ABN 96 095 684 389

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016

FRONTIER RESOURCES LTD

ABN 96 095 684 389

CONTENTS

CORPORATE DIRECTORY

Chairman & Managing Director Peter A. McNeil **Non-Executive Directors** Peter Swiridiuk Paige McNeil **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 15, 2 The Esplanade Perth, Western Australia 6000 **Bankers** Westpac Banking Corporation Level 13, 109 St Georges Tce Perth, WA 6000 **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 2016.

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
P. Swiridiuk

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 $641,520 (2015: $2,413,968). There were no dividends paid or recommended during the financial year ended 30 June 2016.

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 a three-pronged exploration program was conducted at the Swit Kai Prospect, EL 1595, Bulago, Papua New Guinea (**PNG**) (**Figure 1**). A strategic diamond core drilling program was undertaken on the eastern strike extensions of the Upper Zone - Swit Kai Prospect.

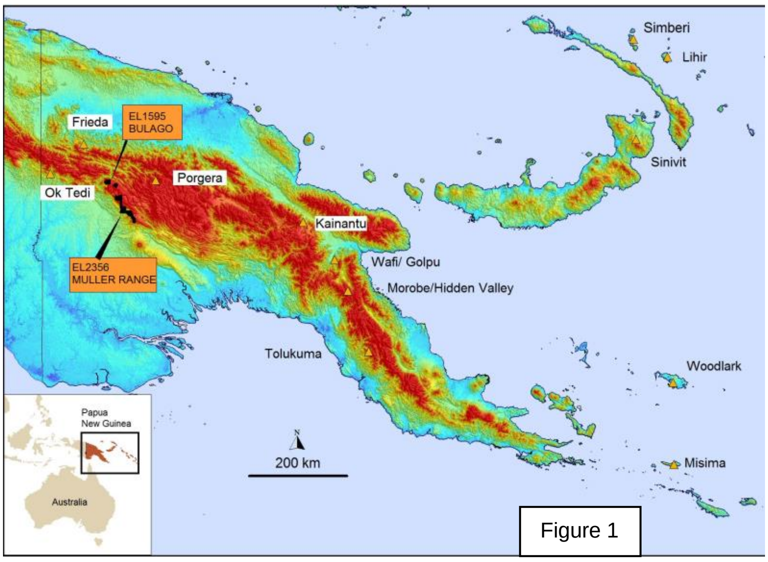


Figure 1

The initial target to be drilled was a 2.0m wide interval that graded 195.0 g/t gold (77-degree south dip) in jackhammer trench sampling (refer to Announcement 29th January 2016 – Technical Report) and then at the Lower Zone (approximately 50m stratigraphically lower) with a 3.0m wide zone that graded 45.2 g/t gold (50-degree south dip). The very high-grade zones are located in intrusives proximal to the host siltstone contact and will therefore need to be tested from different drill pads.

The very high-grade nature of the gold requires that we obtain the best areal coverage of the mineralisation, given the difficult topographic constraints. The drill holes will all be relatively shallow, to obtain as many intersections as possible, to determine the orientation of the mineralised zones and their gold grades.

In addition, drainages located to the northwest and north of the Swit Kai Prospect will be evaluated by panned concentrate sampling for gold; inexplicably these major drainages have never been properly sampled but what exists has demonstrated very good gold pan concentrate and stream sediment anomalies to the immediate west of Swit Kai Prospect and the soil sample grid.

Frontier's exploration program at the Swit Kai East Creek Upper Zone has been challenging and initial progress was slow due to helicopter non-availability, intra and inter-cultural difficulties, day drill shifts only, and finally, drill rig chuck hydraulic seal failures.

The East Creek Upper Zone is a 2.0m wide gold mineralised interval that graded 161.0 g/t in the demolition jackhammer trench channel sampling (Refer ASX announcement 1 April 2014), that dips approximately 75º south. The very high grade of the gold mineralisation on surface at East Creek dictated that drilling was attempted at as many intersections as possible to verify the grade, and to better determine the orientation of the gold mineralisation.

The three holes were completed approximately perpendicular to the mineralised zone (azimuth =350º M). Handheld GPS Coordinates AGD66 awaiting re-confirmation.

- Hole EZU001 (8.1m) was inclined to 40º and collared 3m south of the waterfall face, being the N end of high-grade zone.

- Hole EZU002 (11.3m) skid position was the same but the inclination was 70 º and the collar was south 1.0m.

- Hole EZU003 (18.0m) was collared a further 5.0m to the south and was inclined at 70 º.

The drilling was slow but very successful and documented the first ever visible - megascopic gold in rock located in the EL. The gold is in Hole EZU002 at 1.15m and 3.00m downhole (where it is up to ~0.2 mm x 0.3mm in size) and at Hole EZU001 at 0.70m.

The gold is in narrow silica / quartz veining, stock-workings, with multiple generations of intense brecciation, dogstooth quartz and lead + zinc sulphide minerals that are located in intrusives proximal to large scale normal moderate /steep south dipping structures (faults) and sometimes at the host siltstone contact.

Eight tiny grains of native gold were sluiced in the only quick alluvials test that were undertaken the day prior to this discovery. The gold was collected downstream from the junction of East and West Suguma Creeks and hence just downstream from the Central and Eastern gold zones; this sampling proved visible gold could be located in outcrop and prompted a more thorough re-evaluation of the first two holes. PNG consultant geologists John Kirakar and Ken Igara confirmed each gold occurrence.

The visible gold bearing 'grabs' from Hole EZU001 and Hole EZU002 were brought to Perth and photographed (quarter core had already been collected /sampled for analysis). A small gold grain on the inner-half flat cut core of Hole EZU001 located at 0.70m fell off during subsequent physical examination. Further microscopic examination, suggests another probable occurrence on a fracture at 3.0m in Hole EZU002, with gold encased in translucent silica.

Drill bit rotation scoring marks can be seen on the half core of Hole EZU002's outside (arcuate) face at 1.15m and core saw marks (inside-flat) were originally noted on the gold grain in Hole EZU001 at 0.7m.

Caution is required in the interpretation of the importance of the observations of visible gold in the HQ core, as they are only qualitative observations, not quantitative.

On 14 June 2016 the Company advised the results of the drill program. The three holes drilled totalled 37.8m and were completed approximately perpendicular to the dipping mineralisation/ structure, on azimuths of 350º magnetic (**Figure 2**).

Hole EZU001 returned 5.0m grading a weighted average of 13.9 g/t gold from surface. Some grade variability / nugget effect was noted, with the average becoming 15.8g/t if the high assays are used and 11.9 if the low assays are used. EZU001 (8.1m) was inclined to 40º and collared 3m south of the waterfall face (or assumed north end of high-grade zone).

In EZU002 (11.3m) the skid position was the same but the inclination was 70º and the collar was further south 1.0m. Hole EZU002 returned 3.6m grading 7.92 g/t gold, from surface.

Hole EZU003 (18.4m) was collared a further 5.0m to the south and was also inclined at 70º; it contained 2m grading 6.44 g/t gold, plus 1m grading 4.79 g/t gold, from 1.0m downhole. The peak assay in EZU003 was 1m of 25.40 g/t gold, showing the nugget effect (grade variability) from very fine grained native gold.

The first native gold in rock for the Bulago EL ever was noted in hole EZU002 at 1.15m and at 3.00m downhole (peak gold assay from 1.0m to 2.0m = 6.11g/t and from 3.0m to 3.6m = 9.39g/t), then in hole EZU001 at 0.70m (0.0m to 1.0m = 7.37 g/t gold).

Gold mineralisation is hosted by narrow silica / quartz veins producing stock-workings, with multiple generations of intense brecciation, dogstooth quartz and lead + zinc sulphide minerals + semi massive sulphides that are located in intrusives proximal to large scale normal moderate to steep south dipping structures (faults) and conformable with the sub-horizontal host siltstone. The most strongly veined, brecciated and base metal sulphide mineralised intercepts are the most prospective for high grade gold mineralisation.

