POZ Minerals

ANNUAL REPORT 2017

Jim Richards at the Blina Project looking to Mt North

POZ MINERALS LIMITED

ABN 51 129 158 550

CONTENTS	Page

CORPORATE DIRECTORY

Directors
Jim Richards – Chairman
Mark Thompson – Non-Executive Director
Grant Mooney – Non-Executive Director & Company Secretary

ASX Code: POZ

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Dear fellow shareholder,

I am pleased to present the tenth Annual Report of POZ Minerals Limited (POZ) for the year ended 30 June 2017.

Over the last twelve months our company has been mainly concentrating on progressing the Blina Diamond Project (100% POZ), in the Kimberley region of WA. This project represents an exciting and potentially lucrative opportunity for our company. The combination of new technology (Ground Penetrating Radar or GPR) with the extensive historic exploration data over proven diamondiferous channels has the potential to deliver the grades and tonnages which may support an alluvial diamond mine. The area which POZ owns and is targeting, a palaeo-channel named Terrace 5, has previously produced significant quantities of fancy yellow diamonds which are the highly sought after signature stone of the Ellendale diamond fields.

One of the major keys to turning the Blina Diamond Project into a mine is the permitting. On this front, POZ has made substantial progress towards the grant of the four mining lease applications which cover 11.7 km^2 of the most prospective parts of Terrace 5. The Board believes the Mining Licenses will be granted prior to the end of this calendar year, paving the way for trial mining operations to commence in the 2018 northern dry season.

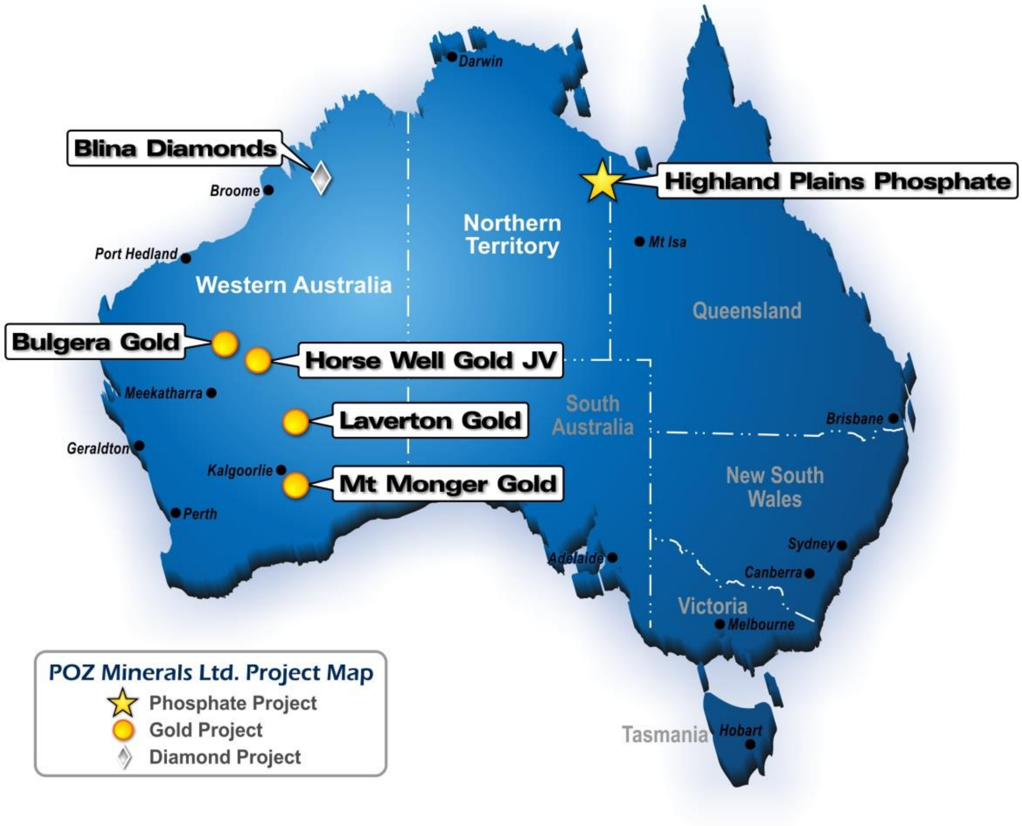
The Highland Plains Phosphate Project is 100% owned by POZ and has a JORC (2004) Inferred Resource of 53 million tonnes at 16% P_2O_5[A]. Substantial amounts of drilling and scoping study work have been completed at Highland Plains including solutions for beneficiation to higher grades and a transport solution via slurry pipeline. Efforts to find a strategic partner for this project are ongoing.

Given the current emphasis of POZ on the Blina Diamond Project, the Company has granted an option over the Bulgera and Mount Monger Gold Projects and is considering farming out the Laverton Gold Project. We will keep the market informed as these negotiations develop.

The Company is well positioned to take advantage of the current industry downturn. Ongoing, self-funded, ground acquisition and exploration programs are being made possible by a cash balance of approximately $2.0 million (30 June 2017).

Yours sincerely
Jim Richards
Chairman

Figure 1: POZ Minerals Project Locations



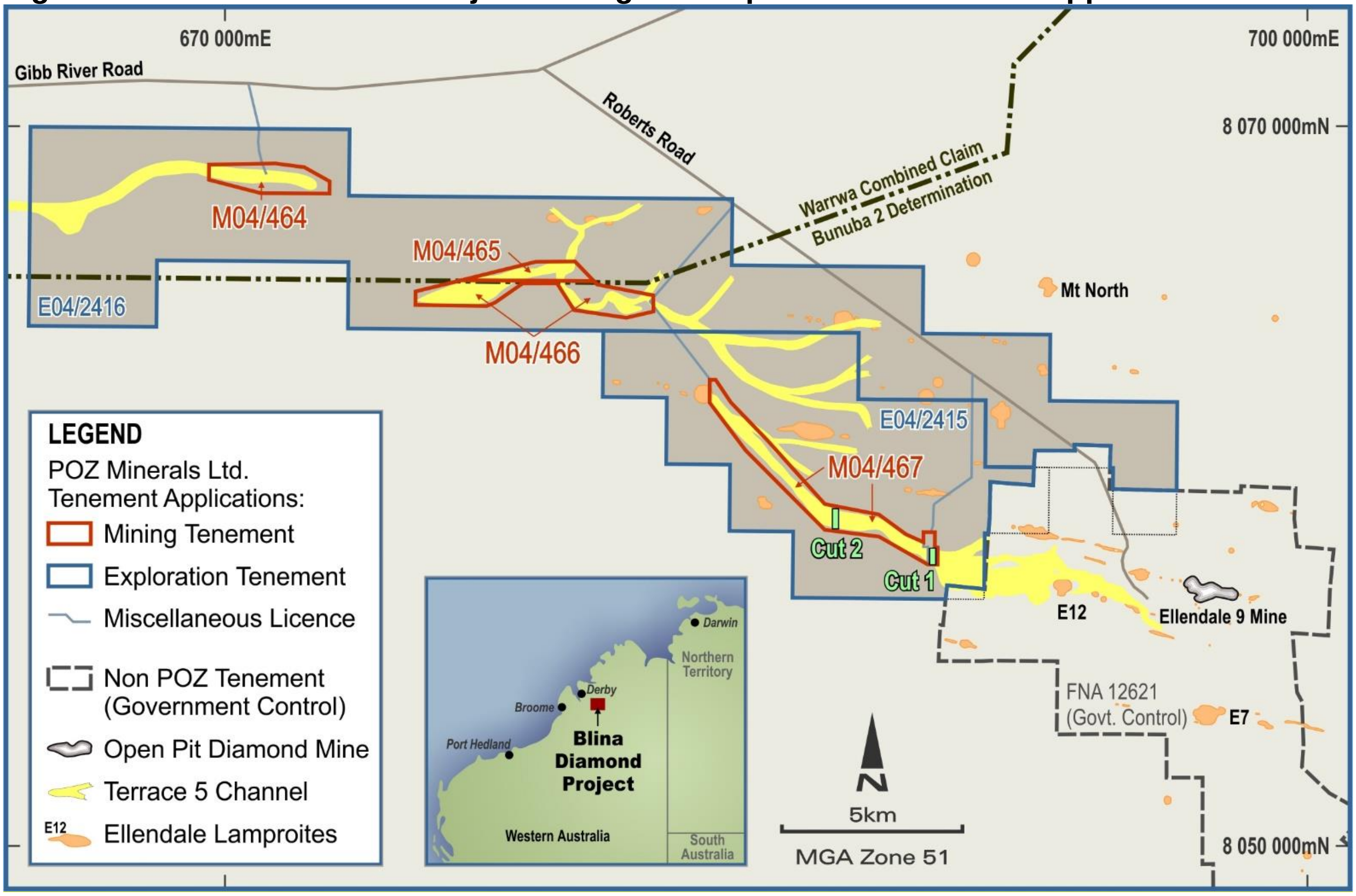
1.0 Blina Diamond Project, WA — POZ 100%

The Blina Diamond Project in the Ellendale Diamond Province of WA's Kimberley Region is 100% owned by POZ Minerals Limited (‘POZ’ or the ‘Company’). The project consists of four mining lease applications and two exploration leases (of which one (E04/2415) was recently granted) within an area of 161 km^2, situated 100km east of Derby.

