ABN 96 095 684 389

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

FRONTIER RESOURCES LTD

ABN 96 095 684 389

CONTENTS

CORPORATE DIRECTORY

Non-Executive Chairman Nathan Lude **Non-Executive Directors** Alec Pismiris Peter Swiridiuk **Company Secretary** Matthew Foy **Stock Exchange** Australian Securities Exchange – FNT Frankfurt Stock Exchange – TG5	**Registered Office** Level 8, 99 St Georges Terrace Perth WA 6000 Australia Telephone: (08) 9486 4036 Facsimile: (08) 9486 4799 Email: info@frontierresources.com.au Website: www.frontierresources.com.au **Postal Address**: PO Box 5638 St Georges Terrace Perth WA 6831 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, WA, 6000 **Bankers** Westpac Banking Corp. Level 13, 109 St Georges Tce Perth, WA, 6000 **Lawyers** HWL Ebsworth 19/480 Queen Street Brisbane City, QLD, 4000

DIRECTORS' REPORT

Your Directors present their report on the Group for the financial year ended 30 June 2019.

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:

Nathan Lude (Non-Executive Chairman) (Appointed 3 July 2019)
Alec Pismiris (Non-Executive Director) (Appointed 5 July 2019)
Peter Swiridiuk (Non-Executive Director)
Fenix Dong (Executive Director) (Resigned 5 July 2019)
Fei Peng (Non-Executive Director) (Resigned 3 July 2019)
Tony Hickey (Non-Executive Chairman) (Resigned 08 April 2019)
John Kirakar (Non-Executive Director) (Resigned 29 August 2018)
Paige McNeil (Non-Executive Director) (Resigned 29 August 2018)

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 $892,900 (2018: $726,546). There were no dividends paid or recommended during the financial year ended 30 June 2019.

REVIEW OF OPERATIONS

Frontier Resources Ltd is focused on mineral exploration in Papua New Guinea with a 100% interest in the Tolukuma, Bulago and the Muller Range Exploration Licences, that are highly prospective for the discovery and delineation of intrusive related high-grade gold, copper+/- gold +/-molybdenum porphyries, associated polymetallic skarn and epithermal gold deposits.

PNG is recognised as being highly prospective and the Company is targeting copper+/- gold +/-molybdenum porphyries and intrusive related epithermal gold deposits in the Papuan Fold Belt.

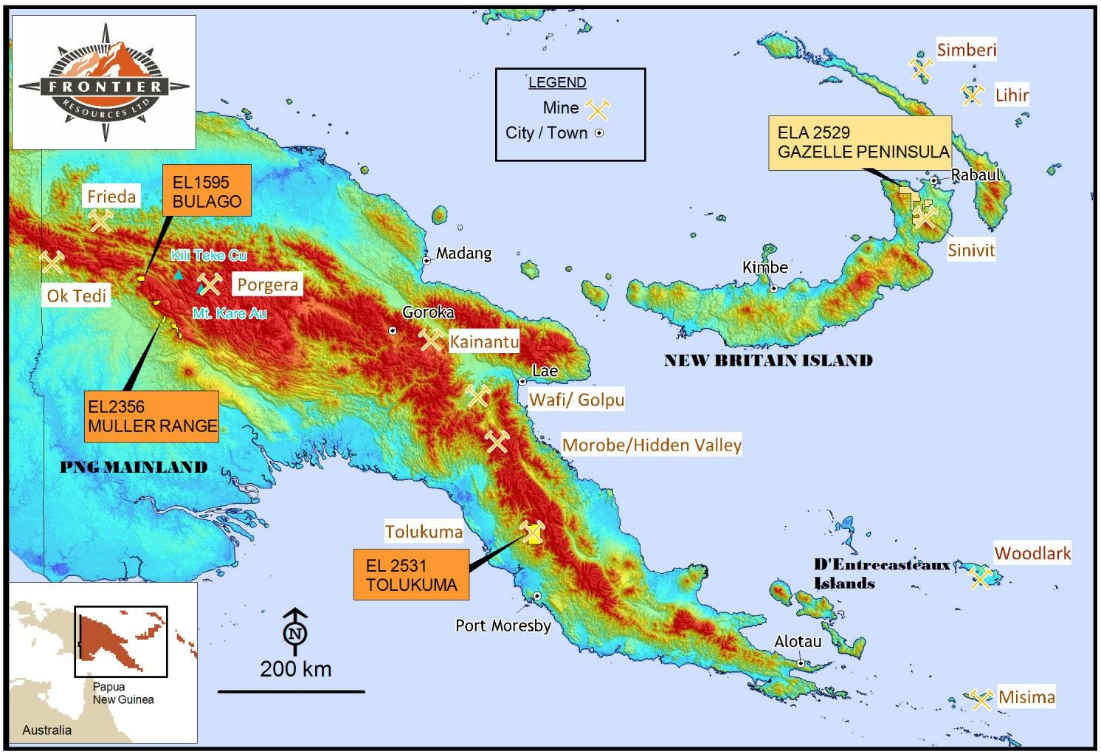

Figure 1: Projects Location Map

Tolukuma Project (EL 2531)

The Tolukuma Project covers covers 441.72 sq.km (**Figure 2**) located 70km North of the Capital Port Moresby and accessible by air or walking trail. The nearest all weather road is to Kubuna, 20km west of the tenement which runs along the south coast to the National capital Port Moresby. Fane and Woitape airstrips have proven useful for heavier cargoes.

Frontier's tenement totally surrounds, but excludes, the Tolukuma gold Mining Lease ML104 and the start-up and development infrastructure at the mine makes Frontier's tenement highly prospective for gold deposits. The Tolukuma gold mine contains high grade, narrow epithermal veins with a long history of having its gold reserves continuously extended.

Airborne geophysical magnetic data has now been remodelled in three dimensions and will be interpreted in a second data review phase to better define the sub-surface geology and gold target areas.

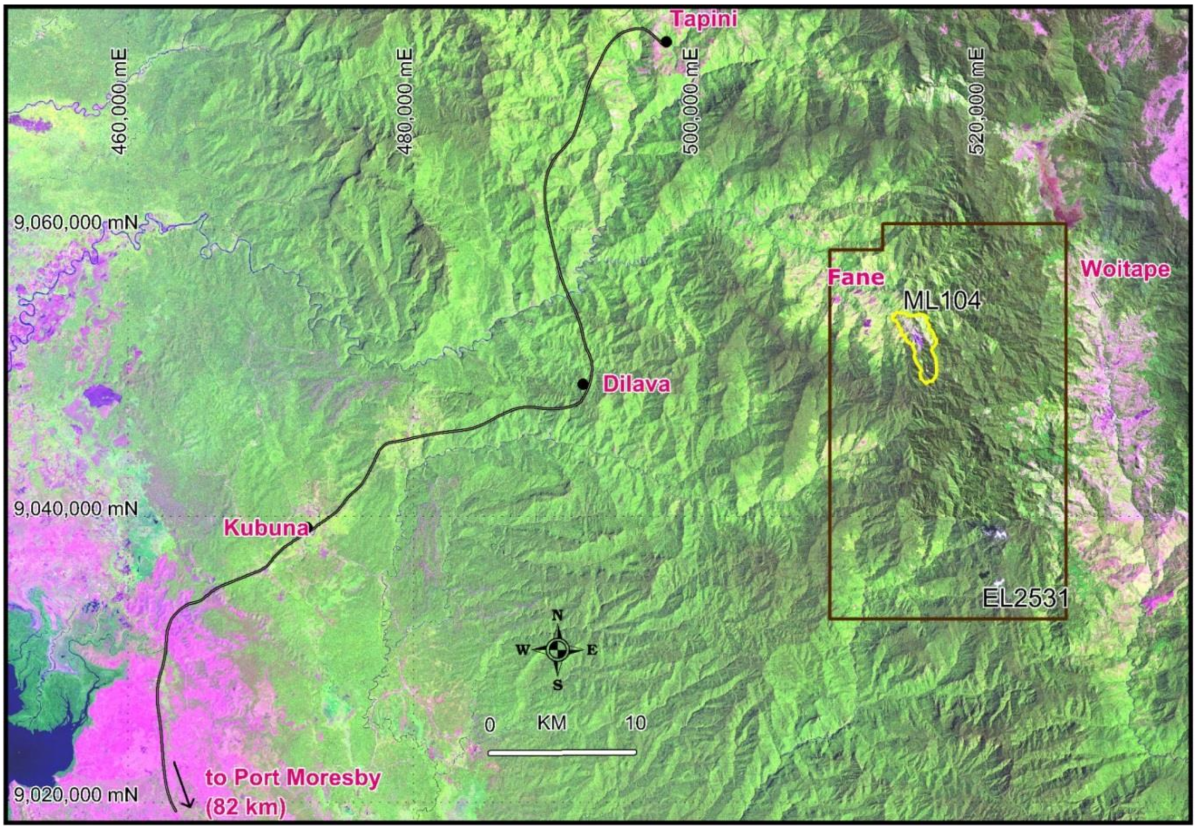

Figure 2: Location Map of Tolukuma Project

In 1989 Newmont Pty Ltd explored outside the then known Tolukuma resource further to the east of the current mining lease ML104 and within the now Frontier owned EL2531. Their rationale was to define additional resources and the subsequent favourable effect on the economics of the Tolukuma resource. Trenching and outcrop rock sampling was conducted over newly located veins at Saki, Kimono and Soju-Sindove.

The most significant results were:

1. Saki Vein: **5.4m at 8.7 g/t Au**, **8.5m at 1.5 g/t Au**, **3.15m at 4.4 g/t Au** and **1m at 32.5 g/t Au**;
2. Soju-Sindove: **2m at 5.3 g/t Au**, **2.5m at 4.35 g/t Au** and **1,750 g/t Au** in rock float including **1m at 22.3 g/t Au** in the nearby Salat Vein 500m to the north; and
3. Kimono Vein: **6.1m at 3.14 g/t Au** and **2m at 12.3 g/t Au**.

Stream sediment anomalies Auga Stream and Angu (Figure 3) will require additional follow-up soil sampling.