Frontier drilled under the gold mineralisation at the Central Upper Zone in late 2014, testing for sub-horizontal and north dipping possibilities to it. The drilling proved that all the Central Upper Zone mineralisation is related to fault/fracture fill /silicification on the 'dip slope' and is not sub-horizontal. It is therefore relatively thin (1 to 2m?) and to test it now would means drilling directly on the 50-degree dip slope (which would have been done if it were possible). That lesson was taken to East Creek and we focused on evaluating the south dipping structure, but the mineralisation turned out to be predominantly flat lying. Gold mineralisation is undoubtedly also located in the dip slope structure targeted, but its size and tenor of the grade has not yet been determined.

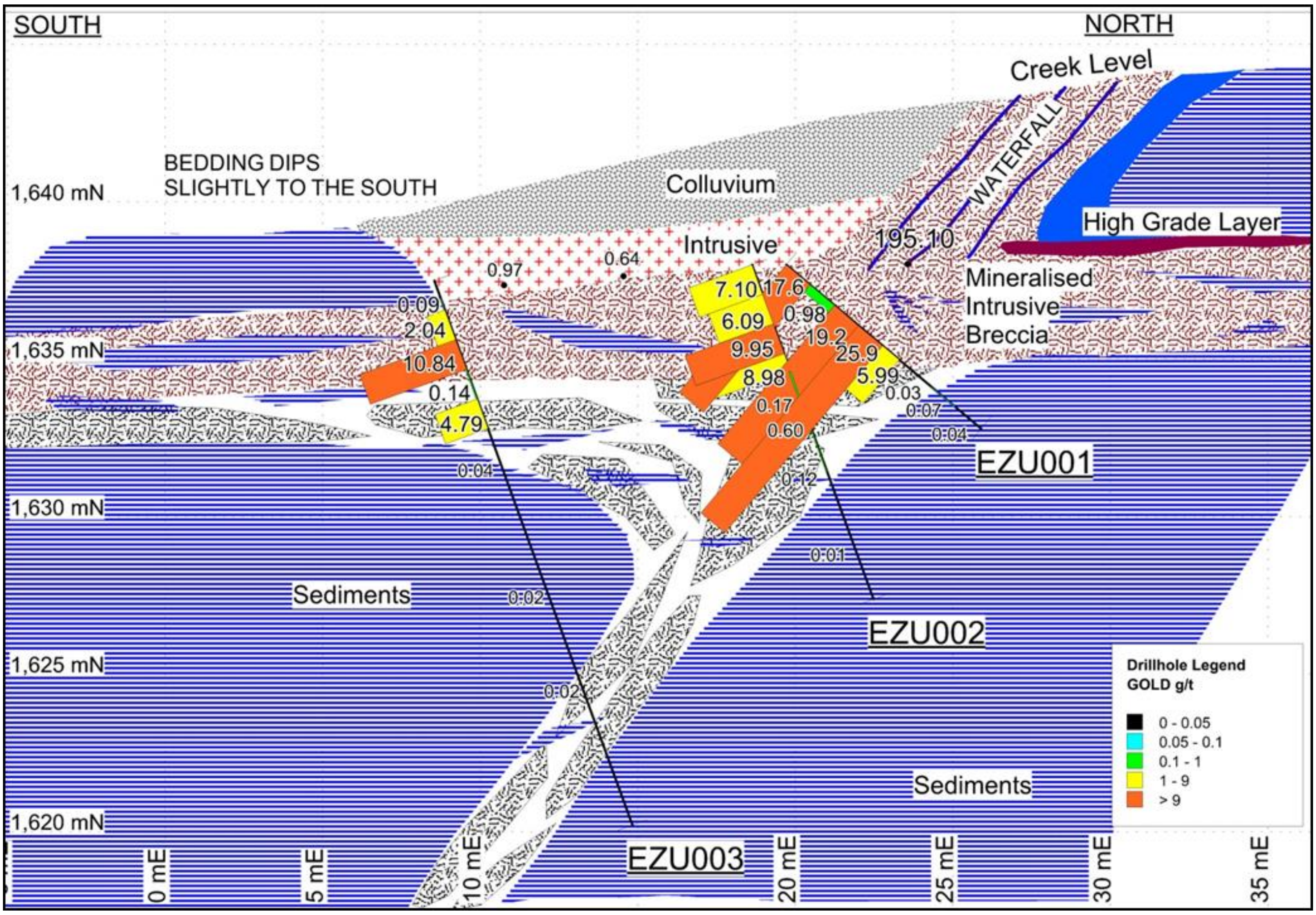
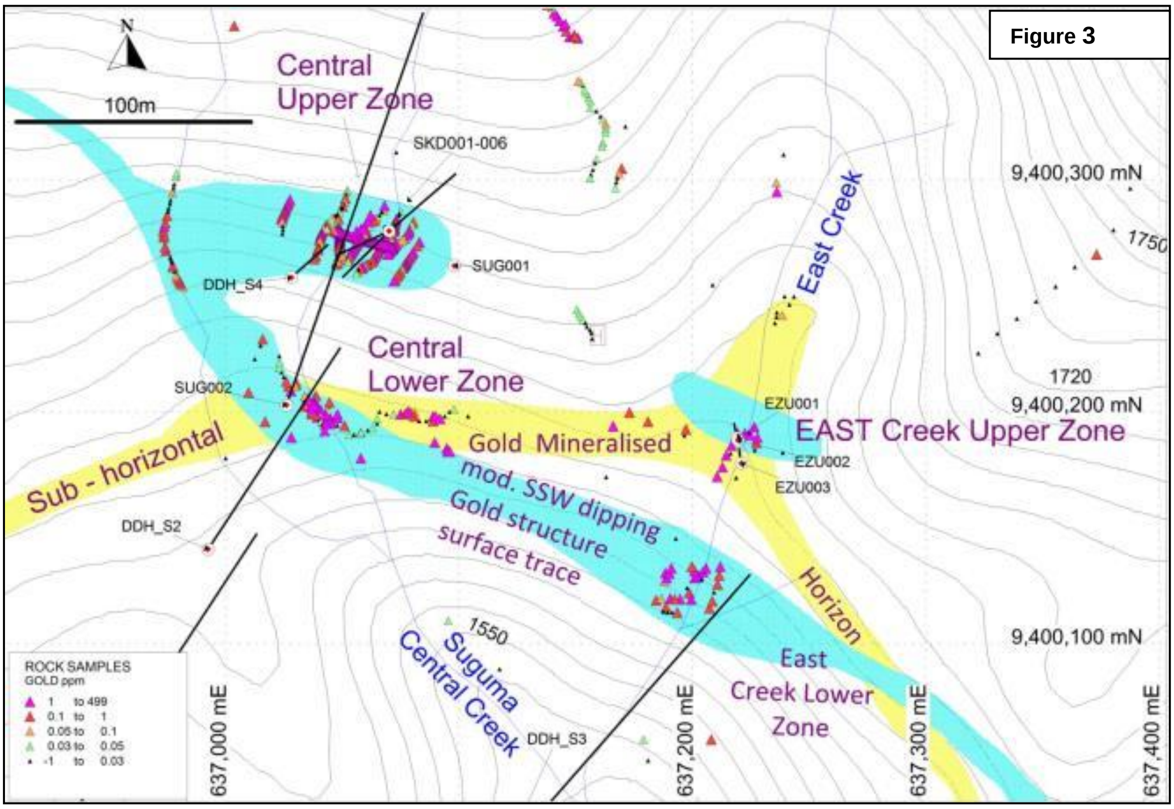


Figure 2: Swit Kai East Creek Drill Intersections

The Central Lower Zone actually corresponds to the East Creek Upper Zone (both are sub-horizontal gold mineralisation on the same 'level') and the Central Upper Zone corresponds more to the East Creek Lower Zone (mod-high angle south dipping mineralisation). Conceivably, the highest grade mineralisation would be where they intersect.

