,758 shares held outright by his spouse Paige McNeil (also included in the 30 June 2015 balance of shares attributed to Paige) as well as 43,533,341 shares Peter controls jointly with Paige through jointly controlled entities.

** Shares attributed to Paige McNeil include 8,066,029 shares held outright by her spouse Peter McNeil (also included in the 30 June 2015 balance of shares attributed to Peter) as well as 43,533,341 shares Paige controls jointly with Peter through jointly controlled entities.

2014	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors -				
Peter McNeil	9,131,194	-	10,470,637	19,601,831
Graham Fish	741,457	-	-	741,457
Martin Otway*	14,620,000	-	(14,620,000)	-
Warren Staude	1,548,618	-	-	1,548,618
David Swain	360,443	-	-	360,443
Other key management personnel -				
Jay Stephenson	350,000	-	6,110,715	6,460,715
Total	26,751,712	-	1,961,352	28,713,064

* Martin Otway resigned as director on 13 January 2014.

Other changes during the year include other acquisitions and disposals by directors and their related parties.

No shares were held nominally at year end or the prior year end.

REMUNERATION REPORT (continued)

(g) ***Loans to Directors and executives***
No loans were made to Directors of Frontier Resources Ltd or other key management personnel of the consolidated group, including their personally-related entities (2014: Nil).

(h) ***Other transactions with Directors and other key management personnel***

A Director, Peter McNeil has a consulting arrangement in place for the provision of geological and management services to the consolidated group through Exploration and Management Consultants Pty Ltd. The services are provided at market rates, and no specified period has been agreed.

The Group previously engaged Wolfstar Corporate Management Pty Ltd ("Wolfstar") to appoint Jay Stephenson as Chief Financial Officer and Company Secretary. Wolfstar was a related party of the Company by virtue of it being controlled by Jay Stephenson. In consideration for the accounting services provided, Wolfstar was entitled to a monthly fee of $7,500 (plus GST), and reimbursement for all reasonable out-of-pocket expenses incurred including, but not limited to, photocopying, facsimile, longer distance telephone, delivery services and travelling expenditure as required. This service agreement was terminated on 1 July 2014.

No other transactions occurred between the Group and other key management personnel except for the reimbursement at cost of expenditure incurred on behalf of the Group.

The amounts owed to Directors, key management personnel and their related parties as at 30 June 2015 was $184,980 owed to Exploration & Management Consultants Pty Ltd and accrued Non-Executive Director Fees.

Aggregate amounts of each of the above types of other transactions with Directors and key management personnel of Frontier Resources Ltd:

	2015 $	2014 $
Amounts recognised as expense		
Consulting fees:		
Administration*	40,300	113,636
Exploration	227,502	225,113
Outstanding balances at year end	184,980	58,386

*includes the provision of office space.

(i) ***Additional information***

Share-based compensation: Options
The Company has a share trading policy which imposes basic trading restrictions on all employees of the Company with 'insider information', and additional trading restrictions on the Directors of the Company.

Directors must not trade in the Company's securities except later than an hour after and within the period of 1 month after the release of the quarterly, half-yearly and yearly reports and any announcement to the ASX which may or are likely to effect the value of the company's assets in a material way or 1 month after the holding of the AGM.

Full details of the Share Trading Policy can be found on the Company's website.

No options provided as remuneration were exercised during the year.

REMUNERATION REPORT (continued)

Relationship between remuneration and the Group's performance

The following table shows key performance indicators for the Group over the last five years:

	2015	2014	2013	2012	2011
Loss for the year	$2,413,968	$1,479,803	$2,900,373	$8,283,982	$4,349,224
Closing Share Price	0.2 cents	1.4 cents	0.9 cents	6.9 cents	2.0 cents
KMP Incentives	$78,000	$nil	$764,518	$439,250	$222,001
Total KMP Remuneration	$521,552	$405,799	$1,259,110	$960,491	$768,486

Remuneration Consultants

The Group did not engage the services of any remuneration consultants during the year.

END OF AUDITED REMUNERATION REPORT

SHARES UNDER OPTION

Unissued ordinary shares of Frontier Resources Ltd under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
2 December 2014	2 December 2017	$0.011	10,000,000
21 December 2012	1 November 2017	$0.061	18,000,000
			28,000,000

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

During the financial year ended 30 June 2015, there were nil shares of Frontier Resources Ltd issued upon the exercise of options. None have been issued since the end of the financial year.

INSURANCE OF OFFICERS

Since the end of the previous financial year the consolidated group has paid insurance premiums in respect of directors' and officers' legal expenses and liability insurance. The policies prohibit disclosure of details of the policies or the premiums paid. The Company has not otherwise, during or since the end of the year, except at the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or any of its controlled entities against a liability incurred as such an officer or auditor.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Consolidated Group are important.

Details of the amounts paid or payable to the auditor (Moore Stephens Perth) for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Board in its capacity as the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 22.

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

	2015 $	2014 $
Assurance services		
Audit Services		
BDO Audit (WA) Pty Ltd	-	2,520
Moore Stephens Perth	25,040	23,050
Sinton Spence Chartered Accountants (PNG)	-	-
Total remuneration for audit and assurance services	25,040	25,570
Taxation and Accounting Services		
Moore Stephens Perth	-	-
Sinton Spence Chartered Accountants (PNG)	395	9,701
Total remuneration for taxation services	395	9,701

PROCEEDINGS ON BEHALF OF COMPANY

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

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

This report is made in accordance with a resolution of the Directors.

P.A. McNeil
Chairman

30 September 2015

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF FRONTIER RESOURCES LIMITED & CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Suan-Lee Tan

MOORE STEPHENS

Suan-Lee Tan
Partner

Moore Stephens
Chartered Accountants

Signed at Perth this 30th day of September 2015

FINANCIAL REPORT – 30 JUNE 2015

This financial report includes the consolidated financial statements and notes of Frontier Resources Limited and its controlled entities ('Consolidated Group' or 'Group'). The financial report is presented in the Australian currency.

Frontier Resources Ltd is a company limited by shares, incorporated and domiciled in Australia. Its principal place of business is:

Frontier Resources Ltd
120 Tranquil Place
STONEVILLE WA 6081

Its registered office is:

Frontier Resources Ltd
Office J, Level 2, 1139 Hay Street
WEST PERTH WA 6005

A description of the nature of the Group's operations and principal activities is included in the Managing Director's Review of Operations in the Directors' report.

The financial report was authorised for issue by the Directors on 30 September 2015. The Company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial reports and other information are available on our website: www.frontierresources.com.au.