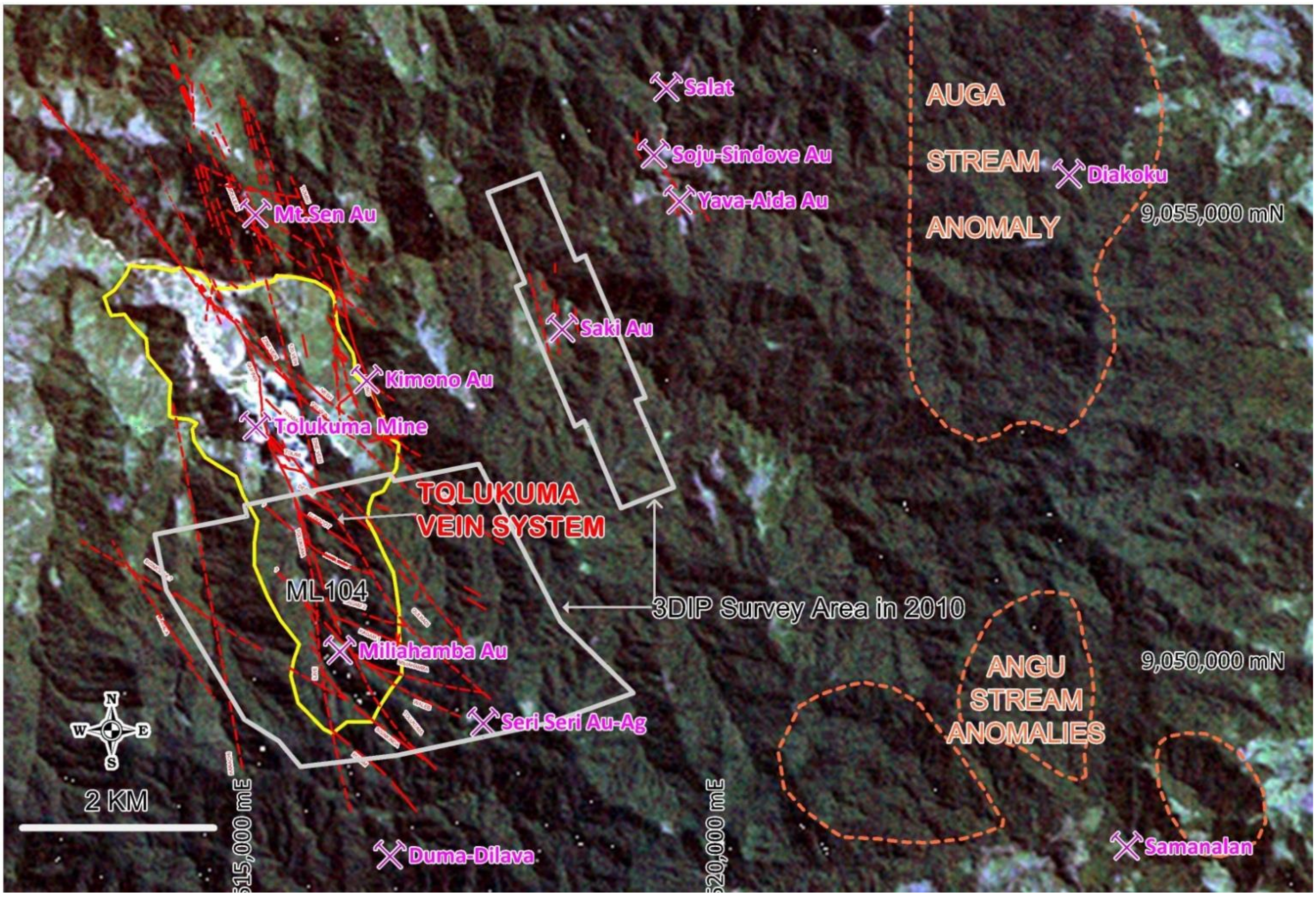

Figure 3: EL 2531 Near Mine Prospects and Location of 3DIP Survey

During the period the Tolukuma exploration licence was granted to the Company by the Mining Resources Authority (PNG) for a two year term effective 25 February 2019. Within the EL2531 tenement, occur numerous project areas including the Saki epithermal gold-silver deposit, two kilometres east of the Tolukuma mine system. Saki has been extensively drilled with 47 diamond holes with 5398m of core completed with three dimensional IP ground geophysics completed in 2010.

Other designated projects within EL2531 include Soju-Sindo (Au), 4km northeast of the mine and the Kimono (Au) system on the boundary of the Mining Lease. Another eight additional prospects and eleven airborne geophysical targets (Thorium anomalies) occur within the EL.

Given the proximity of EL2531 to the existing Tolukuma gold mine and its significant historical gold grades within and surrounding the Mining Operations, Frontier will focus on exploring the known prospects within the Tolukuma tenement while continuing to seek joint venture funding on its two other projects in the PNG Highlands at EL1595 (Bulago) and EL2356 (Muller Range).

Subsequent to the Period on 5 September 2019 Frontier advised it had completed its analysis of historical trench and drilling results at the SeriSeri and Kunda North gold prospects along the Taula and Taula North veins which occur over a 1,200m strike length (Figure 4). The Taula vein is a southern extension of the northwest trending Gulbadi structural corridor that extends 2.6 km from the Tolukuma mine into Frontier's tenement EL2531 (Figure 3).

Tolukuma Gold Mines (at the time owned by Durban Roodepoort Deep Ltd from South Africa) completed over 53 trenches which were dug and sampled with an objective to find additional gold resources for the mine within ML104. The Taula vein can be accessed by 4WD along the Miliamba haulage road and then half hour walk along tracks.

In October 2002, sampling of a brecciated and sheared quartz vein clast 1m wide within clay shears returned grades of **29.4 g/t** and **33.1 g/t Au** at the Taula North vein (Figure 4). Follow-up sampling returned a highest result of **332 g/t Au** with a general range between 1 g/t and 41 g/t Au. Elevated gold grades occur in dilation zones or flexures about 100 to 150m wide. The vein mineral assemblage of quartz +/- pyrite implied that the targeted area is higher up in a Tolukuma type mineralisation setting with further gold mineralisation at depth (Figure 4A).

High gold in trench results of **27.4, 42.9, 66.6, 1m @ 80.5, 118, 198.5 and 1,041.2 g/t gold** are from the first step-out trench SST01 along the Taula vein near the SeriSeri camp. It appears that the Taula vein structure is the same one that defines the Kunda North prospect and is generally 0.5 to 2m wide and up to 5m wide within zones of dilation. A breccia pipe (Figure 4A) may have influence in localising gold where quartz veinlets on the margins returned elevated gold values.

The Taula vein is exposed at trench SST01 where significant amounts of visible free gold is associated with the inner silica/quartz core, consisting of:

i) A crackly brecciated, vuggy, strongly silicified and oxidised/leached breccia with milky white massive quartz infilling the cracks; and

ii) Massive milky white amorphous vuggy quartz with a later grey to crystal clear comb banded quartz specie that infill cracks and vugs. Free gold occurs on the margins and/or within the vuggy quartz.