A diamond bearing alluvial palaeochannel named Terrace 5 extends over some 40km, with channel widths of 200 to 500m. Diamonds recovered from the Terrace 5 gravels are considered large, with an average stone size of around 0.4 carats. Most stones are of gem quality. The largest diamond recovered to date from Terrace 5 weighed 8.44 carats (from BLBS082)[1], with stones larger than two carats common.

The key to exploring the Terrace 5 diamondiferous channel is to find the best alluvial trap sites which are most likely to host the highest diamond grades, usually occurring around the sediment/bedrock interface. POZ recently completed a ground geophysics survey using the latest in Ground Penetrating Radar (GPR) technology and the Company is assessing this data in order to generate targets for a bulk sampling program in 2018.

Figure 2: Blina Diamond Project Mining and Exploration Tenement Applications



1.1 Exploration Model and Targeting Methodology

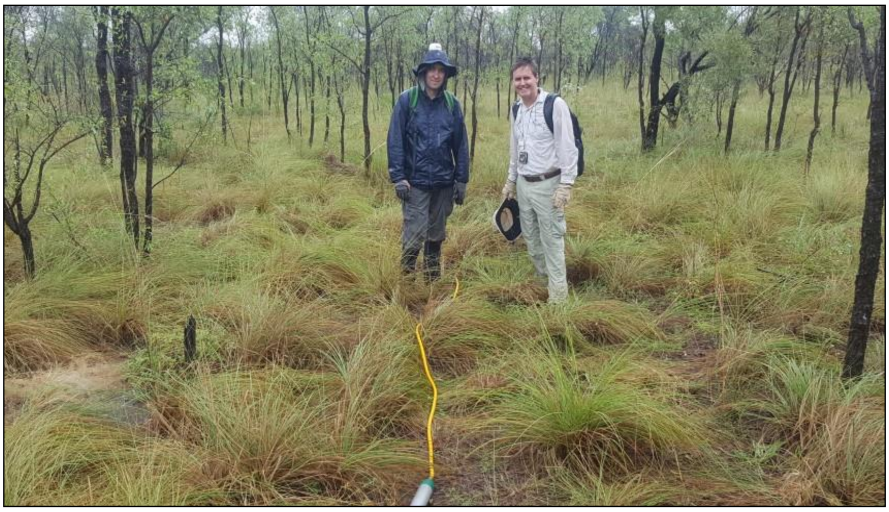
The aim of the Blina exploration program is to discover commercial concentrations of alluvial diamonds within the ancient Terrace 5 gravels. The target areas are alluvial trap sites which have concentrated the diamonds within the channel and which have the potential to host high grade or bonanza diamond deposits.

These types of high grade diamond trap sites do not follow the ancient river bed in one consistent strand, instead they are often specific to spot locations and may vary in diameter from a few metres to hundreds of metres. The best trap sites occur in areas that had fast flowing (high energy) water and can include pot holes, scours, gullies, riffles, bars, boulder fields or any other mechanism which can cause diamonds to become trapped and concentrated. This is usually where the alluvial gravels interface with the bedrock in the bottom of the river and in bedrock topographic lows.

1.2 POZ Ground Penetrating Radar Survey – May 2017

In May 2017, geophysical consulting group CORE Geophysics Pty Ltd conducted a ground penetrating radar (GPR) geophysical survey over the company's mining lease applications. GPR is a targeted technique for shallow investigations such as POZ is planning (2 to 10 metres). The aim of this survey was to define the bedrock-cover contact and thus discover alluvial trap sites within bedrock lows which have the potential to host high grade or bonanza diamond deposits.

The technique works by transmitting a pulse of radar energy into the ground and recording the strength and the time required for the return of any reflected signal. A series of pulses over a single area make up what is called a scan. Reflections are produced whenever the energy pulse enters into a material with different electrical conductivity properties and can map the bedrock-cover contact which is so important when targeting alluvial trap sites. Operator controlled variations to signal frequency allow depth penetration to be adjusted.[2]



POZ Chairman Jim Richards and geophysicist Mathew Cooper conducting the GPR Survey at Blina in May 2017. GPR tool is the yellow 'snake' to front. DGPS carried by operator.

POZ's methodology is to use GPR to target alluvial trap sites on palaeo-topographic lows. These targets can then be specifically bulk sampled and systematically assessed for diamond grade, potentially leading to the delineation of economic diamond deposits some of which could have bonanza grades.

Most of the mining lease application areas have been covered by the GPR surveying, with line spacing roughly every 200 metres. Data from this survey is still being assessed, Company geologists are working on merging and modelling the GPR data with existing LIDAR height survey data, creating bedrock topgraphic maps to target areas of faster flow in the palaeoriver system and interpreting the data to find alluvial trap sites.

1.3 Grant of Tenements

***Blina Diamond Project**: Members of the Bunuba Dawangarri Aboriginal Corporation meeting with POZ Chairman Jim Richards and POZ geologist Michael Denny during a field trip to site on 4 and 5 May 2017.*

Exploration licence E04/2415 in the southern project area was granted on 13 June 2017. This represents a useful step in allowing greater access for work programs to the Blina Project area.

The most effective way to conduct the operations required to test the trap site targets, is by having fully permitted mining leases which allow for the extraction of the large tonnages required for bulk sampling and also give the flexibility to quickly transition to trial mining operations.

POZ has applied for four mining leases covering a total of 11.6 km^2. These are the parts of the project which are considered the most prospective, based upon previous work[1]. POZ believes that should a commercial diamond mining operation be possible on the project area, it is most likely to be hosted within the areas now covered by our mining lease applications.

The mining lease applications were applied for on 20 April 2016 and have completed the six months advertising period required under the *Native Title Act (1993)*. Two Native Title groups have claims over the project area, the Bunuba and the Warrwa. The claim boundary between these two groups is shown on Figure 1.

So far this year, POZ Executive Chairman Jim Richards has had three meetings with the Warrwa group and three meetings with the Bunuba group, the most recent of which was on 20 July; these meetings have been constructive and friendly. Negotiations are continuing and the Company is optimistic that a mutually beneficial agreement with both of these groups will be achieved. A further meeting is scheduled for mid-August.

Should an agreement with the Native Title Groups be reached, there would be no further impediment to the grant of the mining licenses. At that point heritage clearance surveys will be conducted and then a Program of Works will be lodged with the Department of Minerals and Energy in order to allow bulk sampling operations to commence.

POZ is doing all that it can to progress these negotiations in good faith. However, in case an agreement is not reached, the Company lodged a Section 35 Future Act Determination Application (FADA) with the Native Title Tribunal over the mining leases on 19 June 2017. This will lead to a determination by the National Native Title Tribunal as to the grant of the mining leases.

Rather than use the Section 35 process, it is the Company's preference to reach a mutually beneficial negotiated agreement with the Native Title parties.

[1]*Further detailed information including the Table 1 (JORC Code, 2012 Edition) and references are available on the POZ ASX Release dated 9 October 2015:*

[2] *http://www.geophysical.com/whatisgpr.htm*

2.0 Gold Projects (WA) POZ 100%

POZ holds a 100% stake in the Bulgera and Mount Monger Gold Projects in WA. Both projects are close to existing milling infrastructure and represent advanced exploration assets with strong potential to convert known mineralisation to resources, as well as exploration upside for further discoveries.