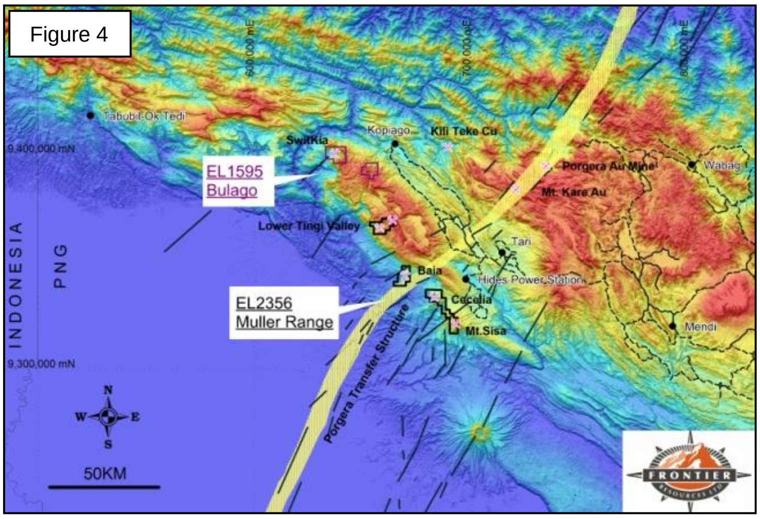
The best immediate large /regional target is the next zone upslope from Swit Kai, according to the aeromagnetics. Another excellent new zone to test is downslope from Swit Kai and has very strong zinc and lead, plus gold anomalies in grid based soil sampling and an OTML rock outcrop sample to 27 g/t gold. Excellent drill targets are the junctions of the sub-horizontal mineralised layer on 1630m RL and the moderate south dipping structures. This creates a horizontal plunge possibility for higher grade mineralisation, that is apparent is EZU001.

Subsequent to the Period the Company advised that a follow up diamond core drilling program targeting the Swit Kai high-grade gold outcrops at the Bulago EL had commenced. The first two drill holes Frontier will undertake are at the high grade gold targets at the Swit Kai East Creek Central Lower Zone (for a total of 150m), targeting the inferred high grade gold plunge associated with the intersecting mineralised structural orientations (**Figure 3**).



Ok Tedi Mining Ltd previously targeted the depth extension to the Central Upper Zone with hole SUG002. It returned 1.3m grading 27.0g/t gold from the moderate south dipping zone located underneath the Central Lower Zone high-grade gold mineralisation. Frontier will target the plunge, conformable and the dipping mineralised zones, then it is intended to target the same zones again in East Creek, followed by the Bulago Valley porphyry copper.

Muller Range EL 2356, Papua New Guinea



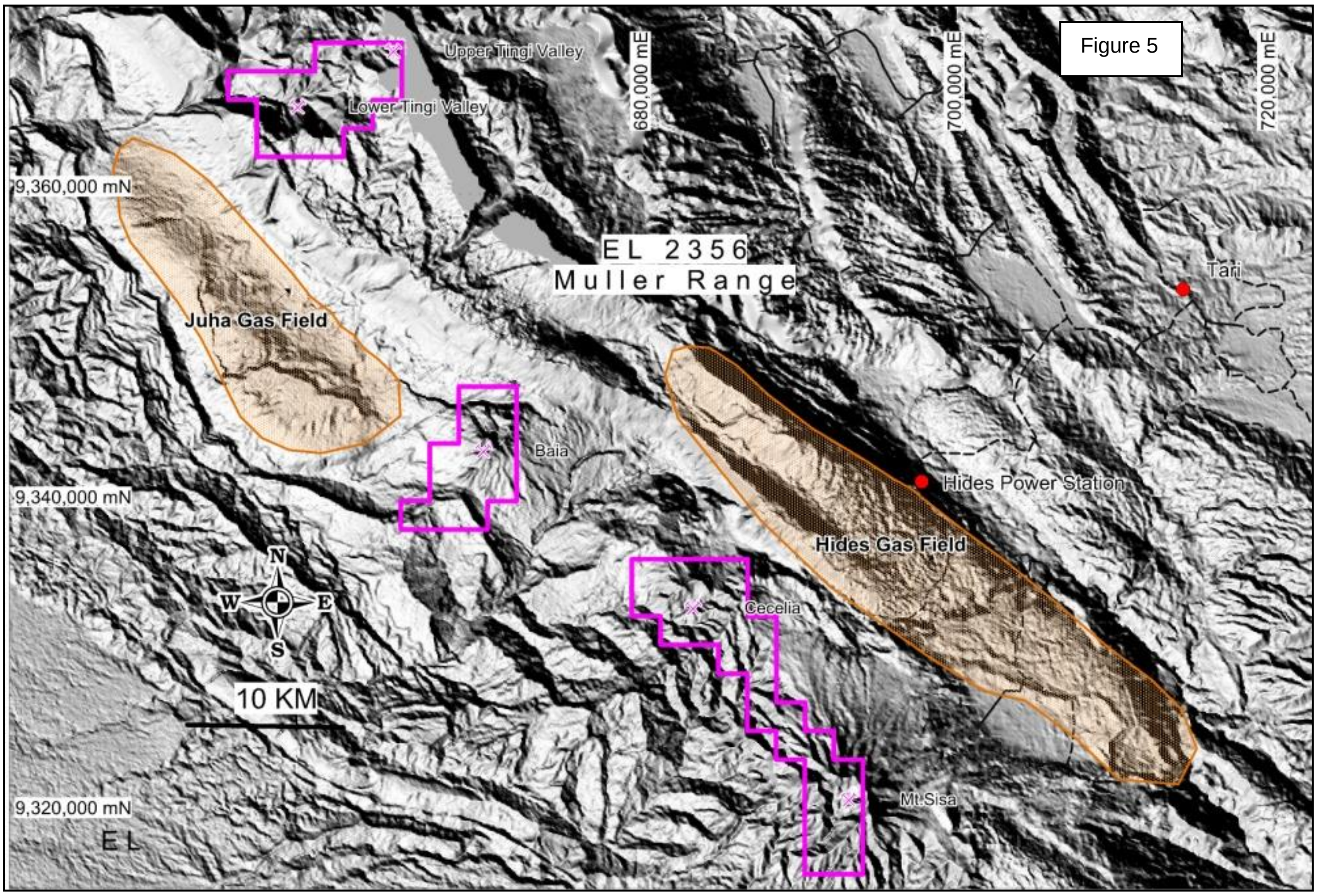
During the Period the Company advised that exploration licence 2356 had been granted in the highly geologically prospectus fold/thrust belt of Papua New Guinea. Frontier completed a compilation and review of available historical data (airborne geophysics, fact geology, interpreted lithology, structure and surface geochemistry [streams, rocks and soils]) from the Baia and Cecelia Projects located within EL 2356 - Muller Range, PNG (Figue 4).

The Baia and Cecelia project areas were most recently held by Barrick Gold, who considered the Fold Thrust belt to be the best place to explore in PNG. The projects were discovered as anomalous copper and gold in stream sediment and surface float / outcrop rock chip samples.

The primary targets for Frontier are shallow buried porphyry copper- molybdenum- gold mineralisation +higher grade skarns and epithermal gold. Both areas are close (for PNG) to infrastructure such as the Hides Power Station and roads (Figure 5).

The Baia Project is a >4 sq km porphyry system, with the correct geochemical, geological and structural characteristics that strongly warrants exploratory drilling.