For queries in relation to our reporting please call +61 8 9486 4036 or email info@frontierresources.com.au

	Note	2015	2014
			$
Revenue from Continuing Operations			
Revenue	4	19,541	(2,379)
Other income	4	-	-
		19,541	(2,379)
Exploration expenditure	5	(698,566)	(421,296)
Administration and insurance expenses		(124,557)	(190,583)
Corporate compliance and shareholder relations		(73,032)	(50,557)
Gross employee benefit expense		(126,836)	(94,760)
Depreciation	5	(331,206)	(417,587)
Loss on disposal of plant & equipment		(3,296)	-
Loss on disposal of shares		(10,365)	-
Consultancy		(206,850)	(20,796)
Rent, consumables and communication	5	(62,802)	(66,939)
Impairment of financial asset	11	(300,050)	(207,314)
Impairment of loan	5	(495,949)	-
Other expenses		-	(7,592)
Loss before income tax		(2,413,968)	(1,479,803)
Income tax expense/(benefit)	6	-	-
Loss after tax from continuing operations		(2,413,968)	(1,479,803)
Profit after income tax from discontinued operations		-	-
Loss for the year attributable to ordinary equity holders of Frontier Resources Ltd		(2,413,968)	(1,479,803)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Movement in foreign currency translation reserve		45,340	(192,740)
Other comprehensive income for the year		45,340	(192,740)
Total comprehensive loss for the year attributable to ordinary equity holders of Frontier Resources Ltd		(2,368,628)	(1,672,543)
Loss per share for the year attributable to members of Frontier Resources Ltd		**Cents**	**Cents**
Continuing operations		(0.68)	(0.47)
Discontinued operations		-	-
Total basic and diluted (loss) per share	18	(0.68)	(0.47)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

	Notes	2015	2014
			$
ASSETS			
Current Assets			
Cash and cash equivalents	7	216,367	41,068
Trade and other receivables	8	27,861	509,029
Total Current Assets		244,228	550,097
Non-Current Assets			
Trade and other receivables	8	64,248	62,741
Plant and equipment	9	546,898	838,042
Exploration and evaluation expenditure	10	-	-
Available for sale investments	11	-	409,250
Total Non-Current Assets		611,146	1,310,033
Total Assets		855,374	1,860,130
LIABILITIES			
Current Liabilities			
Trade and other payables	13	278,417	108,758
Total Current Liabilities		278,417	108,758
Total Liabilities		278,417	108,758
Net Assets		576,957	1,751,372
EQUITY			
Contributed equity	16	31,132,949	30,016,736
Reserves	17	3,545,029	3,421,689
Accumulated losses	17	(34,101,021)	(31,687,053)
Total Equity		576,957	1,751,372

The above Consolidated Statement of Financial Position
should be read in conjunction with the accompanying notes.

FRONTIER RESOURCES LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Contributed Equity	Accumulated Losses	Share Based Payment Reserve	Options Premium Reserve	Foreign Currency Translation Reserve	Total
	$	$	$	$	$	$
Balance at 1 July 2013	29,858,541	(30,207,250)	3,939,885	-	(325,456)	3,265,720
Loss attributable to ordinary equity holders of Frontier Resources Ltd	-	(1,479,803)	-	-	-	(1,479,803)
Other comprehensive income -						
Foreign currency translation	-	-	-	-	(192,740)	(192,740)
Total comprehensive loss for the year	-	(1,479,803)	-	-	(192,740)	(1,672,543)
Transaction with owners, in their capacity as owners -						
Shares issued during the year, net of costs	158,195	-	-	-	-	158,195
Balance at 30 June 2014	30,016,736	(31,687,053)	3,939,885	-	(518,196)	1,751,372
Balance at 1 July 2014	30,016,736	(31,687,053)	3,939,885	-	(518,196)	1,751,372
Loss attributable to ordinary equity holders of Frontier Resources Ltd	-	(2,413,968)	-	-	-	(2,413,968)
Other comprehensive income -						
Foreign currency translation	-	-	-	-	45,340	45,340
Total comprehensive loss for the year	-	(2,413,968)	-	-	45,340	(2,368,628)
Transaction with owners, in their capacity as owners -						
Options issued during the year	-	-	-	78,000	-	78,000
Shares issued during the year, net of costs	1,116,213	-	-	-	-	1,116,213
Balance at 30 June 2015	31,132,949	(34,101,021)	3,939,885	78,000	(472,856)	576,957

The above Consolidated Statement of Changes in Equity
should be read in conjunction with the accompanying notes.

	Note	2015	2014
		$	$
Cash Flows From Operating Activities			
Cash receipts from customers		18,890	1,389
Payments to suppliers and employees		(304,688)	(445,976)
Interest received		633	3,732
Joint Venture contributions for tenements		-	247,130
Payments to exploration expenditure		(719,261)	(587,861)
Net cash outflow from operating activities	**24**	**(1,004,426)**	**(781,586)**
Cash Flows From Investing Activities			
Proceeds from security deposits		-	215
Payments for financial assets		(18,200)	-
Proceeds from disposal of financial assets		110,586	-
Net cash inflow/(outflow) from investing activities		**92,386**	**215**
Cash Flows From Financing Activities			
Proceeds from the issue of shares		1,072,139	135,695
Net cash inflow from financing activities		**1,072,139**	**135,695**
Net increase/(decrease) in cash and cash equivalents		**160,099**	**(645,676)**
Cash at 1 July		41,068	733,449
Effect of exchange rates on cash holdings in foreign currencies		15,200	(46,705)
Cash at 30 June	**7**	**216,367**	**41,068**

The above Consolidated Statement of Cash Flows
should be read in conjunction with the accompanying notes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the consolidated financial statements and notes of Frontier Resources and controlled entities ('Consolidated Group' or 'Group).

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.* Frontier Resources Limited is a for profit entity for the purposes of preparing the financial statements.

Compliance with IFRS
These consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Going concern basis of preparation

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 30 June 2015 the Group recorded a loss after tax of $2,413,968 (2014: $1,479,803) and had a net working capital deficit of $34,189 (2014: surplus of $441,339).

The ability of the Company to continue as a going concern is dependent on it being able to successfully raise further debt or capital funding. Following the Share Purchase Plan completed in August 2014, the Company raised $588,624 and subsequently placed a further $61,576 through a placement at on 4 September 2014. Later in the period, on 14 May 2015, the Company raised a further $400,912 via an entitlements issue. Provided the Company can successfully raise additional funding within the current year and recognising that the Australian equity market may not be well supported currently, the Board is confident of the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Based on these facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report. However, in the unlikely event the conditions above are not met, the Group may not be able to realize its assets and extinguish its liabilities at amounts stated in the amount stated in the financial statement.