On 1 May 2017, POZ announced the grant of a conditional sale agreement over the Bulgera and Mount Monger gold Projects. The incoming party is a private Australian company, Accelerate Resources Pty Ltd (to be renamed 'Accelerate Resources Limited' or 'AX8'). It is the intention of AX8 to list on the Australian Stock Exchange (AX8). The option expires on 30 September 2017. The terms of this agreement are available via the POZ ASX release dated 1 May 2017 Sale Agreement.

POZ also holds a 100% interest in the Laverton Gold Project, 10 km southeast of Laverton in the highly-endowed Mount Margaret district of Western Australia. The tenements are just 8km east from Goldfields' world class +11Moz Granny Smith gold deposit (with underutilized plant capacity of 3.5 Mtpa), 21km from Barrick's 8Moz Wallaby gold mine, and 35km from AngloGold Ashanti's +10Moz Sunrise Dam gold mine.

Given the current emphasis of POZ on the Blina Diamond Project, the Company is considering various options to farm-out the remaining gold assets and will keep the market informed as these negotiations develop.

3.0 Phosphate Project (Northern Territory) POZ 100%

The Highland Plains Phosphate Project in the NT has a JORC Code (2004) compliant Inferred Resource of 53 million tonnes at 16% P_2O_5 (ASX release 31 March 2009).[A] The Project is 100% owned by POZ and has no private royalties.

POZ continues to speak with interested parties with a view to finding an equity partner for Highland Plains.

4.0 Summary and Outlook

The Blina Diamond Project has excellent potential to deliver a relatively simple and low capital cost alluvial mining operation. The Company believes that combining the latest GPR technology with the extensive historic exploration data is the best way to acquire the bulk sampling targets required to progress this venture.

The recent Company GPR survey at Blina is an exciting development and POZ is ensuring this project progresses as rapidly as possible.

With greater focus on the Blina Diamond Project, the Company is seeking various options to farm-out the companies gold assets and also continues to field enquiries relating to the Highland Plains Phosphate Project.

The Company is well placed to move its activities forward with a cash balance of approximately $2.0 million (30 June 2017).

Jim Richards
Executive Chairman

Enquiries To: Mr Jim Richards +61 8 9422 9555

Competent Persons Statements

The information in this report that relates to previously reported exploration results is based on information compiled by Mr. Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Richards is a Director of POZ Minerals Limited. Mr. Richards has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Richards consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The Information in this report that relates to Highland Plains Mineral Resources is based on information compiled by Rick Adams and Ted Hansen who are members of the Australasian Institute of Mining and Metallurgy. Rick Adams and Ted Hansen are directors of Cube Consulting Pty Ltd. and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a competent Person as defined in the December 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Rick Adams and Ted Hansen consent to the inclusion in this report of the Information, in the form and context in which it appears.

[A]The Company is not aware of any new information or data that materially affects the information included in the previous announcement (JORC 2004) and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement/year have not materially changed.

Appendix A
Interests In Mining Tenements June 30 2017

Table 1: Western Australia

Lease	State	Status	Beneficial interests in farm-in or farm-out agreements at the end of the quarter
E04/2415	WA	Granted	Granted
E04/2416	WA	Application	Application
E04/2479	WA	Application	Application
E04/2488	WA	Application	Application
E04/2489	WA	Application	Application
M04/464	WA	Application	Application
M04/465	WA	Application	Application
M04/466	WA	Application	Application
M04/467	WA	Application	Application
E20/908	WA	Application	Application
E25/525	WA	Granted	Granted: Partial Surrender of 7 blocks
E38/3038	WA	Granted	Granted
E38/3058	WA	Granted	Granted
E38/3161	WA	Granted	Granted
E52/3276	WA	Granted	Granted
E52/3316	WA	Granted	Granted
E69/2820	WA	Granted	Joint Venture with Alloy Resources Limited
E69/3401	WA	Application	Application
E70/4894	WA	Granted	Application
E80/4953	WA	Application	Application
E80/5109	WA	Application	Application
L04/98	WA	Application	Application
L04/99	WA	Application	Application
L04/100	WA	Application	Application

Table 2: Northern Territory

Lease	Mineral Field	Location	Status	Beneficial interests in farm-in or farm-out agreements at the end of the quarter
EL25068	NT	Highland Plains	Granted	POZ 100%
EL30891	NT	HP West	Granted	POZ 100%

POZ MINERALS LIMITED
ABN 51 129 158 550

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

CONTENTS

CORPORATE DIRECTORY

Directors
Jim Richards
Executive Chairman

Mark Thompson
Non-Executive Director

Grant Mooney
Non-Executive Director
& Company Secretary

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DIRECTORS' REPORT
30 JUNE 2017

The Directors present their report together with the financial report on POZ Minerals Limited ("POZ " or "the Company") for the year ended 30 June 2017.

In order to comply with the provisions of the Corporations Act 2001, the Directors' report is as follows.

DETAILS OF DIRECTORS

The names and particulars of the directors of the Company holding office during the year and at the date of this report are:

MR JAMES (JIM) RICHARDS
B.Sc. Hons (Geology), MAusIMM
Executive Chairman

Jim Richards is a geology graduate of the University of London. He is a Perth based Company director and geologist with 22 years experience in exploration for a wide variety of commodities.

Prior to the ASX listing of Phosphate Australia Limited (now POZ Minerals Limited), Mr Richards was the chief executive officer and director of United Minerals Corporation NL ("UMC"). At UMC, Mr Richards led the technical team that discovered the high-grade iron 'Railway Deposit' in the Pilbara. BHP Billiton acquired the Railway Deposit in February 2010 by a take-over of UMC for AUD$204 million.

Mr Richards has considerable overseas experience including running his own alluvial diamond dredging operation in Guyana, South America and work on the Omai gold project (that became a major mine) also in Guyana. Other resources work includes operating in Indonesia and two years spent in both Laos and Pakistan.

Previous employers and clients have included Newmont Mining Corporation, BHP Billiton Limited and Woodside Energy Limited. Prior to his corporate career, Mr Richards served as a regular officer in the British Army Parachute Regiment.

MR MARK THOMPSON
MAIG, MSEG
Non-executive Director

Mark Thompson has more than 21 years industry experience in mineral exploration and mining management. Since starting his career with production experience in both underground and open-pit mines of Western Australia, he has worked extensively on international resource projects. He is a Member of the Australian Institute of Geoscientists and the Society of Economic Geologists, and holds the position of Guest Professor in Mineral Exploration Technology at both the Chengdu University of Technology and the Southwest University of Science and Technology in China. In addition to his role with POZ, Mr Thompson is Managing Director of ASX listed Talga Resources Ltd.

MR GRANT MOONEY
B.Bus, CA
Non-executive Director & Company Secretary

Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies. Mr Mooney has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance.

Currently, Mr Mooney serves as a director to several ASX listed companies across a variety of industries including technology and resources. He is a director of Carnegie Clean Energy Limited, Barra Resources Limited, and Talga Resources Limited. Mr Mooney is a member of the Institute of Chartered Accountants in Australia.

DIRECTORS' REPORT
30 JUNE 2017

DIRECTORSHIP OF OTHER LISTED COMPANIES

Directorships of other listed companies held by directors in the three years immediately before the end of the year are as follows:

Director	Company	Year of directorship
Grant Mooney	Barra Resources Limited	29 November 2002 to the present
	Carnegie Clean Energy Limited	19 February 2008 to the present
	Talga Resources Limited	20 February 2014 to the present
	Nuheara Limited	1 May 2007 to 4 June 2016
Mark Thompson	Talga Resources Limited	July 2010 to the present

DIRECTORS' SHARE AND OPTION HOLDINGS

At the date of this report, the direct and indirect interest of the Directors in the shares and options of the Company were:

Director	Ordinary Shares	Ordinary Shares purchased during year	Options (Unlisted)	Options granted during year
James Richards *(i)*	32,016,401	0	6,000,000	0
Grant Mooney *(ii)*	7,831,666	0	2,000,000	0
Mark Thompson *(iii)*	4,300,000	0	2,000,000	0

(i) *James Richards holds 32,016,401 shares in his own name. Llangurig Super Pty Ltd <Jim Richards Super Fund A/c>, in which James Richards is a director and beneficiary holds 6,000,000 options.*

(ii) *Grant Mooney holds 1,166,666 shares in his own name. Samantha Mooney, spouse of Grant Mooney holds 10,000 shares and Mooney & Partners Pty Ltd of which Grant Mooney is the sole director holds 1,145,000 shares. Ocean Flyers Pty Ltd <S&G Super Fund>, in which Grant Mooney is a director and beneficiary holds 5,510,000 shares. Grant Mooney holds 2,000,000 options in his own name.*

(iii) *Kelly Thompson, spouse of Mark Thompson holds 1,500,000 shares. Lateral Minerals Pty Ltd <The Thompson Family Trust> in which Mark Thompson is a director and beneficiary holds 2,800,000 shares and 2,000,000 Unlisted Options.*

PRINCIPAL ACTIVITIES

The principal activity of the Company is mineral exploration.