- **Baia has a large copper - gold - molybdenum in soil anomaly and seven copper- molybdenum anomalous skarn targets that are defined by magnetic anomalies at the limestone /intrusive contact.**
- The project is located on the Porgera Mine - Mt Kare Transfer Structure (Figure 4) which reputedly controls fracturing and mineralisation. It is about 50km south of Harmony's excellent Kili Teke porphyry copper -gold discovery.
- Copper in soil geochemistry demonstrates a distinct cohesive anomaly that is about 900m long north-south and about 600m wide east -west. There are three smaller, but still large, copper anomalies that are about 500m long and up to 200m wide, associated with skarns.
- Zinc and lead soil geochemistry at Baia demonstrates a typical zinc/ lead halo around a 1,000m diameter core to the porphyry copper system, which is approximately coincident with the outer margins of the copper anomaly. The zinc/ lead anomaly has a width of about 500m and an outer annulus diameter of about 2,200m.
- Dominant alteration is propylitic, with structurally controlled phyllic and patchy un-mineralised potassic.
- Regional airborne magnetics show peripheral magnetic anomalies related to intrusives. The prospect is located on a topographic high (Figure 6) in a major ENE trending fault zone/ transfer structure (as per the OK Tedi Mine located to the WNW).



The Company believes that the Cecilia Prospect can be rapidly advanced to drill testing with additional exploration.

- **Cecelia requires substantial exploration to evaluate its epithermal gold prospectivity.**
- **The mineralised zone is about 2.5km long, initially being ENE gold-zinc-lead anomalism that transitions through an argillic alteration zone to copper molybdenum - arsenic anomalism (each being >1,000m long with argillic displaced to the south).**

- Cecelia has high sulphidation epithermal gold type advanced argillic alteration, with vuggy quartz - alunite- pyrophyllite, plus strong argillic and propylitic alteration, which has been covered by a recent agglomerate
- Stream sediment geochemistry >250ppm copper and altered rock chip samples returned 0.616g/t gold and 0.12 g/t gold + 710ppm copper.
- Intrusive outcrop up to 0.62% copper with chalcopyrite and bornite in the upper reaches of the Project area and altered granodiorite float of 0.18% copper.
- Pebble dykes are common, indicating a probable buried porphyry copper-gold-molybdenum target.

The PNG Mining act requires relinquishment of 50% of an EL's area before the end of Year 2. FNT has initiated this process and will retain 3 non-contiguous project areas (Tingi, Baia & Cecilia/Mt Sisa).

BAIA PROJECT

Barrick confirmed Baia as a mineralised porphyry system dominated by propylitic and structurally controlled phyllic alteration. It has patchy un-mineralised potassic alteration which is related to potassium 'equivalent' radiometric anomalies over the potassic altered mapped diorite.

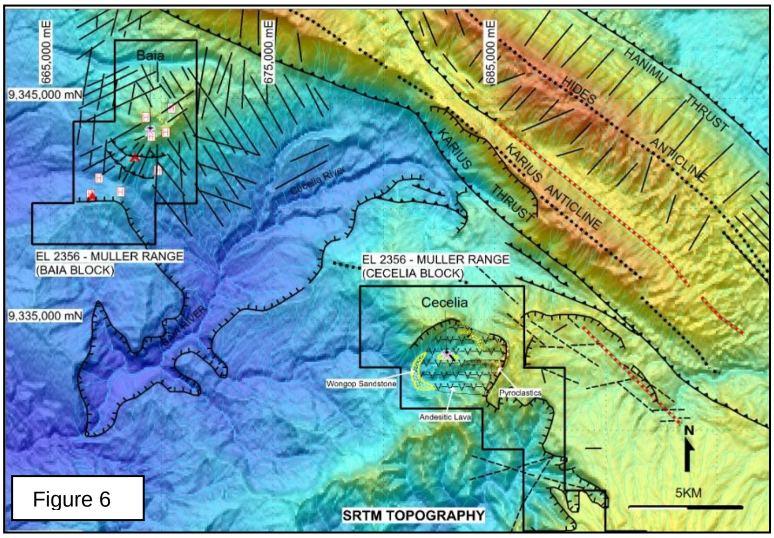


Figure 6

Ridge and Spur soil sampling results completed by Barrick show anomalous copper associated with the central diorite intrusive. Anomalous gold in rock samples also occur within the central diorite. Anomalous copper in soils also occurs along the margins of a feldspar porphyry 1km further to the southwest.

Anomalous lead + zinc in soil samples occur as an outer halo surrounding the anomalous copper in soil samples related to the central diorite. The lead and zinc halo is indicative of mineralisation relatively close to the heat source/intrusive.

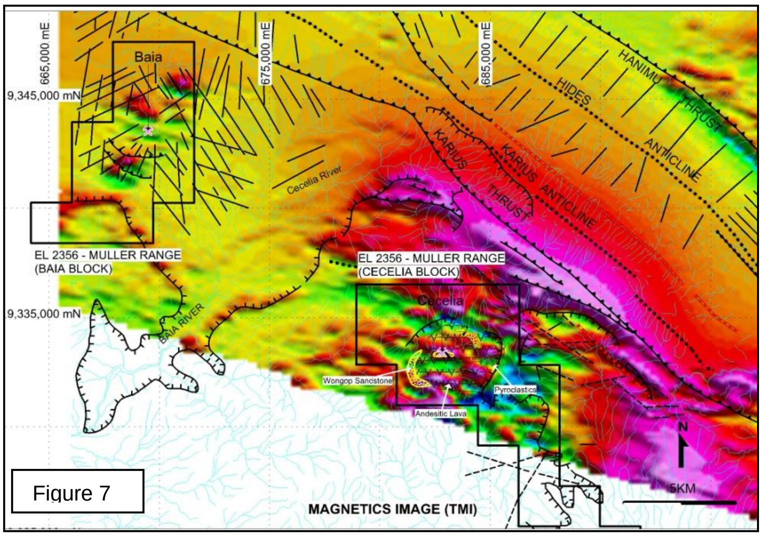


Figure 7

Diorite is located within a volcanic centre on a topographic high which has intruded Limestone with an adjacent Hornblende Rich Porphyry mapped on its northern margin.

According to Barrick, magnetic anomalies peripheral to the central diorite are related to intrusives of hornblende porphyry stocks and sills (Figure 7). There is a distinct dipolar magnetic anomaly related to hornblende porphyry along the northern contact with the central diorite.

A total of seven skarn targets (BSK01 to 07) have been identified which are related to near surface magnetic bodies at the contact between limestone and intrusive.

Barrick describe an ENE structural corridor which controls fracturing and copper-molybdenum-gold mineralisation at Baia and believe the primary drill targets to be buried porphyry and skarn mineralisation.

A higher resolution helicopter magnetic survey would help define skarn and porphyry drill targets and a ground 3DIP survey would better define sulphide related mineralisation, however, the soil geochemistry is adequate to initiate drilling on. The Baia porphyry has never been drilled and none of the skarn targets identified have ever been evaluated. Cecelia requires substantial exploration to evaluate the epithermal gold prospectivity.

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

Share Purchase Plan

During the reporting period, Frontier conducted a Share Purchase Plan to raise up to $293,126.81 at $0.03 per share (**SPP**). The SPP closed on 14 July 2016 with applications for 6,830,015 shares for a total of $204,900 received. On 3 August 2016 the Company advised it had placed a further 3,366,667 ordinary shares at an issue price of $0.03 to raise a further $101,000, utilising the Company's existing placement capacity under ASX Listing Rule 7.1.

Consolidation of Issued Capital

In December 2015 the Company completed a consolidation of issued capital. The Company's issued capital was consolidated on a 20-for-1 basis. The number of shares on issue prior to the consolidation totalled 581,971,496 ordinary shares which were consolidated into 29,098,575 ordinary shares. As at the date of this Annual Report, a total of 45,287,994 ordinary shares were on issue.