Removal of Parent
Separate financial statements for Frontier Resources Limited as an individual entity are no longer presented as a consequence of a change to the Corporation Act 2001. Financial information for Frontier Resources Limited as an individual entity is included in note 26.

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain classes of plant and equipment.

Critical accounting estimates
The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Frontier Resources Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 25.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value *(full goodwill method)* or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets *(proportionate interest method).* In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(b) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(c) Exploration and evaluation expenditure

The Company has adopted a policy of writing off exploration and evaluation expenditure at the end of the period in which it is incurred, unless a mineral resource has been estimated for the area of interest.

The Directors believe that this policy results in the carrying value of exploration expenditure more appropriately reflecting the definition of an asset, being future benefits controlled by the consolidated group.

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

All costs carried forward are in respect of areas of interest in the exploration and evaluation phases and accordingly, production has not commenced.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, in particular when exploration for and evaluation of mineral resource in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the company has decided to discontinue such activities in the specific area.

(d) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Items of plant and equipment are depreciated over their estimated useful lives. The diminishing balance method is used. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Estimates of useful lives are made at the time of acquisition and varied as required.

Expected useful lives are: Plant and Equipment between 4 years and 7 years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

(e) Impairment of assets

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

(f) Available for sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(g) Financial instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are initially recognised at fair value and subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are initially recognised at fair value and subsequently measured at amortised cost.

Fair value

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(h) Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Employee benefits (continued)

Retirement benefit obligations
Defined benefit obligations
The Group provides defined benefit superannuation entitlements to select employees of the Group.

The difference, if any, between the Group's obligation for employees' defined benefit entitlements at the end of the reporting period and the fair value of plan assets attributable to the employees at the same date is presented as a net defined benefit liability (asset) in the statement of financial position. The Group's obligation for defined benefit entitlements, as well as the related current service cost and, where applicable, past service cost, is calculated at the end of each reporting period by an independent and suitably qualified actuary using the projected unit credit method. In determining the Group's obligation for defined benefits, the actuary discounts the present value of the estimated future cash flows attributable to providing the defined benefit entitlements at rates determined by reference to market yields at the end of the reporting period on Australian government bonds that have maturity dates that approximate the terms of the obligation.

Any net defined benefit asset recognised by the Group is limited to the present value of economic benefits available in the form of any future refunds from the employees' defined benefit plan or reductions in future contributions in respect of employees with defined benefit entitlements. In calculating the present value of any such potential economic benefits, consideration is given to any minimum funding requirements that apply in respect to the employees' defined benefit entitlements. An economic benefit is considered available to the Group if it is realisable during the period of the employees' membership of the plan or on settlement of all of the employees' entitlements from plan assets.

The periodic cost of providing defined benefit entitlements is disaggregated and accounted for as follows:

- service cost (including current and past service costs and any gains or losses on settlements or curtailments) is recognised in profit or loss in the period in which it arises as a part of employee benefits expense;
- interest on the net defined benefit liability (asset) is calculated by multiplying the average balance of the liability (asset) during the reporting period by the discount rate applied to the defined benefit obligation and is recognised in profit or loss in the period in which it arises as a part of finance costs; and
- remeasurements of the net defined benefit liability (asset) (including actuarial gains and losses, the return on plan assets less amounts included in the net interest on the net defined benefit liability (asset), and any changes in the limit on a net defined benefit asset (excluding interest)) are recognised in other comprehensive income (retained earnings) in the periods in which they occur.

Defined contribution superannuation benefits

All employees of the Group other than those that receive defined benefit entitlements receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.25% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Employee benefits (continued)

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(i) Revenue recognition

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

Revenue from the drilling contract is recognised based on the terms of the contract that provide for revenue recognition on the basis of actual meters drilled at contract rates. Revenue from ancillary charges, primarily relating to extra services to the customer, is recorded when the services are rendered. Revenue in relation to the reimbursable expenditure is recognised in the period in which the expenditure was incurred,

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

(j) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(k) Income tax

The income tax expense (benefit) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Goods and Services Tax (GST)

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

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

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

(m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit after tax attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Potential shares as a result of options outstanding at the end of the year are not dilutive and therefore have not been included in the calculation of diluted earnings per share.

(p) Foreign currency transactions and balances

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

a. Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
b. Income and expenses are translated at average exchange rates for the period; and
c. Share capital and retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) 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 Directors.

(r) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(s) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The consolidated entity has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
The consolidated entity has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)
The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

(t) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) New Accounting Standards for Application in Future Periods (continued)

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

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

NOTE 2 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.

Risk management is carried out by the board as a whole and no formal risk management policy has been adopted but is in the process of development.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the PNG Kina. Since the Group has not yet commenced mining operations or to sell products the exposure is limited to the movement in loan accounts between the Parent and the Subsidiaries located in Papua New Guinea.

The Group limits its foreign currency risk by limiting funds held in overseas bank accounts and paying its creditors promptly. The Group's exposure to foreign currency risk on PNG Kina, translated into Australian Dollars at 30 June, was as follows:

	2015 AUD	2015 Kina	2014 AUD	2014 Kina
Foreign currency assets and liabilities				
Cash and cash equivalents	6,698	14,132	6,954	15,873
Trade and other receivables	19,908	42,000	20,453	46,886
Intercompany loans payable	(17,470,221)	(36,857,005)	(15,478,041)	(35,329,926)
Trade and other payables	(46)	(98)	(852)	(1,945)

(ii) Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified in the balance sheet as available for sale investments. To manage this price risk, the management maintains close involvement with the management of the companies in which they have invested.

The Group's exposure to equity securities price risk, shown at fair value at 30 June, was as follows:

	2015	2014
Shares in listed entity – Level 1	-	109,200
Shares in unlisted entity – Level 2	-	300,050

The Group's fair values of financial instruments shown above are categorised by the following levels:
Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest rate risk

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. Exposure to interest rates is limited to the cash and cash equivalents balances.

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

2015	**Floating Interest Rate $**	**Non-interest bearing $**	**Total $**
Financial assets			
Cash and cash equivalents	216,367	-	216,367
Trade and other receivables	-	27,861	27,861
	216,367	27,861	244,228
Weighted average interest rate	2.0%		
Financial liabilities			
Trade and other payables	-	278,417	278,417
	-	278,417	278,417
Net financial assets	216,367	(250,556)	(34,189)

2014	**Floating Interest Rate $**	**Non-interest bearing $**	**Total $**
Financial assets			
Cash and cash equivalents	41,068	-	41,068
Trade and other receivables	-	509,029	509,029
	41,068	509,029	550,097
Weighted average interest rate	2.5%		
Financial liabilities			
Trade and other payables	-	108,758	108,758
	-	108,758	108,758
Net financial assets	41,068	400,271	441,339

Sensitivity analysis

The following table illustrates sensitivities of the Group's exposure to changes in interest rates. The table indicates the impact on how profit reported at balance date would have been affected by changes in the interest rate risk variable that management considers to be reasonably possible.