OPERATING RESULTS

The loss from ordinary activities after income tax of the Company for the year ended 30 June 2017 was $3,383,223 (2016: $920,170).

DIRECTORS' REPORT
30 JUNE 2017

REVIEW OF OPERATIONS

Over the last twelve months our Company has been mainly concentrating on progressing the Blina Diamond Project (100% POZ), in the Kimberley region of WA. This project represents an exciting and potentially lucrative opportunity for our company. The combination of new technology (Ground Penetrating Radar or GPR) with the extensive historic exploration data over historically proven diamondiferous channels has the potential to deliver the grades and tonnages which may support an alluvial diamond mine. The area which POZ is targeting, a diamondiferous palaeo-channel named Terrace 5, has in the past produced significant quantities of fancy yellow diamonds which are the highly sought after signature stone of the Ellendale diamond fields.

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The Company is well positioned to take advantage of the current industry downturn. Ongoing, self-funded, ground acquisition and exploration programs are being made possible by a cash balance of $2.0 million (30 June 2017).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than described elsewhere in this report, there was no significant change in the state of affairs of the Company during the year.

SIGNIFICANT EVENTS SUBSEQUENT TO END OF YEAR

Other than the following, there was no matter or circumstance subsequent to the end of the year that has significantly affected the operations of the Company, the results of operations or the state of affairs in future financial years:

On 29 August 2017 the Company issued 1,000,000 Ordinary Fully Paid shares upon the conversion of 1,000,000 consultant options at an exercise price of $0.026 and an expiry date of 29 July 2018.

FUTURE DEVELOPMENTS

The Company intends to continue mineral exploration activities while considering new project acquisitions and joint venture opportunities.

DIRECTORS' REPORT
30 JUNE 2017

ENVIRONMENTAL REGULATION

The Company is required to carry out its activities in accordance with the Mining Laws and regulations in the areas in which it undertakes its exploration activities. The Company is not aware of any matter that requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

SHARE OPTIONS

At the date of this report, the following options are outstanding in respect of unissued ordinary shares in POZ Minerals:

Number of Shares Under Options	Exercise Price	Expiry Date
5,000,000	1.9 cents	5 November 2017
500,000	4.4 cents	9 November 2017
1,300,000	2.6 cents	29 July 2018
5,000,000	7.0 cents	3 November 2018
400,000	3.5 cents	13 December 2018

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

INDEMNIFYING OFFICER OR AUDITOR

During the year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company secretary and all executive officers of the Company and related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the amount of the premium.

The Company has not indemnified or agreed to indemnify the auditor of the Company or of any related body corporate against a liability incurred as the auditor.

DIVIDENDS

No dividends have been paid or declared since the start of the year, and the directors do not recommend the payment of a dividend in respect of the year.

DIRECTORS' MEETINGS

There were two (2) Directors' meetings held during the year ended 30 June 2017. The names of directors who held office during the year and their attendance at Board meetings is detailed below:

Director	Number Attended	Number Eligible to Attend
Jim Richards	6	6
Grant Mooney	6	6
Mark Thompson	6	6

There was also two (2) circular resolution passed by the Board of Directors during the year. (2016: four (4))

As at the date of this report an Audit Committee of the Board of Directors did not exist due to the Directors of the Board having a close involvement in the operations of the Company. There are no other sub-committees of the Board.

DIRECTORS' REPORT
30 JUNE 2017

REMUNERATION REPORT (AUDITED)

This report details the amount and nature of remuneration of each director of the Company. Other than directors, there were no executive officers of the Company during the year.

Remuneration Policy

The remuneration policy is to provide a fixed remuneration component and a specific equity related component. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities, which it undertakes and is appropriate in aligning director objectives with shareholder and business objectives. At this point in the Company's development, the Board does not believe it is appropriate to link director and executive officers' remuneration with Company performance.

The remuneration policy in regards to settling terms and conditions for the executive directors has been developed by the Board taking into account market conditions and comparable salary levels for companies of similar size and operating in similar sectors.

Directors receive a superannuation guarantee contribution required by the Government, which during the year was 9.5% and do not receive any other retirement benefit.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payment to the non-executive directors and reviews their remuneration annually, based on market practices, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting. Fees for non-executive directors are not linked to the performance of the economic entity.

The following were Key Management Personnel of the Company during the year:

- James Richards *(Executive Chairman)*
- Grant Mooney *(Non-Executive Director and Company Secretary)*
- Mark Thompson *(Non-Executive Director)*

Details of remuneration provided to Key Management Personnel during the year are as follows:

		Short-term employee benefits		Post-employment benefits	Share-based payments		
		Salary & Fees $	Bonus $	Super-annuation $	Options $	Total $	% of Total consisting of Options
James Richards	**2017**	**136,667**	**-**	**27,583**	**-**	**164,250**	**0%**
	2016	160,000	-	15,200	29,400	204,600	14%
Mark Thompson	**2017**	**20,000**	**-**	**1,900**	**-**	**21,900**	**0%**
	2016	20,000	-	1,900	9,800	31,700	31%
Grant Mooney	**2017**	**25,000**	**-**	**2,375**	**-**	**27,375**	**0%**
	2016	25,000	-	2,375	9,800	37,175	26%
TOTAL	**2017**	**181,667**	**-**	**31,858**	**-**	**213,525**	**0%**
TOTAL	2016	205,000	-	19,475	49,000	273,475	18%

There are no contracts to which a Director is a party or under which the Director is entitled to a benefit other than as disclosed in the financial report.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Value of options issued to Key Management Personnel

During the financial year, the following share based payment arrangements were in existence for Key Management Personnel:

Options Series	Grant Date	Expiry Date	Grant Date Fair Value	Vesting Date
Issued 5 Nov 2014 exercisable @ $0.019	5/11/2015	5/11/2017	$0.0091	5/11/2015
Issued 3 Nov 2015 exercisable @ $0.07	3/11/2015	3/11/2018	$0.0168	3/11/2015

There were no further options issued to Key Management Personnel during the year.

The Board reviews the remuneration packages of all key management personnel on an annual basis. The maximum remuneration of non-executive Directors is to be determined by Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. At present the maximum aggregate remuneration of non-executive Directors is $400,000 per annum. The apportionment of non-executive Director Remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. Remuneration is not linked to specific service or performance criteria.

Remuneration levels, shares and options granted are not dependent upon any performance criteria as the nature of the Company's operations are exploration, and they are not generating profit.

The Company did not use remuneration consultants during the year or prior year.

Key management personnel equity holdings

Fully Paid ordinary shares issued by POZ Minerals Limited

The movement during the reporting year in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each specified director is as follows:

Director	Opening Balance 1 July 2016	Granted as compensation	Received on exercise of options	Other movement during the year	Closing Balance 30 June 2017
James Richards *(i)*	32,016,401	-	-	-	32,016,401
Grant Mooney *(ii)*	7,831,666	-	-	-	7,831,666
Mark Thompson *(iii)*	4,300,000	-	-	-	4,300,000

(i) James Richards holds 32,016,401 shares in his own name.

(ii) Grant Mooney holds 1,166,666 shares in his own name. Samantha Mooney, spouse of Grant Mooney holds 10,000 shares and Mooney & Partners Pty Ltd of which Grant Mooney is the sole director holds 1,145,000 shares. Ocean Flyers Pty Ltd <S&G Super Fund>, of which Grant Mooney is a director and beneficiary holds 5,510,000 shares.

(iii) Kelly Thompson, spouse of Mark Thompson holds 1,500,000 shares. Lateral Minerals Pty Ltd <The Thompson Family Trust> in which Mark Thompson is a director and beneficiary holds 2,800,000 shares.