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

In June 2016 Frontier conducted a Share Purchase Plan to raise up to $293,126.81 at $0.03 per share (**SPP**). The SPP closed on 14 July 2016 with applications for 6,830,015 shares for a total of $204,900 received. On 3 August 2016 the Company advised it had placed a further 3,366,667 ordinary shares at an issue price of $0.03 to raise a further $101,000, utilising the Company's existing placement capacity under ASX Listing Rule 7.1

No matter or circumstance has arisen since 30 June 2016 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	Ordinary Shares	Options
Peter A. McNeil Chairman appointed 20 January 2010. Managing Director from 17 February 2016 Non-Executive Director from 1 July 2015 to 17 February 2016	7,507,108	1,000,000 Unlisted

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

Age 55. 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 34 year's continuous professional post-graduate mineral exploration industry experience, with 30 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 24 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 24 years.

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

Director and Experience	Ordinary Shares	Options
Paige McNeil (appointed 1 December 2014) Non-Executive Director from 17 February 2016 Managing Director from 1 July 2015 to 17 February 2016	7,507,108	1,000,000 Unlisted

Age 46. GradDipEd, ACIS, GAICD, AGIA. Is a Corporate Governance practitioner with 15 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.

Paige was previously Managing Director of Quintessential Resources Ltd.

INFORMATION ON DIRECTORS

Director and Experience	Particulars of Directors' interest in shares and options of Frontier Resources Ltd	
	Ordinary Shares	Options
Peter Swiridiuk (appointed 1 December 2014)	Nil	Nil

Non-Executive Director

Age 49. BSc (Hons), DipEd, MAIG. Peter has over 25 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.

COMPANY SECRETARY – QUALIFICATIONS & EXPERIENCE

Matthew Foy - BCom, GradDipAppFin, GradDipACG, SAFin, AGIA, ACIS

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.

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	3	3
P.S. McNeil[1]	3	3
P. Swiriduk[1]	3	3

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 2016 the price was $0.03.

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 20); 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.

Performance Conditions
There are no performance conditions on remuneration. The Board may from time to time pay a cash bonus to employees on the achievement of agreed individual performance indicators.

REMUNERATION REPORT (continued)

(b) 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 2016 are set out in the following tables:

	Short-term employee benefits			Post-employment benefits		Share-based payment		
	Cash salary and fees	Cash bonus	Non-Monetary benefits	Super-annuation	Retirement benefits	Options*	Shares	Total
2016	$	$	$	$	$	$	$	$
Executive Director								
P.A. McNeil	150,525	-	-	-	-	-	-	150,525
Non-Executive Directors								
P.S. McNeil	25,204	-	-	-	-	-	-	25,204
P. Swiridiuk	56,500	-	-	-	-	-	-	56,500
Total	232,229	-	-	-	-	-	-	232,229
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

* Option value calculation using Black-Scholes Model.

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 *	
	2016	2015	2016	2015	2016	2015
P.A. McNeil	100%	81%	-	-	-	19%
P.S. McNeil	100%	100%	-	-	-	-
P. Swiridiuk	100%	100%	-	-	-	-

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

REMUNERATION REPORT (continued)

(c) *Service agreements*

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

(d) *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 20 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 20 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.

(e) *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)

(e) 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:

2016 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*	20,000,000	-	-	(19,000,000)	1,000,000	1,000,000
Paige McNeil[1*]	20,000,000	-	-	(19,000,000)	1,000,000	1,000,000
Peter Swiridiuk[1]	-	-	-	-	-	-
Total	20,000,000*	-	-	(19,000,000)**	1,000,000	1,000,000

*Options granted to Peter McNeil as remuneration during the previous 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.
**Options were reduced on a 20:1 basis, consistent with the share capital consolidation on 9 December 2015.

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.

REMUNERATION REPORT (continued)

(e) 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.

2016	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*	60,742,128	-	(54,235,022)	6,507,106
Paige McNeil[1]**	60,742,128	-	(54,235,022)	6,507,106
Peter Swiridiuk[1]	-	-	-	-
Total	60,742,128	-	(54,235,022)	6,507,106*

* Shares attributed to Peter McNeil include 457,138 shares held outright by his spouse Paige McNeil (also included in the 30 June 2016 balance of shares attributed to Paige) as well as 5,646,665 shares Peter controls jointly with Paige through jointly controlled entities.

** Shares attributed to Paige McNeil include 403,301 shares held outright by her spouse Peter McNeil (also included in the 30 June 2016 balance of shares attributed to Peter) as well as 5,646,665 shares Paige controls jointly with Peter through jointly controlled entities.

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.

REMUNERATION REPORT (continued)

(f) *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 (2015: Nil).

(g) *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.

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 2016 was $285,429 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:

	2016 $	2015 $
Amounts recognised as expense		
Consulting fees:		
Administration	79,871	10,300
Exploration	95,858	227,502
Provision of office space	30,000	30,000
Outstanding balances at year end	285,429	184,980

(h) 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:

	2016	2015	2014	2013	2012
Loss for the year	$641,520	$2,413,968	$1,479,803	$2,900,373	$8,283,982
Closing Share Price	3.0 cents	0.2 cents	1.4 cents	0.9 cents	6.9 cents
KMP Incentives	$nil	$78,000	$nil	$764,518	$439,250
Total KMP Remuneration	$232,229	$521,552	$405,799	$1,259,110	$960,491

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	$0.22	500,000
21 December 2012	1 November 2017	$1.22	900,000
			1,400,000

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 2016, 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.

	2016 $	2015 $
Assurance services		
Audit Services		
Moore Stephens Perth	26,990	25,040
Sinton Spence Chartered Accountants (PNG)	-	-
Total remuneration for audit and assurance services	26,990	25,040
Taxation and Accounting Services		
Moore Stephens Perth	-	-
Sinton Spence Chartered Accountants (PNG)	-	395
Total remuneration for taxation services	-	395

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

29 September 2016

MOORE STEPHENS

Level 15, 2 The Esplanade
Perth, WA 6000

PO Box 5785, St Georges Terrace,
WA 6831

T +61 (0)8 9225 5355
F +61 (0)8 9225 6181
www.moorestephenswa.com.au

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 2016 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.

MOORE STEPHENS

Suan-Lee Tan
Partner

Moore Stephens
Chartered Accountants

Signed at Perth this 29th day of September 2016

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FINANCIAL REPORT – 30 JUNE 2016

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 29 September 2016. 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	2016	2015
			$
Revenue from Continuing Operations			
Revenue	4	285,757	19,541
Other income	4		-
		285,757	19,541
Exploration expenditure	5	(296,397)	(698,566)
Administration and insurance expenses		(128,959)	(124,557)
Corporate compliance and shareholder relations		(53,422)	(73,032)
Gross employee benefit expense		(48,477)	(126,836)
Depreciation	5	(234,894)	(331,206)
Loss on disposal of plant & equipment		-	(3,296)
Loss on disposal of shares		-	(10,365)
Consultancy		(91,500)	(206,850)
Rent, consumables and communication	5	(62,343)	(62,802)
Impairment of financial asset		-	(300,050)
Impairment of loan	5	-	(495,949)
Other expenses		(11,285)	-
Loss before income tax		(641,520)	(2,413,968)
Income tax expense/(benefit)	6	-	-
Loss after tax from continuing operations		(641,520)	(2,413,968)
Profit after income tax from discontinued operations		-	-
Loss for the year attributable to ordinary equity holders of Frontier Resources Ltd		(641,520)	(2,413,968)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Movement in foreign currency translation reserve		(44,041)	45,340
Other comprehensive income for the year		(44,041)	45,340
Total comprehensive loss for the year attributable to ordinary equity holders of Frontier Resources Ltd		(685,561)	(2,368,628)
Loss per share for the year attributable to members of Frontier Resources Ltd		**Cents**	**Cents**
Continuing operations		(0.26)	(0.68)
Discontinued operations		-	-
Total basic and diluted (loss) per share	16	(0.26)	(0.68)