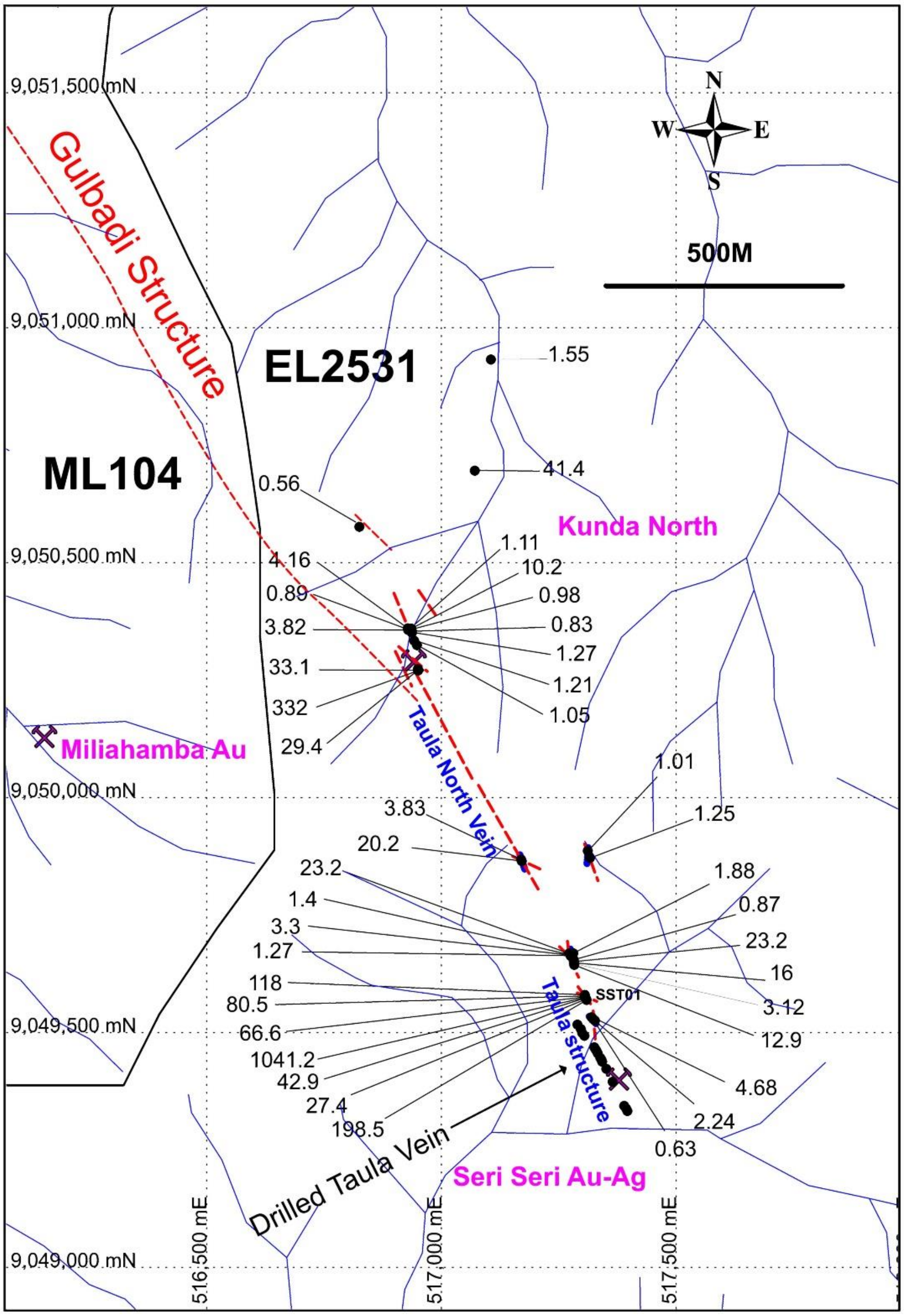

Figure 4: Map Showing Location of Taula Vein Trench Results

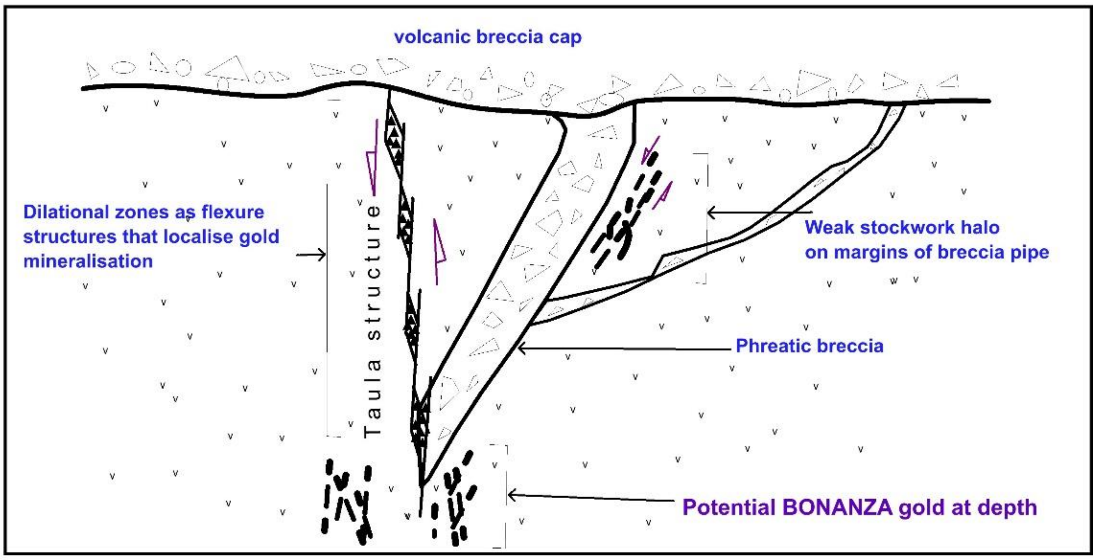

Figure 4A: Taula Vein Conceptual Cross-Section Model

In 2003, a follow-up diamond drilling program targeted trench results (Figure 5) at the southern extent of the known Taula structure (Figure 6) was conducted. A total of 13 drillholes (SSD001 to 13) targeted the Taula vein with a total of 851.90 metres drilled. An additional five drillholes (SSD014 to 18) targeted the adjacent Sisimonda vein system to the west with a total of 463.85 metres drilled.

Holes SSD001&2 in the southeast intersected the Taula vein near surface with SSD002 intersecting **6m @ 3.80g/t Au** from 18.5m downhole depth in milky white saccharoidal quartz veins. SSD003 intersected **3m @ 16.19g/t Au** at 23m downhole into the lower Taula vein.

Holes SSD004 to 007 were drilled form the same drill pad. SSD007 had three significant gold intersections at greater depths than the first three holes including **0.75m @ 10.1g/t Au** from 45.7m, **3.9m @ 2.63 g/t Au** from 54.4m and **0.75m @ 7.5g/t Au** from 60.35m into two Taula veins and the lower Seri Seri vein of brecciated milky white quartz with blebs of marcasite, pyrite and cinnabar.

Holes SSD008 and 009 were completed from the same drill pad a further 32m northwest intersecting **5.3m @ 7.19m g/t Au** from 37.6m and **2m @ 5.28g/t Au** from 76.5m downhole depths in brecciated quartz veins. These deeper depths of gold intercepts demonstrate that the Taula structure is mineralised throughout multiple veins dipping to the northwest along strike (See long section in Figure 5).

Hole SSD010 intersected the massive quartz upper Taula vein at 31.1m depth with **1.7m @ 12.55g/t Au**. From the same drill pad hole SD011 intersected the lower Taula vein at 66m downhole depth with **4.2m @ 8.47 g/t Au**.

Drillholes furthest to the northwest SSD012&013 intersected the upper and lower Taula veins and also the deeper massive quartz vein at 71.7m downhole in SDD013.

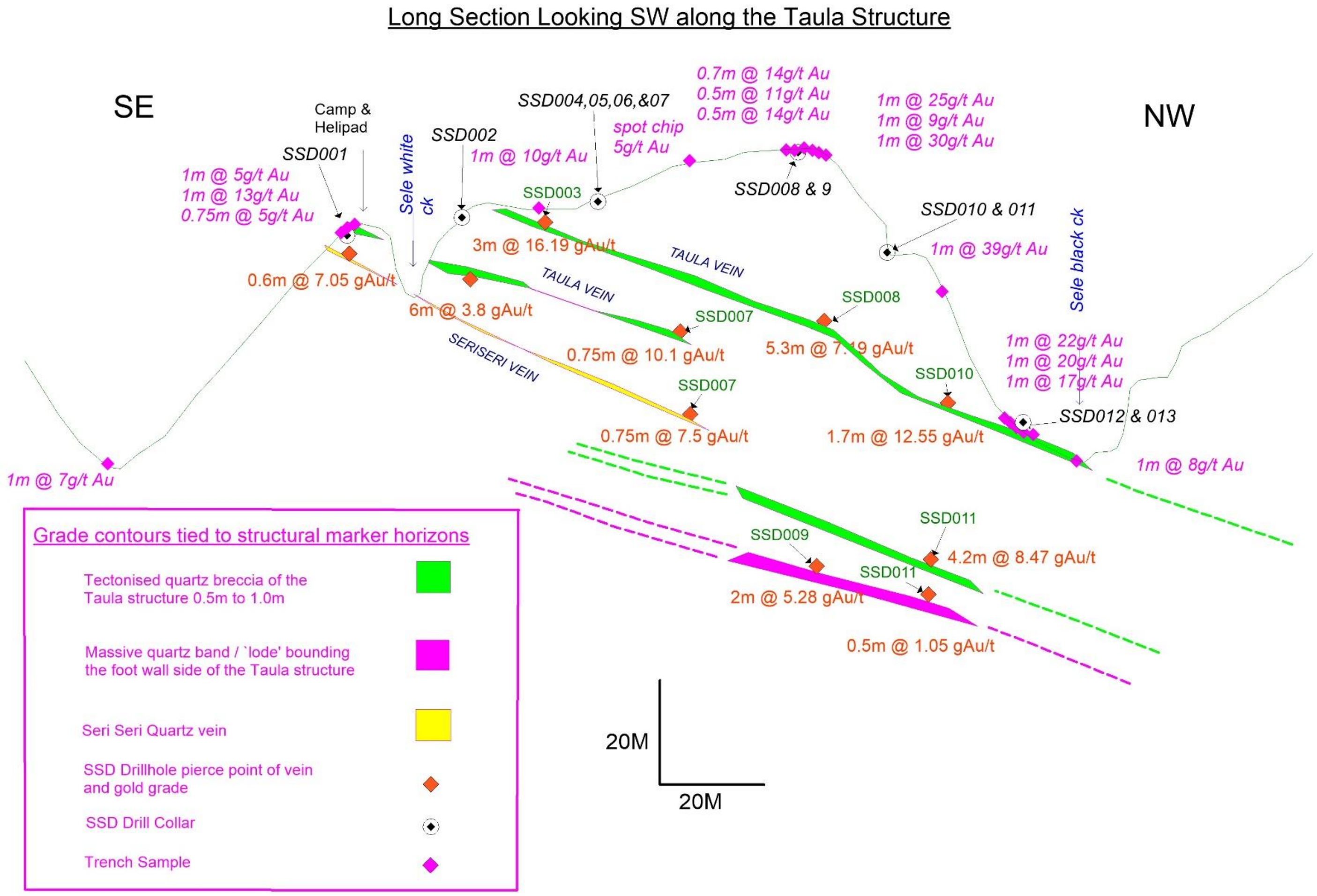

Figure 5: Taula Structure Long Section (SDD001 to 013)

It was concluded that additional trench sampling and mapping was required along the Taula north extension area ahead of additional drilling along the Taula structure to determine further extents of gold mineralisation at depth.

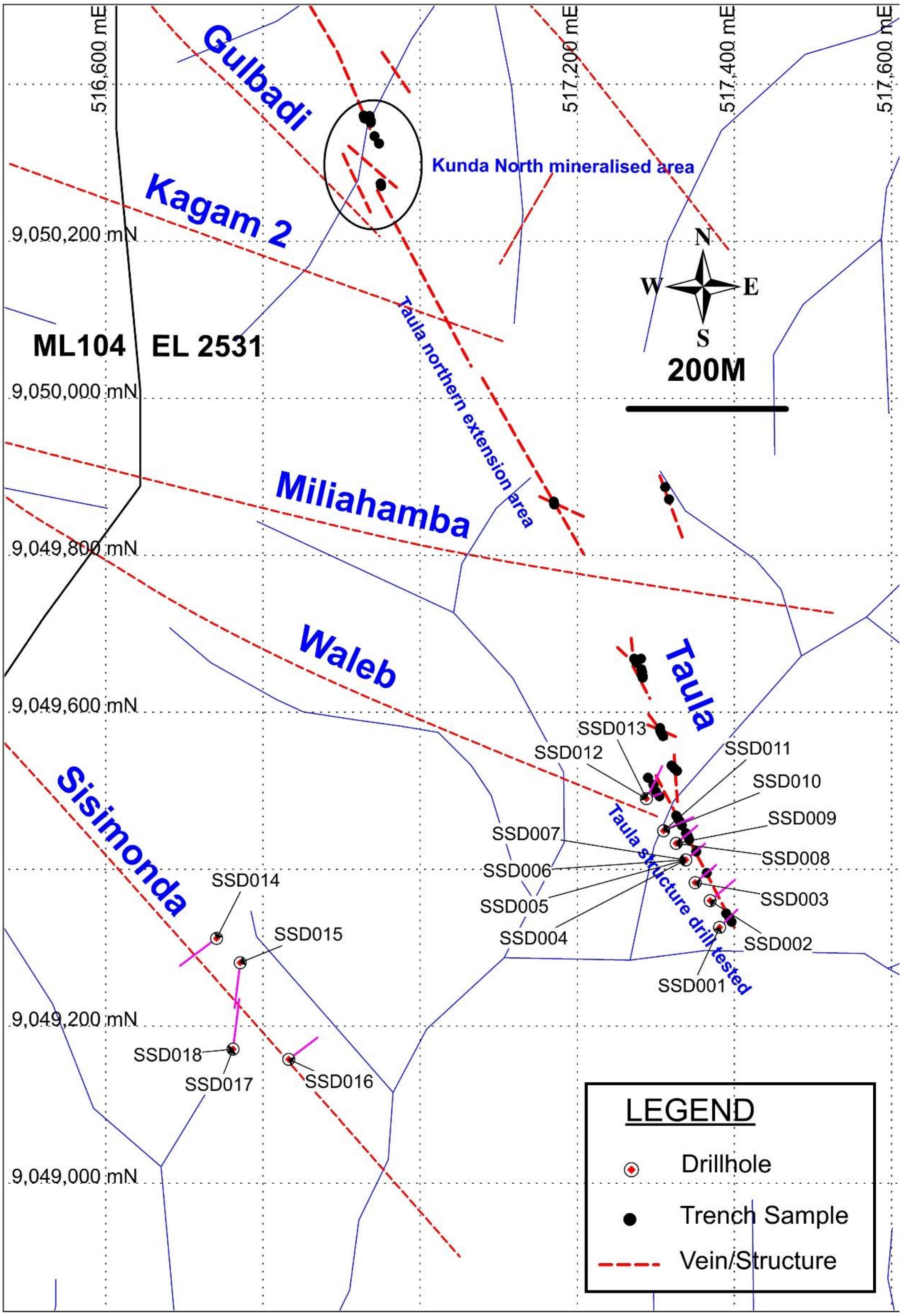

Figure 6: Taula and Sisimonda Vein Drillhole Locations

The Sisimonda structure is a continuation of the Tolukuma structure to the north and parallels the Taula structure 600m to the east (Figure 6). It was tested with five drill holes (SSD014 to 018) for a total of 463.85m drilled. SSD015 intersected **1m @ 0.84g/t Au** from 56.4m depth and the last 1m of the hole ended in mineralisation at 86.7m with **1m @ 3.1g/t Au**. SSD016 also intersected four zones of gold mineralisation with the best intercept of **3.7m @ 1.9g/t Au** from 16.4m downhole depth.