DIRECTORS' REPORT
30 JUNE 2017

REMUNERATION REPORT (AUDITED) (CONTINUED)

Executive unlisted share options issued by POZ Minerals Limited
The movement during the reporting year in the number of unlisted options over ordinary shares in the Company held, directly, indirectly or beneficially, by each specified director is as follows:

2017

Director	Balance as at beginning of year 1 July 16	Expired	Granted as compensation	Balance vested at 30 June 2017	Vested but not exercisable	Vested and exercisable	Options vested during the year 30/6/17
James Richards *(i)*	6,000,000	-	-	**6,000,000**	-	6,000,000	-
Grant Mooney *(ii)*	2,000,000	-	-	**2,000,000**	-	2,000,000	-
Mark Thompson *(iii)*	2,000,000	-	-	**2,000,000**	-	2,000,000	-

(i) Llangurig Super Pty Ltd <Jim Richards Super Fund A/c> of which Jim Richards is a director and beneficiary holds 6,000,000 options.
(ii) Grant Mooney holds 2,000,000 options in his own name.
(iii) Lateral Minerals Pty Ltd ATF The Thompson Family Trust of which Mark Thompson is a director and beneficiary holds 2,000,000 options.

Services Agreements
Executive Chairman James (Jim) Richards has an employment contract commencing on 1 October 2013 which continues on a month by month basis with one month's termination notice. The Contract provides for a director's fee of $180,000 per annum plus statutory superannuation, but this fee was reduced to $160,000 plus statutory superannuation on 1/8/13 as part of cost reductions in the Company.

Non-Executive Director Grant Mooney has an Services Agreement commencing on 14 October 2008 which continues on a month by month basis with one month's termination notice. The Contract provides for a director's fee of $45,000 per annum plus statutory superannuation, but this fee was reduced to $25,000 plus statutory superannuation on 1/8/13 as part of cost reductions in the Company.

Non-Executive Director Mark Thompson has a letter of appointment for no fixed term commencing on 1 October 2012. The Contract provides for a director's fee of $20,000 per annum plus GST.

Mooney & Partners Pty Ltd, a company associated with Grant Mooney has a services contract with the Company to provide company secretarial and administrative services to the Company for a period of 3 years commencing on 1 September 2009 which expired on 1 September 2012 and continues on a month by month basis with one month's termination notice. The Contract provides for an annual fee of $96,000 per annum plus GST, but this fee was reduced to $48,000 per annum plus GST on 1/8/13 as part of cost reductions in the Company.

No director or member of senior management are entitled to any termination payment apart from remuneration payable up to and including the termination date and any amounts payable due upon accrued leave.

END OF REMUNERATION REPORT (AUDITED)

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to such proceedings during the year.

NON AUDIT SERVICES

During the year there were no non-audit services provided by Grant Thornton Audit Pty Ltd, nor its related entities.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9.

DIRECTORS' REPORT
30 JUNE 2017

Signed on 19 September 2017 in accordance with a resolution of the Board, made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the Directors:

JAMES RICHARDS	**GRANT MOONEY**
Executive Chairman	Non-executive Director & Company Secretary

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Auditor's Independence Declaration
To the Directors of POZ Minerals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of POZ Minerals Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M A Petricevic
Partner - Audit & Assurance

Perth, 19 September 2017

POZ MINERALS LIMITED
ABN 51 129 158 550

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	30 June 2017 $	30 June 2016 $
Interest	3	54,684	85,367
Other income	3	217,500	5,245
Total Income		**272,184**	**90,612**
Employee benefits expense	6	(136,394)	(191,081)
Depreciation expense	4	(8,568)	(15,682)
Rental expenses	4	(63,437)	(61,931)
Corporate advisory		(20,000)	-
Company Secretarial		(48,000)	(48,000)
Accounting, tax and audit		(65,619)	(53,783)
Share based payments	4	(3,920)	(66,650)
Other expenses		(103,614)	(100,465)
Loss on disposal of fixed assets		(1,339)	(19,894)
Impairment of exploration expenditure	13	(3,109,887)	(405,520)
Exploration expenditure written off		(66,504)	(69,644)
Revaluation of shares		(28,125)	21,875
Foreign exchange loss		-	(7)
Total Expenses		**(3,655,407)**	**(1,010,782)**
Profit/(Loss) before income tax expense		(3,383,223)	(920,170)
Income tax benefit/(expense)	5	-	-
Profit/(Loss) after income tax expense		**(3,383,223)**	**(920,170)**
Items that may be subsequently reclassified to profit or loss: Other Comprehensive Income / (Loss)		-	-
Total Comprehensive Profit/(Loss) for the year		**(3,383,223)**	**(920,170)**
		Cents	Cents
Basic profit/(loss) per share (cents per share)	22	(2.099)	(0.571)
Diluted profit/(loss) per share (cents per share)	22	(2.099)	(0.571)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	30 June 2017 $	30 June 2016 $
CURRENT ASSETS			
Cash and cash equivalents	8	1,995,830	2,599,917
Trade and other receivables	9	33,976	30,551
Other	10	9,780	23,888
TOTAL CURRENT ASSETS		2,039,586	2,654,356
NON CURRENT ASSETS			
Property, plant and equipment	11	10,553	19,399
Environmental bond		22,083	22,083
Financial assets	12	9,375	37,500
Exploration and evaluation expenditure	13	1,089,583	3,770,118
TOTAL NON CURRENT ASSETS		1,131,594	3,849,100
TOTAL ASSETS		**3,171,180**	**6,503,456**
CURRENT LIABILITIES			
Trade and other payables	14	44,975	35,922
Unearned income		30,000	-
Provisions	15	33,436	25,462
TOTAL LIABILITIES		108,411	61,384
NET ASSETS		**3,062,769**	**6,442,072**
EQUITY			
Issued capital	16	14,590,606	14,590,606
Share option reserve	17	116,070	115,390
Accumulated losses	18	(11,643,907)	(8,263,924)
TOTAL EQUITY		**3,062,769**	**6,442,072**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Ordinary Shares $	Share Option Reserve $	Accumulated Losses $	Total $
Balance as at 1 July 2015	**14,590,606**	**204,100**	**(7,499,114)**	**7,295,592**
Loss for the year	-	-	(920,170)	(920,170)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(920,170)	(920,170)
Issue of shares	**-**	**-**	**-**	**-**
Options expensed for the year	**-**	**66,650**	**-**	**66,650**
Transfer of expired options to accumulated losses	**-**	**(155,360)**	**155,360**	**-**
Balance as at 30 June 2016	**14,590,606**	**115,390**	**(8,263,924)**	**6,442,072**
Balance as at 1 July 2016	**14,590,606**	**115,390**	**(8,263,924)**	**6,442,072**
Loss for the year	-	-	(3,383,223)	(3,383,223)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(3,383,223)	(3,383,223)
Issue of shares	**-**	**-**	**-**	**-**
Options issued for the year	**-**	**3,920**	**-**	**3,920**
Transfer of expired options to accumulated losses	**-**	**(3,240)**	**3,240**	**-**
Balance as at 30 June 2017	**14,590,606**	**116,070**	**(11,643,907)**	**3,062,769**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	30 June 2017 $	30 June 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		269,250	5,245
Payments to suppliers and employees		(498,189)	(486,844)
Interest received		55,370	91,300
NET CASH FLOWS USED IN OPERATING ACTIVITIES	8	**(173,569)**	**(390,299)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,166)	(3,622)
Decrease/(Increase) in environment bond		-	(10,702)
Proceeds from disposal of non-current assets		-	6,664
Proceeds from disposal of exploration and evaluation		-	-
Payments for exploration and evaluation expenditure		(429,352)	(671,684)
NET CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES		**(430,518)**	**(679,344)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Payments for share issue costs		-	-
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		**-**	**-**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(604,087)	(1,069,643)
Cash and cash equivalents at the beginning of the year		2,599,917	3,669,560
Cash and cash equivalents at the end of the year	8	**1,995,830**	**2,599,917**

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 1. CORPORATE INFORMATION

POZ Minerals Limited is a for-profit company limited by shares domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited.

The address of the registered office and the principal place of business are disclosed on the contents page.

The nature of the operations and principal activities of the Company are described in Note 19.