	2015 $	**2014 $**
Net financial assets subject to variable interest rates	216,367	41,068
Increase in profits resulting from a 1% pa increase in variable interest rates	2,164	411
Decrease in profits resulting from a 1% pa decrease in variable interest rates	(2,164)	(411)

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

The following table illustrates sensitivities of the Group's exposure to changes in foreign exchange rates. The table indicates the impact on how other comprehensive income reported at balance date would have been affected by changes in the foreign exchange rate variable that management considers to be reasonably possible.

	2015 $	2014 $
Decrease in other comprehensive income resulting from a 10% increase in Australian Dollar against the Kina	(4,534)	(19,274)
Increase in other comprehensive income resulting from a 10% decrease in Australian Dollar against the Kina	4,534	19,274

The entity is not exposed to material price risk.

Net Fair Value

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

(b) Credit risk

Credit risk exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises principally from trade and other receivables including intercompany loans and cash. The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. Credit terms are generally 30 days from the invoice date. The Group has no concentrations of credit risk, other than holding all its cash with Westpac Bank. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position, which has not changed materially from the prior year.

Receivables include $nil (2014: $495,949) loaned to Torque Mining Limited which is a related company under AASB 124 para 9(b(vi).

Receivables also include $64,248 in bonds, primarily mines department deposits.

Credit risk exposures

Credit risks related to balances with bank and other financial institutions is managed by the Board in accordance with Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. Cash is held with Westpac Banking Corporation, which is AA Rated.

The maximum exposure to credit risk is as follows:

	2015 $	2014 $
Current Assets:		
Cash and cash equivalents	216,367	41,068
Trade and other receivables	27,861	509,029
Non-Current Assets:		
Trade and other receivables	64,248	62,741
	308,476	612,838

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

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

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

The Group's current financial assets and liabilities are summarised as follows:

	2015 $	2014 $
Cash and cash equivalents	216,367	41,068
Trade and other receivables	27,861	509,029
Trade and other payables	(278,417)	(108,758)
	(34,189)	441,339

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days from the reporting date.

The contractual amounts payable are equal to the carrying amounts in the accounts.

NOTE 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below.

(a) Impairment of assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The Board has reviewed its Consolidated Statement of Financial Position at 30 June 2015 and carried out a review of the recoverable amount of the receivables and Available for Sale investments. An impairment loss of $802,449 (2014: $207,314) has been recognised in Statement of Profit or Loss and Other Comprehensive Income.

(b) Share based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, using the assumptions detailed in Note 22.

NOTE 4 REVENUE

	2015 $	2014 $
From continuing operations		
Administration fee income	-	-
Drilling and exploration contract income	18,890	(7,500)
Other sundry income	18	1,389
Other revenue		
Interest – unrelated parties	633	3,732
Total Revenue	19,541	(2,379)

Other Income

	2015 $	2014 $
Gain on disposal of plant and equipment	-	-
Total Other Income	-	-

NOTE 5 EXPENSES AND SIGNIFICANT ITEMS

	2015 $	2014 $
Depreciation of plant & equipment	331,206	417,587
Office rental	62,802	66,939
Superannuation expense	956	6,070
Significant Items		
Exploration and evaluation expenditure	698,566	421,295
Impairment of financial asset	300,050	207,314
Impairment of loan receivable	495,949	-
Share-based payments expense	78,000	-

NOTE 6: INCOME TAX EXPENSE

	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense / (benefit) reported in Statement of Profit and Loss and Other Comprehensive Income	-	-
b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss from continuing operations before income tax	(2,413,968)	(1,479,803)
Prima facie tax benefit on loss from continuing operations at 30% (2014: 30%)	(724,190)	(443,941)
Add / (less) tax effect of:		
- Other non-allowable items	320,416	234,724
Revenue losses not recognised	142,570	145,254
Capital losses not recognised	157,537	-
- Share based payments	23,400	-
- Other deferred tax balances not recognised	80,267	63,963
Income tax expense / (benefit) recorded in Statement of Profit and Loss and Other Comprehensive Income	-	-

NOTE 6: INCOME TAX EXPENSE (continued)

	2015 $	2014 $
c. Unrecognised deferred tax assets:		
Carry forward revenue losses	3,637,809	3,495,239
Carry forward capital losses	470,637	313,101
Financial assets	298,810	212,891
Other	11,532	15,325
	4,418,788	4,036,556

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

The 2014 comparative has been re-stated to be consistent with the 2015 format. There is no change to the current and deferred income tax position.

NOTE 7 CASH AND CASH EQUIVALENTS

	2015	2014
Cash at bank and on hand	216,367	41,068
Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash at bank	216,367	41,068
Bank deposits at call	-	-
Cash on hand	-	-
Cash and cash equivalents	216,367	41,068

Cash at bank earns an interest rate of 2.0% (2014: 3.2%). Refer to note 2 for the Group's exposure to interest rate risk. Cash in maxi account does not have a fixed term and funds are available on call.

NOTE 8 TRADE AND OTHER RECEIVABLES

	2015	2014
CURRENT		
Other receivables (a)	27,861	509,029
NON-CURRENT		
Deposits – tenements and premises (b)	64,248	62,741

(a) Other current receivables are all non-interest bearing, and include $nil (2014: $495,949) due from Torque Mining Ltd.

(b) Deposits – tenements and premises include Mining Resource Tasmania deposits for performance and private land and are non-interest bearing.