The Taula and Sisimonda vein system drilling results demonstrate the prospective nature of structures immediately adjacent to the south and eastern boundaries of the mining lease ML104.

Muller EL 2356
During the Period the renewal processes for the tenement was completed as required by the Mining Advisory Council in PNG for a further two-year term with effect from 31 December 2017.

EL 2356 has targets including two known porphyry occurrences at Lower Tingi Valley and Baia, a possible high sulphidation intrusive related gold prospect with a likely buried porphyry copper-gold-molybdenum target at Cecelia, and copper in stream anomalies in the structural zone at the Mt.Sisa volcanic centre. The tenement is split into three separate areas: Northern Tingi Block, Central Baia Block and Southern Cecelia Block (Figure 6). Frontier has designed a fieldwork program to collect soil sampling over a 100Ha grid at the Lower Tingi Valley Prospect over historical gold and base metal anomalous ridge-and-spur soil sampling.

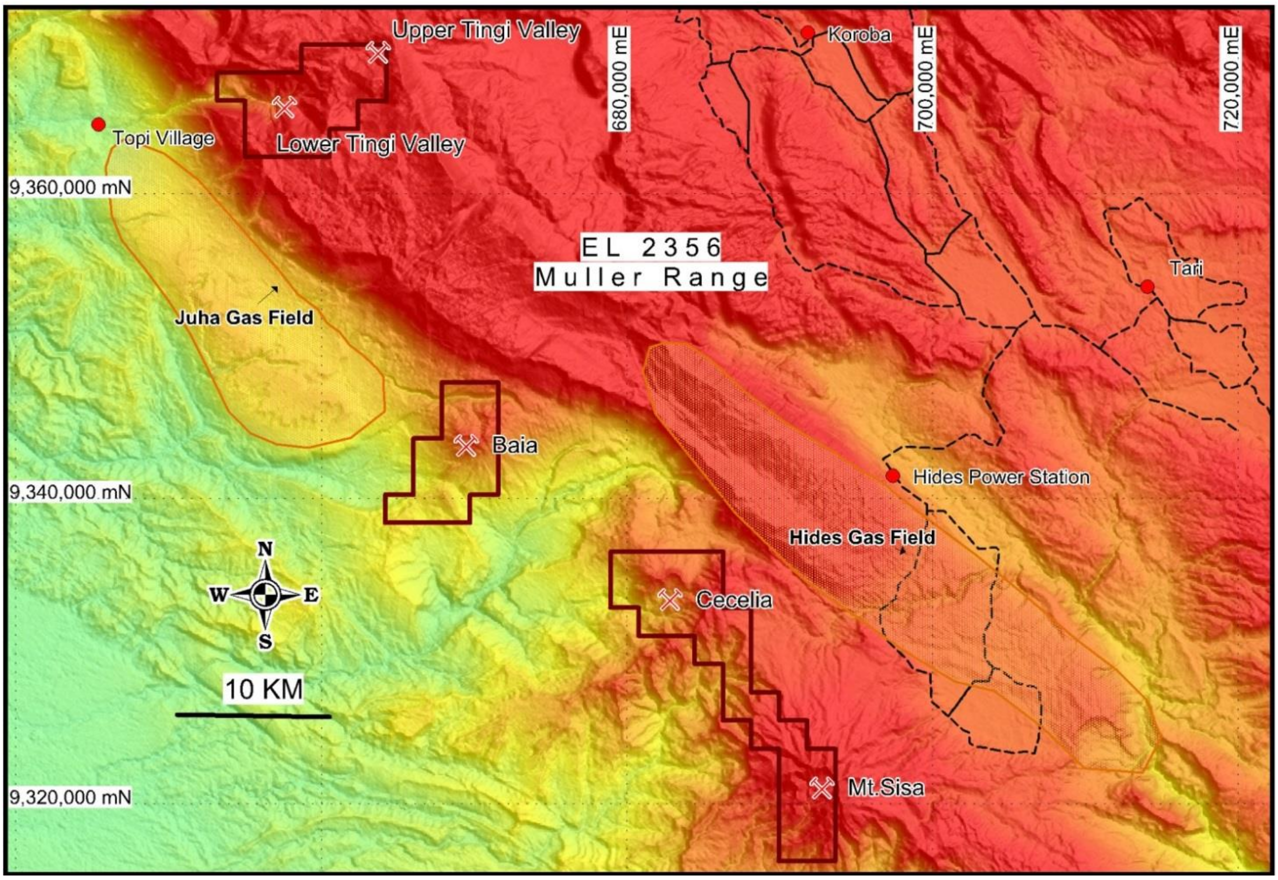

Figure 6: EL 2356 Muller Range Digital Topography Image

Bulago EL 1595
During the Period the renewal processes for the tenement was completed as required by the Mining Advisory Council in PNG for a further two-year term with effect from 7 July 2018.

Newly defined circular volcanic structures on the Company's EL1595 Bulago copper-gold-molybdenum project (Figure 7) form part of larger targets including the 1.8 km wide x 2.5 km long Idawe-Bulago porphyry intrusive complex which has been partly drill tested with nine historical diamond drillholes for 3,103 metres. Styles of mineralisation on the tenement include high grade epithermal gold, large scale porphyry copper-gold-molybdenum and polymetallic skarn mineralisation associated with the contact of intrusives and overlying limestones.

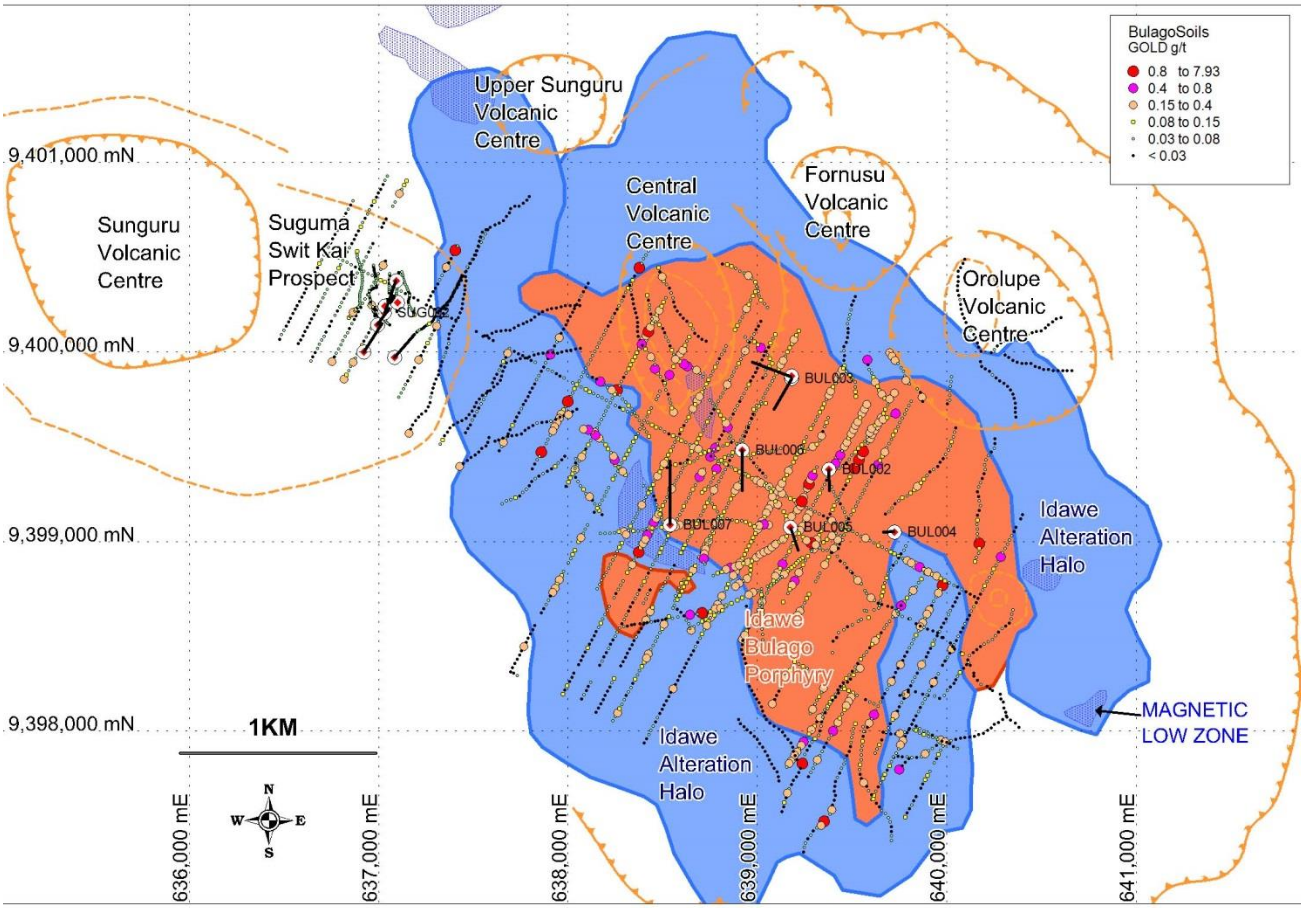

Figure 7: Gold in Soil Geochemistry over the Idawe-Bulago Porphyry Complex (refer ASX announcement 20 February 2019 for further information)

Competent Person Statement:
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 Swiridiuk - Member of the Aust. Inst. of Geoscientists. Peter Swiridiuk is a Technical Consultant and Non-Executive Director for Frontier Resources. Peter Swiridiuk 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 Swiridiuk consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Additionally, Mr Swiridiuk confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

Frontier Resources Ltd Exploration Licence Information

Exploration Licence Number and Name	Ownership	sub-blocks	AREA (sq.km)*	Grant Date	Expiry Date
EL 1595 - Bulago	100% Frontier Gold PNG Ltd	22	74.87	07-Jul-08	06-Jul-20
EL2356 - Muller Range	100% Frontier Copper PNG Ltd	56	190.46	31-Dec-15	30-Dec-19
EL2351 - Tolukuma	100% Frontier Copper PNG Ltd	130	441.72	25-Feb-19	24-Feb-21
ELA2529 - Gazelle	*100% Frontier Copper PNG Ltd*	*211*	*719.51*	*N/A*	*N/A*
	Total of Granted EL's	208	707.05		

*1 sub-block approx. 3.41 sq.km

NB: The PNG Mining Act-1992 stipulates that EL's are granted for a renewable 2 year term (subject to satisfying work and expenditure commitments) and the PNG Government maintains the right to purchase up to 30% project equity at "Sunk Cost" if/when a Mining Lease if granted.