Note 2. SUMMARY OF ACCOUNTING POLICIES

The Financial Report the Company for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 19 September 2017.

(a) Basis of preparation

This general purpose financial report has been prepared on the basis of historical cost, except for certain financial instruments which are carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The functional currency is Australian Dollars and rounding is made to the nearest dollar.

In the application of the Australian Accounting Standards, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Judgments made by management in the application of the Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(b) New and amended standards adopted by the Company in this financial report

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

The adoption of all of the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has had no effect on the amounts reporting for the current or prior periods.

Impact of standards issued but not yet applied by the Company

New and revised accounting standards and amendments that are currently issued for future reporting periods that are relevant to the Company include:

AASB 9 Financial Instruments

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The effective date is for annual reporting periods beginning on or after 1 January 2018.

When this standard is first adopted for the year ended 30 June 2019 there will be no material impact on the transactions and balances recognised in the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. In summary, AASB 15:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time at a point in time;
- provides a new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return and warranties); and
- expands and improves disclosures about revenue.

When this Standard is first adopted for the year ending 30 June 2018, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 16 Leases

The new AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases

When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15

AASB 2014-5 incorporates the consequential amendments arising from the issuance of AASB 15.

The effective date is for annual reporting periods beginning on or after 1 January 2018.

When these amendments are first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9

AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9.

The effective date is for annual reporting periods beginning on or after 1 January 2018.

When these amendments are first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

(c) Statement of Compliance

The general purpose financial statements of the Company have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments that have original maturities of 4 months or less, readily convertible to known amounts of cash and are subject to insignificant risk of changes in values.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(e) Employee benefits

Employee benefits provisions are made for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within one year are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits expected to be settled beyond one year are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Defined contribution plans

Contribution to defined contribution superannuation plans are expensed when incurred.

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

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

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

(g) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the profit or loss, except when it relates to items credited or debited to profit or loss (whether in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside profit or loss, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(h) Payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

(i) Property, plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment and is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the term of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting year.
The following estimated useful lives are used in the calculation of depreciation:

- Furniture & Fittings - 10 years
- Vehicles - 12 years
- Plant & equipment - 3 years
- Buildings & improvements - 7 years

(j) Provisions

Provisions are recognised when the Company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(k) Revenue recognition

Interest revenue

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

Rental income

Rental income is recognised in the period in which it is earned.

(l) Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting term, based on the Company's estimate of shares that will eventually vest.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(m) Exploration and evaluation

Exploration and evaluation expenditure costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where the right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

These assets are considered for impairment on a six monthly basis, depending on the existence of impairment indicators including:

- the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources 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; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Accumulated costs in relation to an abandoned area are written off in full against profit/(loss) in the year in which the decision to abandon the area is made.

When a decision is made to proceed with development in respect of a particular area of interest, the accumulated costs for the relevant area of interest are tested for impairment and the balance is then transferred to development assets.

(n) Development Costs

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward development costs are amortised on a units of production basis over the life of the economically recoverable reserves.

(o) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development, production, transportation or storage activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the cost of removing facilities, abandoning sites/wells and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal and other requirements and technology. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and milling/production facilities is capitalised into the cost of the related asset and depreciated/amortised on the same basis as the related asset, unless the present obligations arises from the production of inventory in the year, in which case the amount is included in the cost of production for the year. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(p) Financial instruments

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangements.

Transaction costs on the issue of equity instruments

Transactions costs arising on the issue of equity instruments are recognised directly in equity as reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(q) Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms requires legal transfer of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specific categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

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

Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Loans and receivables

Trade receivables, loan and other receivables are recorded at amortised cost less impairment.

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

(r) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(s) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(t) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on the grant date 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 Company.

Share based payments

The values of amounts recognised in respect of share based payments have been estimated based on the grant date fair value of the options. To estimate the fair value an option pricing model has been used. There are many variable assumptions used as inputs into the model (which have been detailed in Note 17. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised.

Exploration expenditure

Exploration expenditure is capitalized where the Company holds a current tenement. The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the view that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Note 3. Income

	30 June 2017 $	30 June 2016 $
Interest received from financial institutions	54,684	85,367
Total Revenue	54,684	85,367
Other Income		
Farm-in option fees (1)	210,000	-
Other income	7,500	5,245
Total other income	217,500	5,245
Total Income	272,184	90,612

(1) During the year, the Company has received call option fees from two different companies. The options expired unexercised and the option fee is non-refundable.

Note 4. Loss

Expenses		
Depreciation of non-current assets	8,568	15,682
Rental expense on operating leases	63,437	61,931
Share based payment expenses	3,920	66,650

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 5. Income Tax

Income tax expense

		30 June 2017 $	30 June 2016 $
(a)	The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense as follows:		
	Profit/(Loss) from continuing operations before tax	(3,383,223)	(920,170)
	Income tax benefit calculated at 27.5% (2016: 30%)	**(930,386)**	**276,051**
	Non-deductible expenses	1,160	20,564
	Temporary differences not brought to account as a deferred tax asset	730,080	31,303
	Tax losses not brought to account as a deferred tax asset/(realisation of prior tax losses not bought to account)	199,146	(327,918)
	Income tax benefit at effective rate of 27.5% (2016: 30%)	-	-
(b)	**Deferred Tax liability**		
	Exploration and Evaluation	228,910	1,033,180
	Add: Other	4,132	(3,558)
	Recognised in income	-	81,824
	Recognised deferred tax liabilities	233,042	1,111,446
(c)	**Deferred tax assets**		
	Temporary differences	35,281	(4,863)
	Tax losses – revenue	197,761	1,116,309
	Recognised deferred tax assets	233,042	1,111,446

The deferred tax assets and deferred tax liabilities are recognised and fully offset.

Not recognised:		
Unrecognised tax losses	9,927,590	6,914,457

The net deferred tax asset arising from the tax losses has not been recognised as an asset in the Statement of Financial Position because recovery is not probable.

The taxation benefit of tax losses not brought to account will only be obtained if:

(i) assessable income is derived of a nature and of an amount sufficient to enable the benefits to be realised;
(ii) conditions for deductibility imposed by the law are complied with; and
(iii) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

Note 6. Management & Employee Personnel Compensation

The compensation paid to Key Management Personnel of the Company is set out below, please refer to the remuneration report in the directors report for further information:

Short-term employee benefits	181,667	205,000
Post-employment benefits	31,858	19,475
Share-based payments	-	49,000
	213,525	273,475

The compensation paid to employees of the Company is set out below:

Employee compensation

Wages, salaries excluding allocation to exploration	104,448	150,264
Superannuation	31,946	40,817
Total as per employee benefit expense	136,394	191,081
Share-based payments	3,920	66,650
Total employee compensation	140,314	257,331

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 7. Auditor's Remuneration

	30 June 2017 $	30 June 2016 $
Amounts received, or due and receivable by the current auditors, Grant Thornton Audit Pty Ltd, for audit or review of the financial report	30,200	23,650

Note 8. Cash and Cash Equivalents

Cash at bank and on hand	1,995,830	2,599,917

CASH FLOW INFORMATION

Reconciliation of the loss from continuing operations after income tax to the net cash flows from operating activities.		
- Profit/(Loss) from continuing operations after income tax	(3,383,223)	(920,170)
- Impairment of exploration expenditure	3,109,887	405,520
- Revaluation of shares	28,125	(21,875)
- Depreciation expense	8,568	15,682
- Share based payments	3,920	66,650
- Unearned income	30,000	-
- Employee benefits accrued/(paid out)	10,822	8,667
- Loss on disposal of assets	1,339	19,894
- (Increase)/Decrease in debtors	(3,425)	46,208
- (Increase)/Decrease in prepayments	14,108	10,725
- Increase/(decrease) in trade creditors	9,051	(21,600)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(170,828)	(390,299)

Cash at Bank includes $20,000 (2016: $30,000) held as security for credit cards.

Note 9. Trade and Other Receivables

Current		
Trade debtors	3,096	303
Interest receivable	5,880	5,248
Other debtors ([1])	25,000	25,000
	33,976	30,551

1 Other debtors relate to deposits the company has provided and are held by Austwide ($20,000) and Westpac Credit Cards ($5,000). The Austwide deposit is to facilitate the quick payment for pegging and other exploration activities with Austwide. The Westpac Credit Card deposit minimises the risk of paying interest or late charges on monthly credit cards.