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

	Notes	2016	2015
			$
ASSETS			
Current Assets			
Cash and cash equivalents	7	28,846	216,367
Trade and other receivables	8	35,379	27,861
Total Current Assets		64,225	244,228
Non-Current Assets			
Trade and other receivables	8	5,841	64,248
Plant and equipment	9	265,028	546,898
Available for sale investments	10	-	-
Total Non-Current Assets		270,869	611,146
Total Assets		335,094	855,374
LIABILITIES			
Current Liabilities			
Trade and other payables	11	379,408	278,417
Total Current Liabilities		379,408	278,417
Total Liabilities		379,408	278,417
Net Assets/(Liabilities)		(44,314)	576,957
EQUITY			
Contributed equity	14	31,197,239	31,132,949
Reserves	15	3,500,988	3,545,029
Accumulated losses	15	(34,742,541)	(34,101,021)
Total Equity/(Deficit)		(44,314)	576,957

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 2016

	Contributed Equity	Accumulated Losses	Share Based Payment Reserve	Options Premium Reserve	Foreign Currency Translation Reserve	Total
	$	$	$	$	$	$
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
Balance at 1 July 2015	31,132,949	(34,10,021)	3,939,885	78,000	(472,856)	576,957
Loss attributable to ordinary equity holders of Frontier Resources Ltd	-	(641,520)	-	-	-	(641,520)
Other comprehensive income -						
Foreign currency translation	-	-	-	-	(44,041)	(44,041)
Total comprehensive loss for the year	-	(641,520)	-	-	(44,041)	(685,561)
Transaction with owners, in their capacity as owners -						
Options issued during the year	-	-	-	-	-	-
Shares issued during the year, net of costs	64,290	-	-	-	-	64,290
Balance at 30 June 2016	31,197,239	(34,742,541)	3,939,885	78,000	(516,897)	(44,314)

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

	Note	2016	2015
		$	$
Cash Flows From Operating Activities			
Cash receipts from customers		40,235	18,890
Payments to suppliers and employees		(405,292)	(304,688)
Interest received		617	633
Joint venture interests		30,000	-
Refund of tenement bonds		163,003	-
Payments to exploration expenditure		(132,809)	(719,261)
Net cash outflow from operating activities	**22**	**(304,244)**	**(1,004,426)**
Cash Flows From Investing Activities			
Proceeds from security deposits		(5,002)	-
Payments for financial assets		-	(18,200)
Proceeds from disposal of financial assets		102,000	110,586
Net cash inflow/(outflow) from investing activities		**96,998**	**92,386**
Cash Flows From Financing Activities			
Proceeds from the issue of shares		-	1,072,139
Proceeds from application funds held in trust		11,000	-
Payments for capital raising costs		(5,109)	-
Net cash inflow from financing activities		**5,891**	**1,072,139**
Net increase/(decrease) in cash and cash equivalents		**(201,355)**	**160,099**
Cash at 1 July		216,367	41,068
Effect of exchange rates on cash holdings in foreign currencies		13,834	15,200
Cash at 30 June	**7**	**28,846**	**216,367**

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 2016 the Group recorded a loss after tax of $641, 520 (2015: $2,413,968) and had a net working capital deficit of $315, 183 (2015: deficit of $34,189).

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 July 2016, the Company raised $204,900 and subsequently placed a further $101,000 through a placement at on 3 August 2016. 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 25.

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 (cont.)

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 (cont)

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

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 2015. 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 2015. 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 2015. 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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.
The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the Group elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.
Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.
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 the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.
Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.
The new Standard does not make any significant changes to lessor accounting and as such is only expected to impact lease accounting from a lessee's perspective. AASB 16 is therefore not expected to significantly impact the Group's financial statements

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:

	2016 AUD	2016 Kina	2015 AUD	2015 Kina
Foreign currency assets and liabilities				
Cash and cash equivalents	7,409	17,775	6,698	14,132
Trade and other receivables	2,501	6,000	19,908	42,000
Intercompany loans payable	(15,566,039)	(37,345,826)	(17,470,221)	(36,857,005)
Trade and other payables	(656)	(1,573)	(46)	(98)

(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:

	2016	2015
Shares in listed entity – Level 1	-	-
Shares in unlisted entity – Level 2	-	-

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:

2016	Floating Interest Rate $	Non-interest bearing $	Total $
Financial assets			
Cash and cash equivalents	28,846	-	28,846
Trade and other receivables	-	35,379	35,379
	28,846	35,379	64,225
Weighted average interest rate	1.25%		
Financial liabilities			
Trade and other payables	-	379,408	379,408
	-	379,408	379,408
Net financial assets	28,846	(344, 029)	(315, 183)

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)

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.

	2016 $	2015 $
Net financial assets subject to variable interest rates	28,846	216,367
Increase in profits resulting from a 1% pa increase in variable interest rates	288	2,164
Decrease in profits resulting from a 1% pa decrease in variable interest rates	(288)	(2,164)

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.

	2016 $	2015 $
Decrease in other comprehensive income resulting from a 10% increase in Australian Dollar against the Kina	(4,404)	(4,534)
Increase in other comprehensive income resulting from a 10% decrease in Australian Dollar against the Kina	4,404	4,534

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 also include $2,501 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:

	2016 $	2015 $
Current Assets:		
Cash and cash equivalents	28,846	216,367
Trade and other receivables	35,379	27,861
Non-Current Assets:		
Trade and other receivables	5,841	64,248
	70,066	308,476

(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:

	2016 $	2015 $
Cash and cash equivalents	28,846	216,367
Trade and other receivables	35,379	27,861
Trade and other payables	(379,408)	(278,417)
	(315,183)	(34,189)

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 2016 and carried out a review of the recoverable amount of the receivables and Available for Sale investments. An impairment loss of $nil (2015: $802,449) 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 20.

NOTE 4 REVENUE

	2016 $	2015 $
From continuing operations		
Administration fee income	-	-
Drilling and exploration contract income	40,235	18,890
Other sundry income	132,000	18
Other revenue		
Interest – unrelated parties	617	633
Tenement bond refunds	112, 905	-
Total Revenue	285,757	19,541

NOTE 5 EXPENSES AND SIGNIFICANT ITEMS

	2016 $	2015 $
Depreciation of plant & equipment	234,894	331,206
Office rental	62,343	62,802
Superannuation expense	-	956
Significant Items		
Exploration and evaluation expenditure	296,397	698,566
Impairment of financial asset	-	300,050
Impairment of loan receivable	-	495,949
Share-based payments expense	-	78,000

NOTE 6: INCOME TAX EXPENSE

	CONSOLIDATED 2016 $	CONSOLIDATED 2015 $
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	(641, 520)	(2,413,968)
Prima facie tax benefit on loss from continuing operations at 30% (2014: 30%)	(192,456)	(724,190)
Add / (less) tax effect of:		
- Other non-allowable items	156,064	320,416
Revenue losses not recognised	40,328	142,570
Capital losses not recognised	930	157,537
- Share based payments	-	23,400
- Other deferred tax balances not recognised	-	80,267
	4,866	-
Less tax effect of:		
- Other deferred tax balances not recognised	4,866	-
Income tax expense / (benefit) recorded in Statement of Profit and Loss and Other Comprehensive Income	-	-

NOTE 6: INCOME TAX EXPENSE (continued)

	2016 $	2015 $
c. Unrecognised deferred tax assets:		
Carry forward revenue losses	3,678,138	3,637,809
Carry forward capital losses	471,567	470,637
Financial assets	298,810	298,810
Other	8,199	11,532
	4,456,714	4,418,788

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.