NOTE 9 PLANT AND EQUIPMENT

	2015 $	2014 $
Plant and equipment		
Plant and equipment at cost	3,023,584	2,933,245
Less accumulated depreciation	(2,057,691)	(1,705,096)
Less impairment of drilling equipment	(418,995)	(390,107)
Carrying amount at the end of the financial year	546,898	838,042

Reconciliation
Reconciliations of the carrying amount of plant and equipment at the beginning and end of the financial year are set out below:

	2015 $	2014 $
Carrying amount at the beginning of the financial year	838,042	1,433,822
Additions	-	-
Disposals	(17,140)	-
Depreciation expense	(331,206)	(417,587)
Foreign currency exchange differences	57,202	(178,193)
Carrying amount at the end of the financial year	546,898	838,042

NOTE 10 EXPLORATION AND EVALUATION

	2015 $	2014 $
NON-CURRENT		
Carrying amount at the beginning of the financial year	-	-
Exploration expenditure written off	-	-
Exploration expenditure disposed	-	-
Exploration expenditure capitalised	-	-

NOTE 11 AVAILABLE FOR SALE INVESTMENTS	2015 $	2014 $
NON-CURRENT		
Quintessential Resources Ltd	-	109,200
Torque Mining Ltd	-	300,050
Closing fair value	-	409,250

Quintessential Resources Ltd -

Carrying amount at the beginning of the financial year	109,200	116,481
Impairment to fair value	-	(7,281)
Disposal of shares	(109,200)	-
Closing fair value	-	109,200

Torque Mining Ltd -

		-
Carrying amount at the beginning of the financial year	500,084	500,084
Impairment to fair value	(500,084)	(200,034)
Closing fair value	-	300,050

NOTE 12 FAIR VALUE MEASUREMENTS

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

– available-for-sale financial assets

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

a. **Fair Value Hierarchy**

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

Level 1	**Level 2**	**Level 3**
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

– *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

– *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

– *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

NOTE 12 FAIR VALUE MEASUREMENTS (continued)

2015	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets					
– shares in listed companies	11	-	-	-	-
– shares in unlisted companies – related parties	11	-	-	-	-
Total financial assets recognised at fair value on a recurring basis		-	-	-	-

2014

	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets:					
– shares in listed companies	11	109,200	-	-	109,200
– shares in unlisted companies – related parties	11	-	300,050	-	300,050
Total financial assets recognised at fair value		109,200	300,050	-	409,250

There were nil transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2014: nil transfers).

b. **Valuation Techniques and Inputs Used to Measure Level 2 Fair Values**

Description	Fair Value at 30 June 2015 $	Valuation Technique(s)	Inputs Used
Financial assets			
Shares in unlisted companies – related parties	-	Market approach using recent placement price for the entity	Placement Price

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

	2015 $	2014 $

NOTE 13 TRADE AND OTHER PAYABLES

	2015 $	2014 $
CURRENT		
Trade and sundry creditors (a)	27,861	28,301
Accrued expenses	249,896	75,969
Other employee benefit and related on-cost liabilities (b)	660	4,488
	278,417	108,758

(a) All creditors are non-interest bearing and are normally settled on 30 day terms.

(b) Employee benefit and related on-costs liabilities include payroll deductions and superannuation payable, and are non-interest bearing.

Refer to note 2 for the Group's exposure to liquidity risk.

NOTE 14 COMMITMENTS

Exploration Expenditure Commitments

In order to maintain rights of tenure to exploration tenements the Group is required to perform exploration work to meet the minimum expenditure requirements as specified by various governments.

	2015 $	2014 $
Outstanding obligations are not provided for in the accounts and are payable:		
Not later than 1 year	242,805	1,922,054
Later than 1 year but not later than 5 years	236,957	2,555,201
Any greater than 5 years	-	-
	479,762	4,477,255

NOTE 15 CONTINGENT LIABILITIES

The Group had no contingent liabilities at 30 June 2015 (2014: nil).

NOTE 16 CONTRIBUTED EQUITY

	2015 Shares	2014 Shares	2015 $	2014 $
(a) Paid Up Capital				
Ordinary shares – fully paid of no par value	581,971,496	325,306,489	31,132,949	30,016,736

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

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

(b) Movements in ordinary share capital of the Company:

Date	Details	Notes	Number of Shares	Issue Price $	$
30 Jun 2013	Closing Balance		304,046,682		29,858,541
	Shares issued		19,384,807	0.007	135,695
	Shares issued		1,875,000	0.012	22,500
30 Jun 2014	Closing Balance		325,306,489		30,016,736
	Shares issued		56,169,217	0.013	730,200
	Shares issued		200,495,790	0.002	400,992
	Share capital raising costs				(14,979)
30 Jun 2015	Closing Balance		581,971,496		31,132,949

(c) Options

	No. of Options 2015	No. of Options 2014
The number of unissued ordinary shares relating to options not exercised at year end:		
- Non-transferable options exercisable on or before 1 November 2017 at 6.1 cents	18,000,000	18,000,000
- Non-transferable options exercisable on or before 2 December 2017 at 1.1 cents	10,000,000	-
	28,000,000	18,000,000

(d) Option Issues

During the year, the Company issued 10,000,000 unlisted options to the Director Peter McNeil. These options were issued pursuant to shareholder approval at the Annual General Meeting held on 28 November 2014 and are fully vested. The options are exercisable at $0.011 with an expiry date of 2 December 2017.

(e) Option Exercise

During the financial year nil options were exercised.

(f) Option Expiry

During the financial year the no options expired unexercised.

(g) Option Cancellation and Lapse

During the financial year no classes of options were cancelled.

NOTE 16 CONTRIBUTED EQUITY (continued)

(h) Capital Management

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

The capital structure of the Group consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulative losses.

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

The working capital position of the Group at 30 June 2015 and 30 June 2014 was as follows:

	2015 $	2014 $
Cash and cash equivalents	216,367	41,068
Trade and other receivables	27,861	509,029
Trade and other payables	(278,417)	(108,758)
Working capital position	(34,189)	441,339

The Group is not subject to any externally imposed capital requirements.

Refer to note 2 for Financial Risk Management.

NOTE 17 RESERVES AND ACCUMULATED LOSSES

	2015 $	2014 $
(a) Reserves		
Share based payment reserve	3,939,885	3,939,885
Options premium reserve	78,000	-
Foreign currency translation reserve	(472,856)	(518,196)
	3,545,029	3,421,689
Movements		
Share based payment reserve		
Balance 1 July	3,939,885	3,939,885
Option expense	-	-
Balance 30 June	3,939,885	3,939,885
Options premium reserve		
Balance 1 July	-	-
Options issued	78,000	-
Balance 30 June	78,000	-
Foreign currency translation reserve		
Balance 1 July	(518,196)	(325,456)
Currency translation differences arising during the year	45,340	(192,740)
Balance 30 June	(472,856)	(518,196)

(b) Accumulated losses

Movements in accumulated losses were as follows:

	2015 $	2014 $
Balance 1 July	(31,687,053)	(30,207,250)
Net loss for the year	(2,413,968)	(1,479,803)
Balance 30 June	(34,101,021)	(31,687,053)

(c) Nature and purpose of reserves

Share based payment reserve

This reserve is used to recognise the fair value of share based payments.

Options premium reserve

This reserve is used to recognise the fair value of options issued.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in Note 1(p). The reserve is recognised in profit or loss when the net investment is disposed of.