Note 10. Other

Prepayments	9,780	23,888

Note 11. Property, Plant & Equipment

Cost	112,450	211,911
Accumulated depreciation	(101,897)	(192,512)
	10,553	19,399

Land and Buildings	346	409
Plant and Equipment	6,833	13,904
Motor Vehicles	-	-
Fixtures & Fittings	3,374	5,086
	10,553	19,399

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 11. Property, Plant & Equipment (continued)

	Land and buildings	Plant and equipment	Motor Vehicles	Fixtures & Fittings	Total
Cost					
Balance as at 30 June 2015	**1,337**	**198,905**	**44,752**	**33,372**	**278,366**
Additions	443	1,374	-	1,805	3,622
Disposals	(1,337)	-	(44,752)	(23,988)	(70,077)
Balance as at 30 June 2016	**443**	**200,279**	**-**	**11,189**	**211,911**
Additions	-	1,060	-	-	1,060
Disposals	-	(99,240)	-	(1,281)	(100,521)
Balance as at 30 June 2017	**443**	**102,099**	**-**	**9,908**	**112,450**
Accumulated Depreciation					
Balance as at 30 June 2015	**(556)**	**(176,628)**	**(24,590)**	**(18,574)**	**(220,348)**
Depreciation	(193)	(9,747)	(2,824)	(2,918)	(15,682)
Disposals	715	-	27,414	15,389	43,518
Balance as at 30 June 2016	**(34)**	**(186,375)**	**-**	**(6,103)**	**(192,512)**
Depreciation	(63)	(7,452)	-	(1,052)	(8,568)
Disposals	**-**	**98,562**	**-**	**620**	**99,183**
Balance as at 30 June 2017	**(97)**	**(95,265)**	**-**	**(6,535)**	**(101,897)**
Net written down value 30 June 2017	**346**	**6,833**	**-**	**3,374**	**10,553**

Note 12. Financial Assets

	30 June 2017 $	30 June 2016 $
Listed Shares [(1)]	9,375	37,500

(1) Listed shares are measured using quoted prices in active markets, using level 1 inputs. The movement for the year has been recognised in the Statement of Profit and Loss and other Comprehensive Income.

Note 13. Exploration and Evaluation Expenditure

Opening balance Exploration and evaluation expenditure	3,770,118	3,503,956
Exploration and evaluation expenses capitalised during year	429,352	671,682
Less: Impairment	(3,109,887)	(405,520)
Less: cost of exploration and evaluation projects sold	-	-
Closing balance Exploration and evaluation expenditure	1,089,583	3,770,118

During the year the Directors recognised an impairment on previously capitalised expenditure on specific tenements due to the tenements no longer being held.

The Company's title to certain mining tenements is subject to Ministerial approval and may be subject to outcomes of native title issues (Refer Note 24).

Note 14. Trade and Other Payables

Trade creditors	23,383	10,614
Other creditors	21,592	25,308
	44,975	35,922

The average credit period on purchases is 60 days. There is no interest charged on payables.

Note 15. Provisions

Employee entitlements – annual & long service leave accrued	33,436	25,462

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 16. Issued Capital

(a) Issued Shares

	Number	$
Opening Balance 1 July 2015	161,168,333	14,590,606
Closing Balance 30 June 2016	**161,168,333**	**14,590,606**
Opening Balance 1 July 2016	161,168,333	14,590,606
Closing Balance 30 June 2017	**161,168,333**	**14,590,606**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Options on Issue

The fair value per option granted during the year are detailed in Note 17.

Expiry date	5 Nov 2016	5 Nov 2017	9 Nov 2017	29 July 2018	3 Nov 2018	13 Dec 2018	Weighted average exercise price $	Weighted average contractual life remaining Months
Exercise Price	**$0.019 Employees[1]**	**$0.019 Directors[2]**	**$0.044 Employees[3]**	**$0.026 Employees[4]**	**$0.07 Directors[5]**	**$0.035 Employees[6]**		
Opening 1/7/16	400,000	5,000,000	500,000	1,300,000	5,000,000	-	0.042	22.14
Expired	(400,000)	-	-	-	-	-	0.019	-
Issued	-	-	-	-	-	400,000	0.035	17.73
Closing 30/6/17	-	5,000,000	500,000	1,300,000	5,000,000	400,000	0.041	14.19

The above-mentioned options have the following key terms:

1 *Employees' options are exercisable at $0.019 each, by the expiry date noted above.*

2 *Directors' options are exercisable at $0.019 each, by the expiry date noted above.*

3 *Employees' options are exercisable at $0.044 each, by the expiry date noted above.*

4 *Employees' options are exercisable at $0.026 each, by the expiry date noted above.*

5 *Directors' options are exercisable at $0.07 each, by the expiry date noted above.*

6 *Employees' options are exercisable at $0.035 each, by the expiry date noted above. The options vest immediately, and were settled in equity.*

Note 17. Share Option Reserve

	30 June 2017 $	30 June 2016 $
Opening Balance	115,390	204,100
Directors' Options – 3 November 2015	-	49,000
Employees' Options – 3 November 2015	-	4,650
Employees' Options – 29 July 2015	-	13,000
Employees' Options – 13 Dec 2016	3,920	-
Less – expired options	(3,240)	(155,360)
Closing balance	116,070	115,390

The Share Option Reserve arises as the share options granted vest over the vesting period. Amounts are transferred out of the reserve and into issued capital when the options are exercised.

Using the Black & Scholes options valuation and methodology, the fair value of the options ware calculated. The following inputs were used:

INPUT	EMPLOYEE OPTIONS	INPUT	EMPLOYEE OPTIONS
Exercise price	$0.035	Expected dividends	Nil
Share price	$0.023	Risk free interest rate	1.5%
Grant date	13/12/16	Value per option	$0.0098
Expected volatility (i)	100%	Number of options	400,000
Expiry date	13/12/18	Value of options	$3,920

(i) Volatility using the Black & Scholes method was determined by looking at similar companies for a similar period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 18. Accumulated Losses

	30 June 2017 $	30 June 2016 $
Balance at the beginning of the year	(8,263,924)	(7,499,114)
Net profit/(loss) for the year	(3,383,223)	(920,170)
Transfer from share option reserve (expired options)	3,240	155,360
Balance at the end of the year	(11,643,907)	(8,263,924)

Note 19. Statement of Operations by Segment

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company operates solely in the natural resources exploration industry in Australia, and has determined that this is the only operating segment. The Company is predominantly involved in mineral exploration.

Note 20. Related Party Transactions

a) **Key management personnel compensation**
Details of key management personnel compensation are disclosed in Note 6 to the financial statements.

b) **Transactions with director related entities**
During the year, Mooney & Partners Pty Ltd, a company associated with Grant Mooney was paid for Company secretarial services provided to the Company totalling $48,000 (2016: $52,000).

Note 21. Financial Instruments

(a) Overview

The Company's principal financial instruments comprise receivables, payables, cash and short-term deposits. The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and commodity prices risk.

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. All financial assets and liabilities are held at amortised cost.

Capital Risk Management

The Company manages its exposure to key financial risks in accordance with the Company's Risk Management Policy. Key risks are monitored and reviewed as circumstances change and policies are revised as required. The overall objective of the Company's financial risk management policy is to support the delivery of the Company's financial targets whilst protecting future financial security.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt equity balance. The Company's focus has been to raise sufficient funds through equity to fund exploration activities.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated losses as disclosed in Notes 16, 17 and 18 respectively. The Company is not subject to externally imposed capital requirements.