NOTE 7 CASH AND CASH EQUIVALENTS

Cash at bank and on hand	28,846	216,367
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	28,846	216,367
Bank deposits at call	-	-
Cash on hand	-	-
Cash and cash equivalents	28,846	216,367

Cash at bank earns an interest rate of 1.25% (2015: 2.0%). 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

CURRENT		
Other receivables (a)	35,379	27,861
NON-CURRENT		
Deposits – tenements and premises (b)	5,841	64,248

(a) Other current receivables are all non-interest bearing.

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

NOTE 9 PLANT AND EQUIPMENT

	2016 $	2015 $
Plant and equipment		
Plant and equipment at cost	2,690,502	3,023,584
Less accumulated depreciation	(2,052,500)	(2,057,691)
Less impairment of drilling equipment	(372,974)	(418,995)
Carrying amount at the end of the financial year	265,028	546,898

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

	2016 $	2015 $
Carrying amount at the beginning of the financial year	546,898	838,042
Additions	-	-
Disposals	-	(17,140)
Depreciation expense	(234,894)	(331,206)
Foreign currency exchange differences	(46,976)	57,202
Carrying amount at the end of the financial year	265,028	546,898

NOTE 10 AVAILABLE FOR SALE INVESTMENTS

NON-CURRENT

	2016 $	2015 $
Quintessential Resources Ltd	-	-
Torque Mining Ltd	-	-
Closing fair value	-	-

Quintessential Resources Ltd -

	2016 $	2015 $
Carrying amount at the beginning of the financial year	-	109,200
Impairment to fair value	-	-
Disposal of shares	-	(109,200)
Closing fair value	-	-

Torque Mining Ltd -

	2016 $	2015 $
Carrying amount at the beginning of the financial year	-	500,084
Impairment to fair value	-	(500,084)
Closing fair value	-	-

NOTE 11 TRADE AND OTHER PAYABLES

	2016 $	2015 $
CURRENT		
Trade and sundry creditors (a)	346,658	27,861
Accrued expenses	32,750	249,896
Other employee benefit and related on-cost liabilities (b)	-	660
	379,408	278,417

(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 12 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.

	2016 $	2015 $
Outstanding obligations are not provided for in the accounts and are payable:		
Not later than 1 year	-	242,805
Later than 1 year but not later than 5 years	130,000	236,957
Any greater than 5 years	-	-
	130,000	479,762

NOTE 13 CONTINGENT LIABILITIES

The Group had no contingent liabilities at 30 June 2016 (2015: nil).

NOTE 14 CONTRIBUTED EQUITY

	2016 Shares	2015 Shares	2016 $	2015 $
(a) Paid Up Capital				
Ordinary shares – fully paid of no par value	32,569,646	581,971,496	31,197,239	31,132,949

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.

NOTE 14 CONTRIBUTED EQUITY (continued)

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

Date	Details	Notes	Number of Shares	Issue Price $	$
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
	Consolidation of capital (20:1)		(552,871,850)	-	-
	Shares issued		3,470,000	0.02	69,400
	Share capital raising costs				(5,110)
30 Jun 2016	Closing Balance		32,569,646		31,197,239

(c) Options

The number of unissued ordinary shares relating to options not exercised at year end:

	No. of Options 2016	No. of Options 2015
- Non-transferable options exercisable on or before 1 November 2017 at $1.22 (2015: 6.1 cents)	900,000	18,000,000
- Non-transferable options exercisable on or before 2 December 2017 at 22 cents (2015: 1.1 cents)	500,000	10,000,000
	1,400,000	28,000,000

(d) Option Issues

During the previous 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 (pre-consolidation) 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 14 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 2016 and 30 June 2015 was as follows:

	2016 $	2015 $
Cash and cash equivalents	28,846	216,367
Trade and other receivables	35,379	27,861
Trade and other payables	(379,408)	(278,417)
Working capital position	(315,183)	(34,189)

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

Refer to note 2 for Financial Risk Management.

NOTE 15 RESERVES AND ACCUMULATED LOSSES

	2016 $	2015 $
(a) Reserves		
Share based payment reserve	3,939,885	3,939,885
Options premium reserve	78,000	78,000
Foreign currency translation reserve	(516,897)	(472,856)
	3,500,988	3,545,029
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	78,000	-
Options issued	-	78,000
Balance 30 June	78,000	78,000
Foreign currency translation reserve		
Balance 1 July	(472,856)	(518,196)
Currency translation differences arising during the year	(44,041)	45,340
Balance 30 June	(516,897)	(472,856)

(b) Accumulated losses

Movements in accumulated losses were as follows:

	2016 $	2015 $
Balance 1 July	(34,101,021)	(31,687,053)
Net loss for the year	(641,520)	(2,413,968)
Balance 30 June	(34,742,541)	(34,101,021)

(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 16 EARNINGS/(LOSS) PER SHARE ("EPS")

	2016 $	2015 $
Earnings per share from continuing operations Loss after income tax	(641,520)	(2,413,968)
Weighted average number of shares used in the calculation of the basic EPS.	250,252,912	357,139,611
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.	1,400,000	28,000,000
Basic and diluted (loss) per share	(0.26) cents	(0.68) cents
Earnings per share from discontinued operations Profit after income tax	-	-
Weighted average number of shares used in the calculation of the basic EPS.	250,252,912	357,139,611
The number of potential ordinary shares relating to options not exercised at the end of the year.	1,400,000	28,000,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	250,252,912	375,139,611
Basic earnings per share	-	-
Diluted earnings per share	-	-

NOTE 17 DIVIDENDS

There were no dividends paid or recommended during the financial year ended 30 June 2016 (2015: nil).

NOTE 18 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.

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 23.

Other related parties

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

NOTE 19 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 2016.

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

	2016 $	2015 $
Short term employee benefits	232,229	442,683
Post-employment benefits	-	869
Share based payments	-	78,000
	232,229	521,552

NOTE 20 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. The information presented and tabled below relate to options issued in prior financial periods. No new options were issued or granted during the year ended 30 June 2016.

- 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.
- 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.

NOTE 20 SHARE-BASED PAYMENTS (continued)

- 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
2016							
21 Dec 2012	1 Nov 2017	$1.220	900,000	-	-	-	900,000
28 Nov 2014	2 Dec 2017	$0.220	500,000	-	-	-	400,000
			1,400,000	-	-	-	1,400,000
Weighted average remaining contracted life of options (Years)							1.25 Years
Weighted average exercise price							$0.860
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							2.25 Years
Weighted average exercise price							$0.043

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 2,500. 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.

NOTE 20 SHARE-BASED PAYMENTS (continued)

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

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.

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:

	2016 $	2015 $
Options issued under employee option plan	-	78,000

The fair value of the options issued during the previous 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

2016	Number of shares Issued	Issue Price	$
Key management personnel			
Exploration & Management Consultants Pty Ltd[1]	3,470,000	$0.02	69,400

[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 2016 shares were issued to EMC in lieu of cash for consultancy services. These shares were valued at $0.02 per share, being the share price on the date of issue.