Board Changes

Subsequent to the Period on 3 July 2019 Frontier advised that Mr Nathan Lude had been appointed Non-Executive Chairman of Frontier. Mr Lude has broad experience working in Asset Management, Mining and the Energy Industry. He operates an advisory firm, Advantage Management Pty Ltd and works with private and public companies, focused on enhancing business growth and development through introducing new project opportunities, investors and financing.

Subsequent to the period on 5 July 2019 Frontier advised that Mr Alec Pismiris had been appointed Non-Executive Director of Frontier. Mr Pismiris is currently a director and company secretary for several ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris is a director of Pacton Gold Inc., a company listed on the TSX Venture Exchange, where he is engaged as Interim President and Chief Executive Officer.

The Company further advised that Mr Yun Wei (Fenix) Dong and Mr Fei Peng had resigned from the Board of Frontier.

Sell Down by Forise Investments Sydney

On 27 June 2019 the Company advised it had been informed that Forise Investment Sydney Pty Ltd (ACN 609 955 964) (**Forise**) had sold 309,294,903 shares in the Company. The sales were effected as a block trade to several new shareholders. The sale represented approximately 92% of Forise's total shareholding in Frontier and represents approximately 63.24% of Frontier's total shares 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

Subsequent to the Period in July 2019 Frontier advised that Mr Nathan Lude and Mr Alec Pismiris had been appointed Non-Executive Directors of Frontier. In addition, the Company advised that Mr Yun Wei (Fenix) Dong and Mr Fei Peng had resigned from the Board of Frontier.

Other than the above no matter or circumstance has arisen since 30 June 2019 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.

ENVIRONMENTAL REGULATIONS

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

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

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

INFORMATION ON DIRECTORS

Director and Experience	Particulars of Directors' interest in shares and options of Frontier Resources Ltd: Ordinary Shares	Options
Nathan Lude (appointed 3 July 2019) **Non-Executive Chairman** Mr Lude has broad experience working in Asset Management, Mining and the Energy Industry. He operates an advisory firm, Advantage Management Pty Ltd and works with private and public companies, focused on enhancing business growth and development through introducing new project opportunities, investors and financing. Mr Lude is Executive Director for Pura Vida Energy NL and Non Executive Director for GTI Resources Limited	Nil	Nil
Alec Pismiris (appointed 5 July 2019) **Non-Executive Director** Mr Pismiris is currently a director and company secretary for several ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris is a director of Pacton Gold Inc., a company listed on the TSX Venture Exchange, where he is engaged as Interim President and Chief Executive Officer. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a Fellow of The Governance Institute of Australia. Mr Pismiris has over 30 years' experience in the securities, finance and mining industries and has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities. Mr Pismiris has a sound knowledge of ASX corporate governance guidelines, board processes and the regulatory environment in which public companies operate.	Nil	Nil
Peter Swiridiuk (appointed 1 December 2014) **Non-Executive Director** Peter Swiridiuk holds a 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.	Nil	Nil

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 has twelve years 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**
Paige McNeil[1]	1	1
Peter Swiridiuk	2	2
John Kirakar[2]	1	1
Fenix Dong[3]	2	2
Fei Peng[4]	2	-
Tony Hickey[5]	2	2
Alec Pismiris[6]	-	-
Nathan Lude[7]	-	-

1. Resigned 29 August 2018
2. Resigned 29 August 2018
3. Resigned 5 July 2019
4. Resigned 3 July 2019
5. Resigned 8 April 2019
6. Appointed 5 July 2019
7. Appointed 3 July 2019

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.

REMUNERATION REPORT (continued)

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.

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

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 $0.01 and $0.66 during the last five years, and at 30 June 2019 the price was $0.013.

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 has approved at the Company's Annual General Meeting on 25 November 2009.

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 19); and
- other remuneration such as superannuation.

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

REMUNERATION REPORT (continued)

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

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 2019 are set out in the following tables:

	Short-term employee benefits			Post-employment benefits		Share-based payment		
2019	**Cash salary and fees $**	**Cash bonus $**	**Non-Monetary benefits $**	**Super-annuation $**	**Retirement benefits $**	**Options* $**	**Shares $**	**Total $**
Executive Director								
Dong Yun Wei (i)	32,500	-	-	-	-	-	-	32,500
Non-Executive Directors								
P.S. McNeil (ii)	9,233	-	-	-	-	-	-	9,233
P. Swiridiuk	123,582	-	-	-	-	-	-	123,582
John Kirakar (ii)	8,333	-	-	-	-	-	-	8,333
Peng Fei (iii)	25,250	-	-	-	-	-	-	25,250
Anthony Hickey (iv)	18,750	-	-	-	-	-	-	18,750
Total	217,648	-	-	-	-	-	-	217,648

(i) Resigned 5 July 2019
(ii) Resigned 29 August 2018
(iii) Resigned 3 July 2019
(iv) Resigned 8 April 2019

2018								
Executive Director								
P.A. McNeil (i)	60,418	-	-	-	-	-	67,202	127,620
Dong Yun Wei (ii)	1,000	-	-	-	-	-	-	1,000
Non-Executive Directors								
P.S. McNeil	22,728	-	-	-	-	-	-	22,728
P. Swiridiuk	33,620	-	-	-	-	-	-	33,620
John Kirakar	8,333	-	-	-	-	-	-	8,333
Peng Fei (ii)	833	-	-	-	-	-	-	833
Anthony Hickey (ii)	833	-	-	-	-	-	-	833
Total	127,765	-	-	-	-	-	67,202	194,967

(i) Resigned 6 March 2018
(ii) Appointed 19 June 2018

* Option value calculation using Black-Scholes Model.

REMUNERATION REPORT (continued)

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 *	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Dong Yun Wei	100%	100%	-	-	-	-
Peng Fei	100%	100%	-	-	-	-
Anthony Hickey	100%	100%	-	-	-	-
John Kirakar	100%	100%	-	-	-	-
P.A. McNeil	-	100%	-	-	-	-
P.S. McNeil	100%	100%	-	-	-	-
P. Swiridiuk	100%	100%	-	-	-	-

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

(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 19 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/ cancelled during the year	Financial year options vest	Range of possible values relating to future payments
Director	2 Dec 2014	2 Dec 2018	$0.22	$0.0078	Between 2 Dec 2014 and 2 Dec 2018	-	100%	2015	-
Director	21 Dec 2012	1 Nov 2018	$1.22	$0.0330	Between 21 Dec 2012 and 1 Nov 2018	-	100%	2013	-
Director	03 Nov 2016	20 Feb 2020	$0.034	$0.0287	Between 23 Nov 2016 to 20 Feb 2020	-	100%	2018	-
Employee	10 Feb 2018	30 Dec 2019	$0.03	$0.0158	Between 10 Feb 2018 to 30 Dec 2019	-	100%	2018	-

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 19 to the Financial Statements.

REMUNERATION REPORT (continued)

In the previous year on 4 December 2017 the Company advised that 500,000 unlisted options exercisable at $0.22 and expiring on 2 December 2017 had lapsed unexercised.

In the previous year on 23 May 2018 the Company advised that 2,800,000 unlisted options exercisable at 3 cents each expiring on 30th December 2019, and 2,000,000 unlisted options exercisable at 3.4 cents each expiring on 10th February 2020 had been cancelled by mutual agreement and for nil consideration.

(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.

(ii) Option holdings

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

2019 **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 -						
Paige McNeil[1]	-	-	-	-	-	-
Peter Swiridiuk	-	-	-	-	-	-
John Kirakar[1]	-	-	-	-	-	-
Fenix Dong	164,062,500	-	-	-	164,062,500	164,062,500
Fei Peng	164,062,500	-	-	-	164,062,500	164,062,500
Tony Hickey[2]	-	-	-	-	-	-
Total	**164,062,500**	**-**	**-**	**-**	**164,062,500**	**164,062,500**

1. Resigned 29 August 2018.
2. Resigned 8 April 2019.

REMUNERATION REPORT (continued)

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

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

2018 **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[1]	2,500,000	-	-	(2,500,000)	-	-
Paige McNeil[2]	2,500,000	-	-	(2,500,000)	-	-
Peter Swiridiuk[3]	500,000	-	-	(500,000)	-	-
John Kirakar[4]	100,000	-	-	(100,000)	-	-
Fenix Dong[5]	-	-	-	164,062,500	164,062,500	164,062,500
Fei Peng[6]	-	-	-	164,062,500	164,062,500	164,062,500
Tony Hickey[7]	-	-	-	-	-	-
Total	**3,100,000**	**-**	**-**	**160,962,500**	**164,062,500**	**164,062,500**

1. Resigned 6 March 2018. Options held by Peter McNeil and Paige McNeil are held in an entity jointly controlled by both Peter and Paige McNeil. As such the option holdings attributed to Paige and Peter include the options they jointly control.
2. Resigned 29 August 2018. On 23 May 2019 2,000,000 options were cancelled by mutual agreement and on 4 December 2018 the Company advised that 500,000 unlisted options exercisable at $0.22 and expiring on 2 December 2018 had lapsed unexercised.
3. Options cancelled by mutual agreement.
4. Resigned 29 August 2018. Options cancelled by mutual agreement.
5. Appointed 19 June 2018. Interest in options acquired following Forise Subscription Agreement.
6. Appointed 19 June 2018. Interest in options acquired following Forise Subscription Agreement.
7. Appointed 19 June 2018.

(iii) Share holdings

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.