NOTE 18 EARNINGS/(LOSS) PER SHARE ("EPS")

	2015 $	2014 $
Earnings per share from continuing operations Loss after income tax	(2,413,968)	(1,479,803)
Weighted average number of shares used in the calculation of the basic EPS.	357,139,611	314,094,995
The number of potential ordinary shares relating to options not exercised at the end of the year. These potential ordinary shares are anti-dilutive in both years and so have not been included in the EPS calculations.	28,000,000	18,000,000
Basic and diluted (loss) per share	(0.68) cents	(0.47) cents
Earnings per share from discontinued operations Profit after income tax	-	-
Weighted average number of shares used in the calculation of the basic EPS.	357,139,611	314,094,995
The number of potential ordinary shares relating to options not exercised at the end of the year.	28,000,000	18,000,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	375,139,611	332,094,995
Basic earnings per share	-	-
Diluted earnings per share	-	-

NOTE 19 DIVIDENDS

There were no dividends paid or recommended during the financial year ended 30 June 2015 (2014: nil).

NOTE 20 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Torque Mining Limited ("TML") is related to the Company under AASB 124 para 9(b)(vi). During the year ended 30 June 2015 the Company recognised an impairment expense in the profit and loss account of $495,949 relating to a receivable that was due from TML.

Directors and specified executives
Disclosures relating to Directors and specified executives are set out in Directors' Remuneration Report.

Wholly-owned group
The consolidated group consists of Frontier Resources Ltd and its wholly-owned subsidiaries, Frontier Gold (PNG) Ltd, and Frontier Copper (PNG) Ltd. Ownership interests in these subsidiaries are set out in Note 25.

NOTE 20 RELATED PARTY TRANSACTIONS (continued)

Other related parties

There were no transactions or balances with other related parties including director related entities during the year.

NOTE 21 KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel (KMP) Compensation

Refer to the Remuneration Report contained in the Director's Report for details of the remuneration paid to each member of the Group's KMP for the year ended 30 June 2015.

The totals of remuneration paid to KMP during the year are as follows:

	2015 $	2014 $
Short term employee benefits	442,683	378,963
Post-employment benefits	869	4,336
Share based payments	78,000	22,500
	521,552	405,799

NOTE 22 SHARE-BASED PAYMENTS

(a) Frontier Resources Ltd Employee Option Plan

The Directors of the Company may, upon the recommendation of the Managing Director, issue options to subscribe for shares in the Company to employees and consultants of the Company, a company related to the Company ("Related Company") and any joint venture in which the Company or a Related Company participates.

- Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company.
- The options are exercisable at any time prior to 5.00 p.m. eastern standard time, on the first business day five (5) years after the date of issue of the options ("expiry date" or at an earlier date specified at the time the options are granted). Options may only be exercised in multiples of 5,000. Any options not exercised by the expiry date shall lapse.
- The exercise price of each option will be 110% of the average of the market closing price for Company ordinary shares over the 5 business days prior to the day on which options are issued (rounded up to the nearest full cent) or a greater price determined by the Directors. The amount calculated by that average is to be advised to the recipient at the time of issue of the options.
- Exercise of the options is affected by delivery of a Notice of Exercise to the registered office of the Company together with payment of the exercise price of the options. Shares will be issued pursuant to the exercise of the options not more than 14 days after receipt by the Company from the option holder of the Notice and the exercise price in respect of the options.

NOTE 22 SHARE-BASED PAYMENTS (continued)

- Options may not be exercised if the effect of such exercise and subsequent allotment of shares would be to create a holding of less than a marketable parcel of ordinary shares unless the allottee is already a shareholder of the Company at the time of exercise.
- Options are not transferable. Application will not be made to ASX for their Official Quotation.
- All shares issued upon exercise of the options and payment of the exercise price will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by ASX of all shares issued upon exercise of the options.
- There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the books closing date will be at least 7 business days after the issue is announced. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- In the event of any reconstruction, including a consolidation, sub-division, reduction or return of the issued capital of the Company prior to the expiry date, the number of options to which each holder is entitled or the exercise price of the options or both will be reconstructed as appropriate in a manner which is in accordance with the Listing Rules then applying. This would not result in any benefits being conferred on option holders which are not conferred on shareholders, subject to such provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstruction of capital, but in all other respects the terms of exercise of the options will remain unchanged.
- If an option holder under this Plan ceases to be substantially involved with the Company, the Directors, at their discretion may cancel all or part of the holder's options obtained under this plan after giving the holder 60 days' notice of their intention to do so.

Set out below are summaries of options granted under the plan.

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Issued during the year	Exercised during the year	Cancelled or Expired during the year	Balance at end of the year
			Number	Number	Number	Number	Number
2015							
21 Dec 2012	1 Nov 2017	$0.061	18,000,000	-	-	-	18,000,000
28 Nov 2014	2 Dec 2017	$0.011	-	10,000,000	-	-	10,000,000
			18,000,000	10,000,000	-	-	28,000,000

Weighted average remaining contracted life of options (Years)	2.25 Years
Weighted average exercise price	$0.043

NOTE 22 SHARE-BASED PAYMENTS (continued)

2014

19 Oct 2009	19 Oct 2013	$0.04	200,000	-	-	(200,000)	-
30 Dec 2010	30 Dec 2014	$0.11	4,500,000	-	-	(4,500,000)	-
7 Mar 2012	30 Dec 2014	$0.11	2,320,000	-	-	(2,320,000)	-
7 Mar 2012	30 Dec 2014	$0.165	2,220,000	-	-	(2,220,000)	-
21 Dec 2012	1 Nov 2017	$0.061	18,000,000	-	-	-	18,000,000
			27,240,000	-	-	9,240,000	18,000,000

Weighted average remaining contracted life of options	3.25 Years
Weighted average exercise price	$0.061

All options at the end of the year were vested and exercisable.

Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(b) Frontier Resources Ltd Directors' Options

The terms and conditions for these options are set out below.

Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company. The options are exercisable at any time within the dates specified in the table below, prior to 5.00pm eastern standard time. Options may only be exercised in multiples of 50,000. Any options not exercised by the expiry date shall lapse.

Exercise of the options is affected by delivery of a Notice of Exercise to the registered office of the Company together with payment of the exercise price of the options. Shares will be issued pursuant to the exercise of the options not more than 14 days after receipt by the Company from the option holder of the Notice and the exercise price in respect of the options.

Options may not be exercised if the effect of such exercise and subsequent allotment of shares would be to create a holding of less than a marketable parcel of ordinary shares unless the allottee is already a shareholder of the Company at the time of exercise.

Options are not transferable. Application will not be made to Australian Securities Exchange Limited ("ASX") for their Official Quotation.