2015	Number of shares Issued	Issue Price	$
Other 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.

NOTE 21 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 2016	**Papua New Guinea Exploration $**	**Treasury $**	**Total $**
Segment Revenue	40,235	245,522	285,757
Segment Results	(520,213)	245,522	(274,691)
Amounts not included in segment results but reviewed by Board:			
- Corporate charges			(366,829)
Loss before Income Tax			(641,520)
As at 30 June 2016			
Segment Assets	265,825	69,269	335,094
Segment Liabilities	-	379,408	379,408

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

NOTE 22 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:

	2016 $	2015 $
Operating loss after income tax	(641,520)	(2,413,968)
Adjustment for non-cash items:		
- (Gain)/Loss on disposal of fixed assets	-	3,297
- (Gain)/Loss on disposal of shares	-	10,365
- Depreciation expense	234,894	331,206
- Share-based payments	-	78,000
- Impairment of available for sale investments	-	300,050
- Impairment of receivables	-	495,949
Change in operating assets and liabilities:		
- Trade and other payables and provisions	109,900	176,148
- Trade and other receivables	(7,518)	14,527
Net cash outflow from operating activities	(304,244)	(1,004,426)

There were no non-cash financing and investing activities during the year (2015: nil).

NOTE 23 SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2016 %	Equity Holding 2015 %
Frontier Gold (PNG) Ltd	Papua New Guinea	Ordinary	100	100
Frontier Copper (PNG) Ltd	Papua New Guinea	Ordinary	100	100

NOTE 24 PARENT ENTITY DISCLOSURES

(a) Financial Position of Frontier Resources Limited

	2016 $	2015 $
CURRENT ASSETS		
Cash and cash equivalents	21,437	209,669
Trade and other receivables	35,380	27,861
TOTAL CURRENT ASSETS	56,817	237,530
NON-CURRENT ASSETS		
Trade and other receivables	2,680	44,340
Other financial assets	1,011,624	731,710
Plant and equipment	-	11,302
TOTAL NON-CURRENT ASSETS	1,014,304	787,352
TOTAL ASSETS	1,071,121	1,024,882
CURRENT LIABILITIES		
Trade and other payables	380,064	278,370
TOTAL CURRENT LIABILITIES	380,064	278,370
TOTAL LIABILITIES	380,064	278,370
NET ASSETS	691,057	746,512
EQUITY		
Contributed equity	31,197,240	31,132,949
Reserves	4,017,885	4,017,885
Accumulated losses	(34,524,068)	(34,404,322)
TOTAL EQUITY	691,057	746,512

(b) Financial Performance of Frontier Resources Limited

	2016 $	2015 $
Loss for the year	(121,308)	(1,405,587)
Total comprehensive loss	(121,308)	(1,405,587)

(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 2016 (2015: none).

(d) Contingent liabilities of Frontier Resources Limited

There are no contingent liabilities as at 30 June 2016 (2015: none).

(e) Commitments Frontier Resources Limited

There are no commitments as at 30 June 2016 (2015: none).

NOTE 25 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.

	2016 $	2015 $
Assurance services		
Audit Services		
Moore Stephens	26, 990	25,040
Sinton Spence (PNG)	-	-
Total remuneration for audit services	26, 990	25,040
Non-Assurance services		
Taxation and Accounting Services		
Sinton Spence Chartered Accountants (PNG)	-	395
Total remuneration for taxation services	-	395

NOTE 26 EVENTS OCCURRING AFTER THE BALANCE DATE

In June 2016 Frontier conducted a Share Purchase Plan to raise up to $293,126.81 at $0.03 per share (**SPP**). The SPP closed on 14 July 2016 with applications for 6,830,015 shares for a total of $204,900 received. On 3 August 2016 the Company advised it had placed a further 3,366,667 ordinary shares at an issue price of $0.03 to raise a further $101,000, utilising the Company's existing placement capacity under ASX Listing Rule 7.1

No other matter or circumstance has arisen since 30 June 2016 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.

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 2016 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 2016, 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

29 September 2016

MOORE STEPHENS

Level 15, 2 The Esplanade
Perth, WA 6000

PO Box 5785, St Georges Terrace,
WA 6831

T +61 (0)8 9225 5355
F +61 (0)8 9225 6181

www.moorestephenswa.com.au

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 its controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 30 June 2016, 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 year's end or from time to time during the financial year.

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 2016 includes plant and equipment with a carrying value as at 30 June 2016 of $265,028. 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 2016 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. The consolidated entity is in a net deficit position of $44,314 as at 30 June 2016. Whilst the Company has successfully raised equity in July 2016, 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 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

MOORE STEPHENS

Suan Lee Tan
Partner

Moore Stephens
Chartered Accountants

Signed at Perth this 29th day of September 2016

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ADDITIONAL INFORMATION

TENEMENT SCHEDULE

Tenement Name	Tenement Name	Status	Ownership
Bulago	EL 1595	Subject to Renewal	100%
Muller Range	ELA 2356	Granted Exploration Licence	100%

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

STATEMENT OF QUOTED SECURITIES AS AT 17 SEPTEMBER 2016

a) Distribution of Shareholders

Size of Holding	Number of Shareholders
1 – 1,000	2,126
1,001 – 5,000	635
5,001 – 10,000	207
10,001 – 100,000	349
100,001 and over	68
Total	**3,385**

b) Number of holders of less than marketable parcels: 2,922

c) There is 1 substantial shareholder listed in the Company's register as at 17 September 2016 being:

EXPLORATION & MANAGEMENT CONSULTANTS PTY LTD: 7,507,108 Ordinary shares (16.40%)

d) Twenty largest shareholders as at 17 September 2016:

Rank	Name	Units	% of Units
1.	EXPLORATION & MANAGEMENT CONSULTANTS PTY LTD	3,619,250	7.90
2.	EXPLORATION & MANAGEMENT CONSULTANTS PTY LTD <MALALO A/C>	1,859,350	4.06
3.	J P MORGAN NOMINEES AUSTRALIA LIMITED	1,405,932	3.07
4.	OK TEDI MINING LIMITED <BENEFIT OF PNGSDP LTD A/C>	1,196,427	2.61
5.	EXPLORATION & MANAGEMENT CONSULTANTS PTY LTD <MALALO SUPER FUND A/C>	1,168,068	2.55
6.	MR MATTHEW CHARLES NEWHAM	1,134,066	2.48
7.	MR ROBERT CAMERON GALBRAITH	1,132,763	2.47
8.	MARGADH STOC PTY LTD	982,533	2.15
9.	DOG TRAP INVESTMENTS PTY LTD	916,667	2.00
10.	TROMSO PTY LIMITED	835,026	1.82
11.	MR STACEY HUBERT CARTER	833,730	1.82
12.	MR SUFIAN AHMAD	720,000	1.57
13.	DR JOHN FRANCIS KUBA	710,000	1.55
14.	MR JEREMY FERGUSON	700,839	1.53
15.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	647,550	1.41
16.	MR JOHAN SCHICHT	600,000	1.31
17.	MR LARRY JAMES GIBSON	585,051	1.28
18.	MR ALLAN ROBERT MUNRO	501,816	1.10
19.	MR PETER WILLIAM TURLEY	500,000	1.09
20.	MR GARTH STEPHENSON	471,205	1.03
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)	**20,520,273**	**44.82%**
	Total Remaining Holders Balance	**25,267,721**	**55.18%**
	Total Shares On issue	**45,787,994**	**100.00%**

e) Voting Rights
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.

f) The name of the Company Secretary is Matthew Foy

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

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

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

j) There are nil securities currently subject to escrow.

k) **Unquoted Options over Un-issued Shares**
- 900,000 Director Options exercisable at $1.22 on or before 11 November 2017
- 500,000 Options exercisable at $0.22 on or before 2 December 2017

l) **Unquoted Equity Securities Holders with Greater than 20% of an Individual Class**
As at 17 September 2016 the following classes of unquoted securities had holders with greater than 20% of the class on issue.
Options exercisable at $1.22 on or before 11 November 2017

Percentage Held	Name	Number of Securities held
55.56%	Exploration & Management Consultant Pty Ltd <Malalo Superannuation Fund>	500,000

Options exercisable at $0.22 on or before 2 December 2017

Percentage Held	Name	Number of Securities held
100%	Exploration & Management Consultant Pty Ltd <Malalo A/C>	500,000