2019	**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 -				
Paige McNeil[1]	15,939,517	-	(15,939,517)	-
Peter Swiridiuk	-	-	-	-
John Kirakar[2]	788,889	-	(788,889)	-
Fenix Dong	333,750,000	-	-	333,750,000
Fei Peng	333,750,000	-	-	333,750,000
Tony Hickey[3]	-	-	-	-
Total	**350,478,406**	**-**	**(16,728,406)**	**667,500,000**

1. Resigned 29 August 2018. Acquisition of 1,122,757 shares via off-market transfer.
2. Resigned 29 August 2018.
3. Resigned 8 April 2019.

REMUNERATION REPORT (continued)

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

2018	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[1]	14,816,760	-	1,122,757	15,939,517
Paige McNeil[2]	14,816,760	-	1,122,757	15,939,517
Peter Swiridiuk	-	-	-	-
John Kirakar[3]	788,889	-	-	788,889
Fenix Dong[4]	-	-	333,750,000	333,750,000
Fei Peng[5]	-	-	333,750,000	333,750,000
Tony Hickey[6]	-	-	-	-
Total	15,605,649	-	334,872,757	350,478,406

1. Resigned 6 March 2018. Acquisition of 1,122,757 shares via off-market transfer. Shares held by Peter McNeil and McNeil are held in an entity jointly controlled by both Peter and Paige McNeil. As such the shares holdings attributed Paige and Peter include the shares they jointly control.
2. Resigned 29 August 2018. Acquisition of 1,122,757 shares via off-market transfer.
3. Resigned 29 August 2018.
4. Resigned 5 July 2019.
5. Resigned 3 July 2019.
6. Resigned 8 April 2019.

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 (2018: Nil).

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

A former 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 2019 was $Nil owed to Exploration & Management Consultants Pty Ltd and accrued Non-Executive Director Fees of approximately Nil.

REMUNERATION REPORT (continued)

(g) Other transactions with Directors and other key management personnel (continued)

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

	2019 $	2018 $
Amounts recognised as expense		
Consulting fees:		
Administration	8,333	43,750
Exploration	900	120,300
Provision of office space	12,794	30,000
	22,027	194,050
Outstanding balance at year end	-	244,462

(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 affect 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.

Relationship between remuneration and the Group's performance

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

	2019	2018	2017	2016	2015
Loss for the year	$892,900	$726,546	$1,711,031	$641,520	$2,413,968
Closing Share Price	1.3 cents	1.3 cents	3.0 cents	3.0 cents	0.2 cents
KMP Incentives	$nil	$nil	$57,400	$nil	$78,000
Total KMP Remuneration	$217,648	$194,967	$481,596	$232,229	$521,552

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
19 June 2018	1 June 2020	$0.029	187,500,000
			187,500,000

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 2019, 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 24.

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.

	2019 $	2018 $
Assurance services		
Audit Services		
Moore Stephens Perth	25,274	29,033
Sinton Spence Chartered Accountants (PNG)	28,238	4,852
Total remuneration for audit and assurance services	53,512	33,885
Taxation and Accounting Services		
Moore Stephens Perth	4,750	7,050
Sinton Spence Chartered Accountants (PNG)	-	1,625
Total remuneration for taxation services	4,750	8,675

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.

Nathan Lude
Non-Executive Chairman

19 September 2019

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 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

Shaun Williams
Partner

Moore Stephens
Chartered Accountants

Signed at Perth this 19th day of September 2019

FINANCIAL REPORT – 30 JUNE 2019

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
Level 8, 99 St Georges Terrace
Perth WA 6000

Its registered office is:

Frontier Resources Ltd
Level 8, 99 St Georges Terrace
Perth WA 6000

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 19 September 2019. 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

FRONTIER RESOURCES LTD
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		$	$
Revenue from Continuing Operations			
Revenue	4	23,043	20,594
Other income	4	122,170	-
		145,213	20,594
Exploration expenditure	5	(109,631)	(355,355)
Administration and insurance expenses		(327,766)	(146,142)
Corporate compliance and shareholder		(34,011)	(65,555)
Gross employee benefit expense		(162,108)	(47,000)
Depreciation	9	(1,563)	-
Consultancy		(381,170)	(80,978)
Rent, consumables and communication	5	(12,794)	(32,500)
Impairment of receivables	5	-	(19,610)
Share based payments expense		(9,070)	-
Loss before income tax		(892,900)	(726,546)
Income tax expense/(benefit)	6	-	-
Loss after tax from continuing operations		(892,900)	(726,546)
Profit after income tax from discontinued operations		-	-
Loss for the year attributable to ordinary equity holders of Frontier Resources Ltd		(892,900)	(726,546)
Other comprehensive income			
Items that may be subsequently reclassified to profit or			
Movement in foreign currency translation		(8,116)	(12,554)
Other comprehensive income for the year		(8,116)	(12,554)
Total comprehensive loss for the year attributable to ordinary equity holders of Frontier Resources Ltd		(901,016)	(739,100)
Loss per share for the year attributable to members of Frontier Resources Ltd		**Cents**	**Cents**
Continuing operations		(0.18)	(0.66)
Discontinued operations		-	-
Total basic and diluted (loss) per share	15	(0.18)	(0.66)

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

	Notes	2019	2018
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	7	4,751,102	5,956,074
Trade and other receivables	8	26,372	31,518
Total Current Assets		4,777,474	5,987,592
Non-Current Assets			
Trade and other receivables	8	5,078	5,247
Plant and equipment	9	607	-
Total Non-Current Assets		5,685	5,247
Total Assets		4,783,159	5,992,839
LIABILITIES			
Current Liabilities			
Trade and other payables	10	99,121	358,057
Total Current Liabilities		99,121	358,057
Total Liabilities		99,121	358,057
Net Assets/(Liabilities)		4,684,038	5,634,782
EQUITY			
Contributed equity	13	39,219,988	39,269,716
Reserves	14	3,537,068	3,545,184
Accumulated losses	14	(38,073,018)	(37,180,118)
Total Equity/(Deficit)		4,684,038	5,634,782

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 2019

	Contributed Equity	Accumulated Losses	Share Based Payment Reserve	Options Premium	Foreign Currency Translation	Total
	$	$	$	$	$	$
Balance at 1 July 2017	32,733,828	(36,453,572)	3,939,885	179,640	(561,787)	(162,006)
Loss attributable to ordinary equity holders of Frontier Resources Ltd	-	(726,546)	-	-	-	(726,546)
Other comprehensive income -						
Foreign currency translation	-	-	-	-	(12,554)	(12,554)
Total comprehensive loss for the year	-	(726,546)	-	-	(12,554)	(739,100)
Transaction with owners, in their capacity as owners -						
Options issued during the year	-	-	-	-	-	-
Shares issued during the year, net of costs	6,535,888	-	-	-	-	6,535,888
Balance at 30 June 2018	39,269,716	(37,180,118)	3,939,885	179,640	(574,341)	5,634,782
Balance at 1 July 2018	39,269,716	(37,180,118)	3,939,885	179,640	(574,341)	5,634,782
Loss attributable to ordinary equity holders of Frontier Resources Ltd	-	(892,900)	-	-	-	(892,900)
Other comprehensive income -						
Foreign currency translation	-	-	-	-	(8,116)	(8,116)
Total comprehensive loss for the year	-	(892,900)	-	-	(8,116)	(901,016)
Transaction with owners, in their capacity as owners -						
Options issued during the year	-	-	-	-	-	-
Shares issued during the year, net of costs	(49,728)	-	-	-	-	(49,728)
Balance at 30 June 2019	39,219,988	(38,073,018)	3,939,885	179,640	(582,457)	4,684,038

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

	Note	2019	2018
		$	$
Cash Flows From Operating Activities			
Payments to suppliers and employees		(870,301)	(356,909)
Interest received		23,043	983
Payments to exploration expenditure		(293,174)	(168,892)
Net cash outflow from operating activities	**21**	**(1,140,432)**	**(524,818)**
Cash Flows From Investing Activities			
Payments for purchase of plant and equipment		(11,240)	-
Net cash inflow/(outflow) from investing activities		**(11,240)**	**-**
Cash Flows From Financing Activities			
Proceeds from the issue of shares		-	6,495,890
Payments for capital raising costs		(53,300)	(27,058)
Repayment of borrowings		-	(29,608)
Net cash inflow from financing activities		**(53,300)**	**6,439,224**
Net increase/(decrease) in cash and cash equivalents		**(1,204,972)**	**5,914,406**
Cash at 1 July		5,956,074	41,714
Effect of exchange rates on cash holdings in foreign currencies		-	(46)
Cash at 30 June	**7**	**4,751,102**	**5,956,074**

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).

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 23.

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 22.

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 unrealized 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 recognizes 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, recognizing 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Principles of consolidation (continued)

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.

Fair value premeasurements 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 acquire 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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) 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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Employee benefits (continued)

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 realizable 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 9.50% 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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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).

(i) 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.

(j) 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Income tax (continued)

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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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.

(p) 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.

(q) Comparative Figures

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

– AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 July 2018).
– AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 July 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).
– AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The impact of adopting these standards has resulted in a change in accounting policies (highlighted at (t) below) and no impact on the opening balance sheet as at the date of initial application of the standard.

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 company.

(s) New Accounting Standards for Application in Future Periods

AASB 16 Leases:

AASB 16: Leases (issued February 2016) will supersede the existing lease accounting requirements in AASB 117: Leases and the related Interpretations from its application date of 1 July 2019. It introduces a single lessee accounting model by eliminating the current requirement to distinguish leases as either operating leases or finance leases depending on the transfer of risks and rewards of ownership.

The key requirements of AASB 16 are summarised as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components, instead accounting for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. The Group is likely to apply the latter option in which case comparative information shall not be restated.

The Group has assessed the full impact of the Standard and assuming no significant changes to its existing lease arrangements expects to not recognise any Right of Use Asset and Lease Liability in the consolidated balance sheet.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

  A financial liability is measured at fair value through profit and loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Financial Instruments (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;

it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Financial Instruments (continued)

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3:Business Combinations applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Derivative financial instruments

The Group enters into various derivative financial instruments (ie foreign exchange forward contracts and interest rate swaps) to manage its exposure to interest rate and foreign exchange rate risks.