All shares issued upon exercise of the options and payment of the exercise price will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by ASX Limited of all shares issued upon exercise of the options.

There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the books closing date will be at least 7 business days after the issue is announced. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.

NOTE 22 SHARE-BASED PAYMENTS (continued)

(b) Frontier Resources Ltd Directors' Options (continued)

In the event of any reconstruction, including a consolidation, sub-division, reduction or return of the issued capital of the Company prior to the expiry date, the number of options to which each holder is entitled or the exercise price of the options or both will be reconstructed as appropriate in a manner which is in accordance with the Listing Rules then applying. This would not result in any benefits being conferred on option holders which are not conferred on shareholders, subject to such provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstruction of capital, but in all other respects the terms of exercise of the options will remain unchanged.

The options can be issued to a Director or his nominee.

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of director benefits expense were as follows:

	2015 $	2014 $
Options issued under employee option plan	78,000	-

The fair value of the options issued during the year was based on the Black Scholes options pricing model and the following:

Type of Options:	**Directors**
Number of options issued	10,000,000
Exercise price	1.1c
Share price at date granted	1.1c
Risk free rate	2.50%
Volatility factor	120%
Valuation	0.78c

(d) Frontier Resources Ltd Key Management Personnel Shares

2015	**Number of shares Issued**	**Issue Price**	**$**
Key management personnel			
Exploration & Management Consultants Pty Ltd[1]	4,615,385	$0.013	60,000

[1] Exploration & Management Consultants Pty Ltd ("EMC") is a company jointly controlled by the Directors Peter and Paige McNeil. During the year ended 30 June 2015 shares were issued to EMC in lieu of cash for consultancy services. These shares were valued at $0.013 per share, being the share price on the date of issue.

2014	**Number of shares Issued**	**Issue Price**	**$**
Other key management personnel			
Jay Stephenson[1]	1,250,000	$0.018	22,500

[1] Shares issued to Wolfstar Group (a related party of Jay Stephenson) during the year in lieu of cash for services including company secretarial and accounting services. These shares were valued at $0.018 per share, being the share price on the date of issue.

NOTE 23 OPERATING SEGMENTS

Identification of reportable segments

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of gold, silver and base metals projects. Inter-segment transactions are priced at cost to the Consolidated Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis. Management has identified the operating segments based on the two principal locations of its projects – Australia and Papua New Guinea.

Corporate expenses include administration and regulatory expenses arising from operating an ASX listed entity.

Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements. Cash and cash equivalents are reported in the Treasury segment.

For the Year to 30 June 2015	Papua New Guinea Exploration $	Treasury $	Total $
Segment Revenue	18,890	651	19,541
Segment Results	(1,008,382)	(812,163)	(1,820,545)
Amounts not included in segment results but reviewed by Board:			
- Corporate charges			(512,126)
- Share-based payment expenses			(78,000)
- Loss on disposal of fixed assets			(3,297)
Loss before Income Tax			(2,413,968)
As at 30 June 2015			
Segment Assets	562,202	293,172	855,374
Segment Liabilities	46	278,371	278,417

For the Year to 30 June 2014	Papua New Guinea Exploration $	Treasury $	Total $
Segment Revenue	-	(2,379)	(2,379)
Segment Results	(844,993)	(181,742)	(1,026,735)
Amounts not included in segment results but reviewed by Board:			
- Corporate charges			(453,068)
- Share-based payment expenses			-
Loss before Income Tax			(1,479,803)
As at 30 June 2014			
Segment Assets	794,339	1,065,791	1,860,130
Segment Liabilities	852	107,906	108,758

NOTE 24 RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

(a) Reconciliation of operating loss after income tax to the net cash flow from operations:

	2015 $	2014 $
Operating loss after income tax	(2,413,968)	(1,479,803)
Adjustment for non-cash items:		
- (Gain)/Loss on disposal of fixed assets	3,297	-
- (Gain)/Loss on disposal of shares	10,365	-
- Depreciation expense	331,206	417,587
- Share-based payments	78,000	-
- Impairment of available for sale investments	300,050	185,474
- Impairment of receivables	495,949	-
Change in operating assets and liabilities:		
- Trade and other payables and provisions	176,148	(281,358)
- Trade and other receivables	14,527	376,514
Net cash outflow from operating activities	(1,004,426)	(781,586)

There were no non-cash financing and investing activities during the year (2014: nil).

NOTE 25 SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2015 %	Equity Holding 2014 %
Frontier Gold (PNG) Ltd	Papua New Guinea	Ordinary	100	100
Frontier Copper (PNG) Ltd	Papua New Guinea	Ordinary	100	100

NOTE 26 PARENT ENTITY DISCLOSURES

(a) Financial Position of Frontier Resources Limited

	2015 $	2014 $
CURRENT ASSETS		
Cash and cash equivalents	209,669	34,114
Trade and other receivables	27,861	506,976
TOTAL CURRENT ASSETS	237,530	541,090
NON-CURRENT ASSETS		
Trade and other receivables	44,340	44,340
Other financial assets	731,710	419,873
Plant and equipment	11,302	60,488
TOTAL NON-CURRENT ASSETS	787,352	524,701
TOTAL ASSETS	1,024,882	1,065,791
CURRENT LIABILITIES		
Trade and other payables	278,370	107,906
TOTAL CURRENT LIABILITIES	278,370	107,906
TOTAL LIABILITIES	278,370	107,906
NET ASSETS	746,512	957,885
EQUITY		
Contributed equity	31,132,949	30,016,736
Reserves	4,017,885	3,939,885
Accumulated losses	(34,404,322)	(32,998,736)
TOTAL EQUITY	746,512	957,885

(b) Financial Performance of Frontier Resources Limited

	2015 $	2014 $
Loss for the year	(1,405,587)	(2,538,853)
Total comprehensive loss	(1,405,587)	(2,538,853)

(c) Guarantees entered into by Frontier Resources Limited to the debts of its subsidiaries

There are no guarantees entered into by Frontier Resources Limited for the debts of its subsidiaries as at 30 June 2015 (2014: none).

(d) Contingent liabilities of Frontier Resources Limited

There are no contingent liabilities as at 30 June 2015 (2014: none).

(e) Commitments Frontier Resources Limited

There are no commitments as at 30 June 2015 (2014: none).

	2015 $	2014 $

NOTE 27 REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditors of the group, their related practices and non-related audit firms.

	2015 $	2014 $
Assurance services		
Audit Services		
BDO Audit (WA) Pty Ltd	-	2,750
Moore Stephens	25,040	23,050
Sinton Spence (PNG)	-	-
Total remuneration for audit services	25,040	25,800
Non-Assurance services		
Taxation and Accounting Services		
BDO Tax (WA) Pty Ltd	-	-
Sinton Spence Chartered Accountants (PNG)	395	9,701
Total remuneration for taxation services	395	9,701

NOTE 28 EVENTS OCCURRING AFTER THE BALANCE DATE

There have been no significant matters arising subsequent to the end of the financial year.

The directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements; and

    b. give a true and fair view of the financial position as at 30 June 2015 and of the performance of the year ended on that date of the consolidated group.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. In the directors' opinion, the financial statements and notes are prepared in compliance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

4. The remuneration disclosures included in pages 13 to 20 within the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2015, comply with section 300A of the *Corporations Act 2001*.

5. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

P.A. McNeil
Chairman

30 September 2015

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRONTIER RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of Frontier Resources Limited and controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of Frontier Resources Limited (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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Frontier Resources Limited and controlled entities, would be in the same terms if provided to the directors as at the time of this auditor's report.

Basis for Qualified Opinion

The Company's consolidated statement of financial position as at 30 June 2015 includes plant and equipment with a carrying value as at 30 June 2015 of $535,595. We were unable to obtain sufficient evidence to substantiate the recoverable value and existence of the plant and equipment. Consequently we were unable to determine whether any adjustments were required to the carrying value of these assets.

Qualified Opinion

In our opinion, except for the effects of the matter described above:

a) the financial report of Frontier Resources Limited and controlled entities is in accordance with the *Corporations Act 2001* including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Inherent Uncertainty Regarding Going Concern

In addition to the qualification expressed above, we draw attention to note 1 of the financial statements which states that the financial statements have been prepared on a going concern basis. Whilst the Company currently has adequate financial resources for the short to medium term its ability to continue as a going concern for at least the next 12 months will require it to undertake further capital raisings during this period. Based on prior experience the directors of the Company are confident of obtaining the necessary shareholder support if and when required. Notwithstanding this there is some uncertainty of the Company achieving these outcomes and consequently we have significant uncertainty as to whether the Company will continue as a going concern for a minimum period of the next 12 months. Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts other than as stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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.

Auditor's Opinion

In our opinion the remuneration report of Frontier Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

MOORE STEPHENS

Suan Lee Tan
Partner

Moore Stephens
Chartered Accountants

Signed at Perth this 30th day of September 2015

ADDITIONAL INFORMATION

TENEMENT SCHEDULE

Tenement Name	Tenement Name	Status	Ownership
Mt Andewa	EL 2348	New Application	100%
Bulago	EL 1595	Granted Exploration Licence	100%
Muller Range	ELA 2356	New Application	100%

Information required by Australian Securities Exchange Limited and not shown elsewhere in this report is as follows:-

STATEMENT OF QUOTED SECURITIES AS AT 10 SEPTEMBER 2015

a) Distribution of Shareholders

Size of Holding	Number of Shareholders
1 - 1,000	1,021
1,001 - 5,000	493
5,001 - 10,000	313
10,001 - 100,000	1,070
100,001 and over	586
	3,483

b) Number of holders of less than marketable parcels: 3,149

c) Percentage holding of 20 largest holders: 39.81%

d) There is 1 substantial shareholder listed in the Company's register as at 10 September 2015.

e) Twenty largest shareholders as at 10 September 2015:

Rank	Name	Units	% of Units
1.	EXPLORATION & MANAGEMENT CONSULTANTS PTY LTD <MALALO A/C>	27,186,987	4.67
2.	OK TEDI MINING LIMITED <BENEFIT OF PNGSDP LTD A/C>	23,928,525	4.11
3.	MR ROBERT CAMERON GALBRAITH	22,388,606	3.85
4.	J P MORGAN NOMINEES AUSTRALIA LIMITED	17,156,991	2.95
5.	DOG TRAP INVESTMENTS PTY LTD	15,000,000	2.58
6.	MR JEREMY FERGUSON	14,016,769	2.41
7.	EXPLORATION & MANAGEMENT CONSULTANTS PTY LTD <MALALO SUPER FUND A/C>	13,361,354	2.30
8.	MR JONATHAN JAMES SURBECK	11,068,216	1.90
9.	MR ROBERT JARON	10,736,840	1.84
10.	MS PAIGE MCNEIL	9,142,758	1.57
11.	PETER ANDREW MCNEIL	8,066,029	1.39
12.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,663,805	1.32
13.	GOLD WARNING PTY LTD <GOLD WARNING SUPERFUND A/C>	7,204,747	1.24
14.	TROMSO PTY LIMITED	6,700,518	1.15
15.	MR LARRY JAMES GIBSON	6,495,049	1.12
16.	INVESTMENT CUSTODIAL SERVICES LIMITED <C A/C>	5,690,000	0.98
17.	KELANCO PTY LTD <THE KELANCO SUPER FUND A/C>	5,352,000	0.92
18.	BREVMAR PTY LTD	5,000,000	0.86
19.	MRS CYNTHIA YEAP + MR YUN HUAT YEAP	5,000,000	0.86
20.	KELANCO PTY LTD	4,696,740	0.81
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**225,855,934**	**38.81**
Total Remaining Holders Balance		**356,115,562**	**61.19**
Total Shares On issue		**581,971,496**	**100.00**

f) <u>Voting Rights</u>
Registered holders of ordinary shares in the capital of the Company may attend and vote at general meetings of the Company in person or by proxy and may exercise one vote for each share held. Every person present at a general meeting as an ordinary shareholder shall have one vote on a show of hands.

g) The name of the Company Secretary is Matthew Foy

h) The address of the registered office is: Office J, Level 2, 1139 Hay Street, West Perth WA 6005.

i) Registers of securities are held at Computershare Investor Services Pty Ltd, Level 11, 172 St Georges Tce, Perth WA 6000.

j) Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange Ltd.

k) There are nil securities currently subject to escrow.

l) **Unquoted Options over Un-issued Shares**
- 18,000,000 Director Options exercisable at $0.061 on or before 11 November 2017
- 10,000,000 Options exercisable at $0.011 on or before 2 December 2017

m) **Unquoted Equity Securities Holders with Greater than 20% of an Individual Class**

As at 10 September 2015 the following classes of unquoted securities had holders with greater than 20% of the class on issue.

Options exercisable at $0.061 on or before 11 November 2017

Percentage Held	Name	Number of Securities held
55.56%	Exploration & Management Consultant Pty Ltd <Malalo Superannuation Fund>	10,000,000

Options exercisable at $0.011 on or before 2 December 2017

Percentage Held	Name	Number of Securities held
100%	Exploration & Management Consultant Pty Ltd <Malalo A/C>	10,000,000