Derivative financial instruments are initially and subsequently measured at fair value. All gains and losses subsequent to the initial recognition are recognised in profit or loss.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Financial Instruments (continued)

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Group measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Financial Instruments (continued)

Evidence of credit impairment includes:
- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach
If a financial asset is determined to have low credit risk at the initial reporting date, the Group assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Group applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:
- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements
At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

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:

	2019 AUD	2019 Kina	2018 AUD	2018 Kina
Foreign currency assets and liabilities				
Cash and cash equivalents	700	1,705	1,608	3,990
Trade and other receivables	-	-	-	-
Prepayments	-	-	2,567	6,370
Intercompany loans payable	(16,826,562)	(40,990,807)	(16,336,103)	(40,536,236)
Trade and other payables	(2,640)	(6,431)	(2,122)	(5,266)

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

(ii) 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:

2019	**Floating Interest Rate**	**Non-interest bearing**	**Total**
	$	**$**	**$**
Financial assets			
Cash and cash equivalents	4,751,102	-	4,751,102
Trade and other receivables	-	26,372	26,372
Prepayments	-	-	-
	4,751,102	26,372	4,777,474
Weighted average interest rate	0.430%		
Financial liabilities			
Trade and other payables	-	99,121	99,121
	-	99,121	99,121
Net financial assets	4,751,102	(72,749)	4,678,353

2018	**Floating Interest Rate**	**Non-interest bearing**	**Total**
	$	**$**	**$**
Financial assets			
Cash and cash equivalents	5,956,074	-	5,956,074
Trade and other receivables	-	31,518	31,518
Prepayments	-	-	-
	5,956,074	31,518	5,987,592
Weighted average interest rate	0.033%		
Financial liabilities			
Trade and other payables	-	358,057	358,057
	-	358,057	358,057
Net financial assets	5,956,074	(326,539)	5,629,535

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

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.

	2019 $	2018 $
Net financial assets subject to variable interest rates	4,751,102	5,956,074
Increase in profits resulting from a 1% pa increase in variable interest rates	47,511	59,561
Decrease in profits resulting from a 1% pa decrease in variable interest rates	(47,511)	(59,561)

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.

	2019 $	2018 $
Decrease in other comprehensive income resulting from a 10% increase in Australian Dollar against the Kina	(766)	(1,185)
Increase in other comprehensive income resulting from a 10% decrease in Australian Dollar against the Kina	(766)	(1,185)

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 $5,077 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.

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The maximum exposure to credit risk is as follows:

	2019 $	2018 $
Current Assets:		
Cash and cash equivalents	4,751,102	5,956,074
Trade and other receivables	26,372	31,518
Non-Current Assets:		
Trade and other receivables	5,078	5,247
	4,782,552	5,992,839

(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.

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

	2019 $	2018 $
Cash and cash equivalents	4,751,102	5,956,074
Trade and other receivables	26,372	31,518
Trade and other payables	(99,121)	(358,057)
	4,678,353	5,629,535

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 2019 and carried out a review of the recoverable amount of its plant and equipment. An impairment loss of Nil (2018: $19,611) has been recognized 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 19.

	2019 $	2018 $
NOTE 4 REVENUE AND OTHER INCOME		
From continuing operations		
Gain on sale of Asset	-	19,611
Interest – unrelated parties	23,043	983
Other income:		
Debtor forgiveness	122,170	-
Total Revenue	145,213	20,594

NOTE 5 EXPENSES AND SIGNIFICANT ITEMS

Depreciation of plant & equipment	1,563	-
Office rental	12,794	32,500
Significant Items		
Exploration and evaluation expenditure	109,631	335,744
Impairment of receivables	-	19,610

NOTE 6: INCOME TAX EXPENSE

	2019 $	2018 $
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	(892,900)	(726,546)
Prima facie tax benefit on loss from continuing operations at 30% (2018: 30%)	(267,870)	(217,964)
Add / (less) tax effect of:		
- Revenue losses not recognised	188,719	76,563
Capital losses not recognised		
- Other non-allowable items	118,881	141,865
	39,730	464
Less tax effect of:		
- Other non-assessable items	36,650	-
- Other deferred tax balances not recognised	3,080	464
Income tax expense / (benefit) recorded in Statement of Profit and Loss and Other Comprehensive Income	-	-
c. Unrecognized deferred tax assets at 30% (2018: 30%) (Note 1):		
Carry forward revenue losses	4,056,646	3,904,577
Carry forward capital losses	529,850	529,850
Financial assets	298,810	298,810
Other	9,584	8,188
	4,894,890	4,741,425

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 1 - Reduction in corporate tax rate

The corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realized or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

NOTE 7 CASH AND CASH EQUIVALENTS	2019 $	2018 $
Cash at bank and on hand	4,751,102	5,956,074
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	4,751,102	5,956,074
Bank deposits at call	-	-
Cash on hand	-	-
Cash and cash equivalents	4,751,102	5,956,074

Cash at bank earns an interest rate of 0.5% (2018: 0.5%). 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		
Prepayments	-	-
Other receivables (a)	26,372	31,518
	26,372	31,518
NON-CURRENT		
Deposits – tenements and premises (b)	5,078	5,247

(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.

No receivables were past due but not impaired.

NOTE 9 PLANT AND EQUIPMENT

Plant and equipment		
Plant and equipment at cost	2,656,571	2,602,778
Less accumulated depreciation	(2,175,223)	(2,131,674)
Less impairment charges of property plant and equipment	(480,741)	(471,104)
Carrying amount at the end of the financial year	607	-

Reconciliation

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

Carrying amount at the beginning of the financial year	-	-
Depreciation expense	-	-
Impairment of carrying values	-	-
Foreign currency exchange differences	-	-
Carrying amount at the end of the financial year	-	-

	2019 $	2018 $
NOTE 10 TRADE AND OTHER PAYABLES		
CURRENT		
Trade and sundry creditors (a)	83,121	339,390
Accrued expenses	16,000	18,667
	99,121	358,057

(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. The loan from a Director is non-interest bearing.

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

NOTE 11 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.

Outstanding obligations are not provided for in the accounts and are payable:

	2019 $	2018 $
Not later than 1 year	415,000	95,000
Later than 1 year but not later than 5 years	585,000	86,000
Any greater than 5 years	-	-
	1,000,000	181,000

NOTE 12 CONTINGENT LIABILITIES

The Group had no contingent liabilities at 30 June 2019 (2018: nil).

NOTE 13 CONTRIBUTED EQUITY

	2019 Shares	2018 Shares	2019 $	2018 $
(a) Paid Up Capital				
Ordinary shares – fully paid of no-par value	489,101,938	489,101,938	39,219,988	39,269,716

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 13 CONTRIBUTED EQUITY (continued)

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

Date	Details	Number of Shares	Issue Price $	$
30 Jun 2017	Closing Balance	80,400,916		32,733,828
	Shares issued	23,875,897	0.017	405,890
		3,125,000	0.016	50,000
		4,200,125	0.016	67,202
		371,875,000	0.016	5,950,000
		5,625,000	0.016	90,000
	Share capital raising costs			(27,204)
30 June 2018	Closing Balance	489,101,938		39,269,716
	Share capital raising costs			(49,728)
30 June 2019	Closing Balance	489,101,938		39,219,988

(c) Options

	No. of Options 2019	No. of Options 2018
The number of unissued ordinary shares relating to options not exercised at year end:		
- Non-transferable options exercisable on or before 1 June 2020 at 2.9 cents	187,500,000	187,500,000
	187,500,000	187,500,000

(d) Option Issues

On 31 May 2018 the Company issued 187,500,000 unlisted options as free-attaching options to a placement. These options were issued pursuant to shareholder approval at the Extraordinary General Meeting held on 15 May 2018 and are fully vested. The options are exercisable at $0.029 with an expiry date of 1 June 2020.

(e) Option Exercise

During the financial year nil options were exercised.

(f) Option Expiry

During the financial year the no options expired unexercised.

NOTE 13 CONTRIBUTED EQUITY (continued)

(g) Option Cancellation and Lapse

On 4 December 2017 the Company advised that 500,000 unlisted options exercisable at $0.22 and expiring on 2 December 2017, and 900,000 unlisted options exercisable at $1.22 and expiring 1 November 2017 had lapsed unexercised.

On 23 May 2018 the Company advised that 2,800,000 unlisted options exercisable at 3 cents each expiring on 30th December 2018, and 2,000,000 unlisted options exercisable at 3.4 cents each expiring on 10th February 2020 had been cancelled by mutual agreement and for nil consideration.

(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 2019 and 30 June 2018 was as follows:

	2019 $	2018 $
Cash and cash equivalents	4,751,102	5,956,074
Trade and other receivables	26,372	31,518
Prepayment	-	-
Trade and other payables	(99,121)	(358,057)
Working capital position	4,678,353	5,629,535

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

Refer to note 2 for Financial Risk Management.

NOTE 14 RESERVES AND ACCUMULATED LOSSES

	2019 $	2018 $
(a) Reserves		
Share based payment reserve	3,939,885	3,939,885
Options premium reserve	179,640	179,640
Foreign currency translation reserve	(582,457)	(574,341)
	3,537,068	3,545,184
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	179,640	179,640
Options issued	-	-
Balance 30 June	179,640	179,640
Foreign currency translation reserve		
Balance 1 July	(574,341)	(561,787)
Currency translation differences arising during the year	(8,116)	(12,554)
Balance 30 June	(582,457)	(574,341)

(b) Accumulated losses

Movements in accumulated losses were as follows:

	2019 $	2018 $
Balance 1 July	(37,180,118)	(36,453,572)
Net loss for the year	(892,900)	(726,546)
Balance 30 June	(38,073,018)	(37,180,118)

(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.

	2019 $	2018 $
NOTE 15 LOSS PER SHARE ("EPS")		
Earnings per share from continuing operations Loss after income tax	(892,900)	(726,546)
Weighted average number of shares used in the calculation of the basic EPS.	489,101,938	110,684,561
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.	187,500,000	187,500,000
Basic and diluted loss per share	0.18 cents	0.66 cents
Earnings per share from discontinued operations Profit after income tax		-
Weighted average number of shares used in the calculation of the basic EPS.	489,101,938	110,684,561
The number of potential ordinary shares relating to options not exercised at the end of the year.	187,500,000	187,500,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	489,101,938	110,684,561
Basic earnings per share	-	-
Diluted earnings per share	-	-

NOTE 16 DIVIDENDS

There were no dividends paid or recommended during the financial year ended 30 June 2019 (2018: nil).

NOTE 17 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 22.

Other related parties

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

NOTE 18 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 2019.

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

	2019 $	2018 $
Short term employee benefits	217,648	194,967
Post-employment benefits	-	-
Share based payments	-	-
	217,648	194,967

NOTE 19 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 2019 (2018: $nil).

- 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.

NOTE 19 SHARE-BASED PAYMENTS (continued)

- In the event of any reconstruction, including a consolidation, sub-division, reduction or return of the issued capital of the Company prior to the expiry date, the number of options to which each holder is entitled or the exercise price of the options or both will be reconstructed as appropriate in a manner which is in accordance with the Listing Rules then applying. This would not result in any benefits being conferred on option holders which are not conferred on shareholders, subject to such provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstruction of capital, but in all other respects the terms of exercise of the options will remain unchanged.
- 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
2019							
31 May 2018	1 June 2020	$0.029	187,500,000	-	-	-	187,500,000
			187,500,000	-	-	-	187,500,000
Weighted average remaining contracted life of options (Years)							0.92 Years
Weighted average exercise price							$0.029

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
2018							
21 Dec 2012	1 Nov 2018	$1.220	900,000	-	-	(900,000)	-
28 Nov 2014	2 Dec 2017	$0.220	500,000	-	-	(500,000)	-
03 Nov 2016	20 Feb 2020	$0.034	2,800,000	-	-	(2,800,000)	-
10 Feb 2018	30 Dec 2019	$0.03	2,000,000	-	-	(2,000,000)	-
31 May 2019	1 June 2020	$0.029	-	187,500,000	-	-	187,500,000
			6,200,000	187,500,000	-	(6,200,000)	187,500,000
Weighted average remaining contracted life of options (Years)							1.92 Years
Weighted average exercise price							$0.029

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.

NOTE 19 SHARE-BASED PAYMENTS (continued)

(b) Frontier Resources Ltd Directors and Employee 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.

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, employee or 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 or share based payment expense were as follows:

	2019 $	2018 $
Options issued under directors & employee option plan	-	-

NOTE 20 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 2019	Papua New Guinea Exploration $	Treasury $	Total $
Segment Revenue	-	23,043	23,043
Segment Results	(182,674)	23,043	(159,632)
Amounts not included in segment results but reviewed by Board:			
- Corporate charges			(855,437)
- Impairment - Loan			(192,058)
Loss before Income Tax			(1,207,128)
As at 30 June 2019			
Segment Assets	5,778	4,777,382	4,783,160
Segment Liabilities	2,458	96,663	99,121

NOTE 20 OPERATING SEGMENTS (continued)

For the Year to 30 June 2018	Papua New Guinea Exploration $	Treasury $	Total $
Segment Revenue	-	983	983
Segment Results	(356,291)	983	(355,308)
Amounts not included in segment results but reviewed by Board:			
- Corporate charges			(371,238)
- Share-based payment expenses			-
Loss before Income Tax			(726,546)
As at 30 June 2018			
Segment Assets	4,175	5,988,664	5,992,839
Segment Liabilities	2,122	355,935	358,057

NOTE 21 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:	2019	2018
Operating loss after income tax	(892,900)	(724,786)
Adjustment for non-cash items:		
- Depreciation expense	1,563	-
- Share-based payments	-	-
- Debt forgiveness	(122,170)	-
- Other non-cash expenses	-	-
Change in operating assets and liabilities:		
- Trade and other payables and provisions	(132,131)	201,911
- Trade and other receivables	5,146	(1,943)
Net cash outflow from operating activities	(1,140,492)	(524,818)

There were no non-cash financing and investing activities during the year (2018: nil).

NOTE 22 SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2019 %	Equity Holding 2018 %
Frontier Gold (PNG) Ltd	Papua New Guinea	Ordinary	100	100
Frontier Copper (PNG) Ltd	Papua New Guinea	Ordinary	100	100

NOTE 23 PARENT ENTITY DISCLOSURES

(a) Financial Position of Frontier Resources Limited

	2019 $	2018 $
CURRENT ASSETS		
Cash and cash equivalents	4,750,402	5,954,466
Trade and other receivables	26,372	31,518
TOTAL CURRENT ASSETS	4,776,774	5,985,984
NON-CURRENT ASSETS		
Other financial assets	10,622	13,302
Property, plant and equipment	607	-
TOTAL NON-CURRENT ASSETS	11,229	13,302
TOTAL ASSETS	4,788,003	5,999,286
CURRENT LIABILITIES		
Trade and other payables	96,663	355,935
Borrowings	-	-
TOTAL CURRENT LIABILITIES	96,663	355,935
TOTAL LIABILITIES	96,663	355,935
NET ASSETS	4,691,340	5,643,351
EQUITY		
Contributed equity	39,219,988	39,269,716
Reserves	4,119,525	4,119,525
Accumulated losses	(38,648,173)	(37,745,890)
TOTAL EQUITY	4,691,340	5,643,351

(b) Financial Performance of Frontier Resources Limited

	2019 $	2018 $
Loss for the year	(902,282)	(549,751)
Total comprehensive loss	(902,282)	(549,751)

(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 2019 (2018: none).

(d) Contingent liabilities of Frontier Resources Limited

There are no contingent liabilities as at 30 June 2019 (2018: none).

(e) Commitments Frontier Resources Limited

There are no commitments as at 30 June 2019 (2018: none).

NOTE 24 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.

	2019 $	2018 $
Assurance services		
Audit Services		
Moore Stephens	25,274	29,033
Sinton Spence Chartered Accountants (PNG)	28,238	4,852
Total remuneration for audit services	53,512	33,885
Non-Assurance services		
Taxation and Accounting Services		
Moore Stephens	4,750	7,050
Sinton Spence Chartered Accountants (PNG)	-	1,625
Total remuneration for taxation services	4,750	8,675

NOTE 25 EVENTS OCCURRING AFTER THE BALANCE DATE

Subsequent to the Period in July 2019 Frontier advised that Mr Nathan Lude and Mr Alec Pismiris had been appointed Non-Executive Directors of Frontier. In addition, the Company advised that Mr Yun Wei (Fenix) Dong and Mr Fei Peng had resigned from the Board of Frontier.

Other than the above no matter or circumstance has arisen since 30 June 2019 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 2019 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 16 to 24 within the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2019, 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:

Nathan Lude
Non-Executive Chairman

19 September 2019

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FRONTIER RESOURCES LTD

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Frontier Resources Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

i. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Cash at bank	
Refer to Note 7 Cash & cash equivalents	
The Group's total cash at bank holdings of $4.75 million at balance date makes up 99% of its total assets by value and is considered a critical driver to the Group's ongoing and future operations. We do not generally consider cash to be at a high risk of significant misstatement, or to be subject to a significant level of judgment because it is normally a liquid asset. However, we determined this area to be key audit matter due to the materiality in the context of the financial statements	Our procedures included, amongst others: • Documenting and assessing the processes and controls in place to record cash at bank transactions • Agreeing cash/bank holdings to year-end bank reconciliations, bank statements and sighting the client logging on to their online banking platform and confirming the 30 June balances; • Assessed the appropriateness of the disclosures included in the primary financial statements and notes to the financial report The disclosures contained in the financial statements appropriately identify this risk.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Directors' Responsibilities for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2019. In our opinion, the Remuneration Report of Frontier Resources Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

SHAUN WILLIAMS
PARTNER

Moore Stephens

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth on the 19th day of September 2019

ADDITIONAL INFORMATION

TENEMENT SCHEDULE

Tenement Name	Tenement Name	Status	Ownership
Bulago	EL 1595	Granted Exploration Licence	100%
Muller Range	EL 2356	Granted Exploration Licence	100%
Tolukuma	EL 2351	Granted Exploration Licence	100%
Gazelle	ELA 2529	Exploration Licence Application	N/A

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

STATEMENT OF QUOTED SECURITIES AS AT 4 SEPTEMBER 2019

		Number of Shareholders
a)	Distribution of Shareholders	
	Size of Holding	
	1 – 1,000	231
	1,001 – 5,000	98
	5,001 – 10,000	54
	10,001 – 100,000	292
	100,001 and over	222
	Total	**897**
b)	Number of holders of less than marketable parcels:	562

d) The following are substantial shareholders having an interest of least 5% in the Company's shares as at 4 September 2019:

HORLEY PTY LTD <METAL TRUST>: 48,880,000 Ordinary shares (9.9%)

MR CHRISTOPHER CHONG: 41,114,353 (8.41%)

MERCHANT FUNDS MANAGEMENT PTY LTD: 25,000,000 Ordinary shares (5.11%)

e) Twenty largest shareholders as at 4 September 2019:

Rank	Name	Units	% of Units
1	HORLEY PTY LTD <METAL A/C>	48,880,000	9.99
1	ZERO NOMINEES PTY LTD	48,880,000	9.99
3	MR CHRISTOPHER CHONG	41,114,353	8.41
4	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	25,000,000	5.11
5	MR ROBERT JAMES SHAW BRIERLEY	24,166,666	4.94
6	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	23,475,600	4.80
7	AURO SUPERANNUATION PTY LTD <BG SUPERANNUATION FUND A/C>	16,666,667	3.41
8	QUARTZ MOUNTAIN MINING PTY LTD <THE BASS FAMILY A/C>	16,500,000	3.37
9	MR TERRY CAMPION	12,100,000	2.47
10	BATTLER INVESTMENT CORPORATION PTY LTD	8,890,124	1.82
11	BROWN BRICKS PTY LTD <HM A/C>	8,250,000	1.69
12	MR STEVEN SCOTT DAY	6,900,000	1.41
13	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	6,818,365	1.39

14	MS JIABING XIN	6,008,888	1.23
15	MR JAMES PETER ALLCHURCH <MANSTEIN HOLDINGS A/C>	5,000,000	1.02
16	EXPLORATION & MANAGEMENT CONSULTANTS PTY LTD <MALALO SUPER FUND A/C>	4,768,535	0.97
17	EXPLORATION & MANAGEMENT CONSULTANTS PTY LTD	4,325,667	0.88
18	NIUGINI HELICOPTERS\C	4,000,000	0.82
19	NATIONAL NOMINEES LIMITED <DB A/C>	3,785,809	0.77
20	MR TERRENCE CHARLES INDERSMITH	3,500,000	0.72
20	MR PAUL ANTHONY JOHNSON + MRS DONNALYNE ANN JOHNSON <P&D SUPERANNUATION FUND A/C>	3,500,000	0.72
20	MR THOMAS FREDERICK WHITING	3,500,000	0.72
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**326,030,674**	**66.66**
Total Remaining Holders Balance		**163,071,264**	**33.34**
Total Shares On issue		**489,101,938**	**100.00%**

f) 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.

g) There are currently no on-market buybacks in process.

k) There are nil securities currently subject to escrow.

l) **Unquoted Options over Unissued Shares**

- 187,500,000 Options exercisable at $0.029 on or before 1 June 2020.

There are no voting rights attached to any class of options that are on issue.

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

As at 4 September 2019 the following classes of unquoted securities had holders with greater than 20% of the class on issue:

Options exercisable at $0.029 on or before 1 June 2020

Percentage Held	Name	Number of Securities held
29.17%	Alitime Nominees Pty Ltd <Honeyham Family A/C>	54,687,500
29.17%	Battler Investment Corporation Pty Ltd	54,687,500