Given the nature and size of the business and uncertainty as to the timing of cash inflows and outflows the Company does not enter into derivative transactions to mitigate the financial risks. In addition, the Company's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Company's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board agrees and reviews policies for managing the Company's financial risks as summarised below.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 21. Financial Instruments (Continued)

b) Interest rate risk

The Company'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 average interest rates in classes of financial assets and liabilities is as follows:

2017	Average Effective Interest Rate %	Fixed Interest Rate $	Floating Interest Rate $	Non-Interest Bearing $	Total $
Financial assets:					
Operating accounts	0.01%	-	11,046	-	11,046
Savings accounts	0.60%	-	267,965	-	267,965
Term deposits	2.27%	1,716,819	-	-	1,716,819
Receivables	-	-	-	33,976	33,976
		1,716,819	**279,011**	**33,976**	**2,029,806**
Financial liabilities:					
Accounts payable	-	-	-	44,974	44,974
		-	**-**	**44,974**	**44,974**

2016	Average Effective Interest Rate %	Fixed Interest Rate $	Floating Interest Rate $	Non-Interest Bearing $	Total $
Financial assets:					
Operating accounts	0.01%	-	9,952	330	10,282
Savings accounts	0.70%	-	148,065	-	148,065
Term deposits	2.70%	2,441,570	-	-	2,441,570
Receivables	-	-	-	30,551	30,551
		2,441,570	**158,017**	**30,881**	**2,630,468**
Financial liabilities:					
Accounts payable	-	-	-	-	35,922
		-	**-**	**35,922**	**35,922**

Interest rate sensitivity

A sensitivity of 10 per cent has been selected as this is considered reasonable given the current level of both short term and long-term interest rates. A movement of 10 basis points in interest rates on reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Retained Earnings	
2017	**+10% $**	**-10% $**	**+10% $**	**-10% $**
Cash and equivalents	456	(456)	456	(456)
2016	**+10% $**	**-10% $**	**+10% $**	**-10% $**
Cash and equivalents	525	(525)	525	(525)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 21. Financial Instruments (Continued)

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	2017 $	2016 $
Cash and cash equivalents	1,995,830	2,599,917
Trade and other receivables	33,976	30,551
	2,029,806	**2,630,468**

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due, by insuring sufficient liquid funds are available on short term maturities.

The maturity of all financial assets and liabilities is less than six months.

e) Commodity price risk

The Company is exposed to commodity price risk. Commodity prices can be volatile and are influenced by factors beyond the Company's control. As the Company is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

(f) Fair Value

The net fair value of financial assets and financial liabilities approximate their carrying value. Net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

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

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis.

30 June 2017	Level 1	Level 2	Level 3	Total
Financial Assets:				
Listed Shares	9,375	-	-	9,375
Net fair value:	**9,375**	-	-	**9,375**

30 June 2016	Level 1	Level 2	Level 3	Total
Financial Assets:				
Listed Shares	37,500	-	-	37,500
Net fair value:	**37,500**	-	-	**37,500**

There were no transfers between Level 1 and Level 2 in 2017.
Fair values of these listed securities have been estimated by reference to quoted bid prices in active markets at the reporting date and are categorised within Level 1 of the fair value hierarchy above.
The Company has no level 2 or level 3 assets or liabilities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 22. Earnings per Share

	2017 cents	2016 cents
Basic profit/(loss) per share (cents per share)	(2.099)	(0.571)
Diluted profit/(loss) per share (cents per share)	(2.099)	(0.571)

Basic Earnings per Share

	2017 $	2016 $
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit/(Loss)	(3,383,223)	(920,170)

	2017 No.	2016 No.
Weighted average number of ordinary shares	161,168,333	161,168,333
Weighted average number of dilutive ordinary shares	N/A	N/A

Options outstanding at year end are not dilutive and therefore not included in the calculation of dilutive loss per share.

Note 23. Significant Events Subsequent to Year End

Other than the following, there was no matter or circumstance subsequent to the end of the year that has significantly affected the operations of the Company, the results of operations or the state of affairs in future financial years:

On 29 August 2017 the Company issued 1,000,000 Ordinary Fully Paid shares upon the conversion of 1,000,000 consultant options at an exercise price of $0.026 and an expiry date of 29 July 2018.

Note 24. Contingent Liabilities

In June 1992 the High Court of Australia held in the Mabo case that the common law of Australia recognises a form of native title. The full impact that the Mabo decision may have on tenements held by the Company is not yet known. The Company is aware of native title claims that have been lodged with the National Native Title Tribunal ("the Tribunal") over several areas in the Northern Territory in which the Company holds interests. The native title claims have been accepted by the Tribunal for determination under section 63(1) of the Native Title Act 1993 (Commonwealth). There is no information at balance date known to Directors which would result in an impairment trigger or potential loss of tenements.

Note 25. Commitments for Expenditure

These amounts are payable, if required, over various times over the next five years. In addition, royalty payments may be payable if certain conditions are met in the future. At this time, the Directors do not consider the payments to be probable.

Operating Lease Commitment as follows:

The Company has entered into a rental agreement commencing 16 May 2016 for a period of 24 months, with a 2 month rent free period. The Company has an option to extend the lease for a following 2 years after the expiry of the first agreement on 15 May 2018.

Office Rental	2017 $	2016 $
- Due within 1 year	49,598	55,313
- Due 1 to 5 years	-	49,623

Exploration Expenditure Commitments:

The Company has minimum statutory commitments as conditions of tenure of certain mining tenements. Whilst these obligations may vary, a reasonable estimate of the minimum commitment projected for the next 12 months if it is to retain all of its present interests in mining and exploration properties is $176,000 (2016: $176,000).

DIRECTORS' DECLARATION

1. In the opinion of the directors of POZ Minerals Limited (the Company):
   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
      i. giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year then ended; and
      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

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

JAMES RICHARDS	**GRANT MOONEY**
Executive Chairman	Non-executive Director & Company Secretary

Dated this 19th day of September 2017

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Independent Auditor's Report to the Members of POZ Minerals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of POZ Minerals Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a Giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

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

Basis for Opinion

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

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

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 matter	How our audit addressed the key audit matter
Exploration and evaluation expenditure Note 2(m) and Note 13.	

As at 30 June 2017 the Company had $1.089 million of exploration and evaluation expenditure.
 	
The Company is required to assess the recoverable amount of each area of interest in line with *AASB 6 Exploration for and Evaluation of Mineral Resources* to ensure the carrying value does not exceed its recoverable amount.
 	
The process to assess for impairment of exploration and evaluation assets involves significant management judgement and subjectivity with regards to the applicability of impairment indicators and the assessment of the recoverable amount of assets which have not yet reached the production stage. The ability for the Company to determine whether the area of interest is economically viable is dependent upon advancing drilling and feasibility studies to a stage whereby information is readily available to undertake value-in-use calculations.
 	
This is a key audit matter due to the nature of the balance and the judgements required in determining the recoverable amounts where impairment triggers exist.
	Our procedures included, amongst others:
	
	• Obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
	• Reviewing management's area of interest considerations against AASB 6;
	• Conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including;
	  – Tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;
	  – Enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of managements' budgeted expenditure;
	  – Understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;
	• Assessing the accuracy of impairment recorded for the year as it pertained to exploration interests;
	• Reviewing the appropriateness of the related disclosures within the financial statements.

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

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, 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 we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors' for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 7 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of POZ Minerals Limited, for the year ended 30 June 2017, 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M A Petricevic
Partner - Audit & Assurance

Perth, 19 September 2017

ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. The information was prepared based on share registry information processed up to 15 September 2017.

Spread of Holdings			Ordinary Shares
1	-	1,000	26.255
1,001	-	5,000	365,584
5,001	-	10,000	1.180,958
10,001	-	100,000	14,268,232
100,001	-	and over	146,327,304

Number of Holders: 818

Number of shareholders holding less than a marketable parcel: 380

SUBSTANTIAL SHAREHOLDERS

Shareholder Name	Number of Shares
James Richards	32,016,401
Kelsi Chemicals Pty Ltd <Ruane S/F A/C>	16,568,370
One Managed Investment Funds Ltd <1 A/c>	14,485,373

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights.

STATEMENT OF QUOTED SECURITIES / TOTAL SHARES ON ISSUE

Listed on the Australian Securities Exchange are 162,168,333 fully paid shares.

COMPANY SECRETARY

The name of the Company Secretary is Grant Jonathan Mooney.

REGISTERED OFFICE

The registered office is at Suite 4, 6 Richardson Street, West Perth, Western Australia 6005.

TWENTY LARGEST HOLDERS OF EACH CLASS OF QUOTED EQUITY SECURITIES (as at 15 September 2017)

ORDINARY FULLY PAID SHARES

Shareholder Name	Number of Shares	Percentage of Capital
JAMES MCARTHUR RICHARDS	32,016,401	19.74%
ONE MANAGED INVESTMENT FUNDS LTD <1 A/C>	14,485,373	8.93%
KESLI CHEMICALS PTY LTD <RUANE SUPER FUND A/C>	13,740,755	8.47%
OCEAN FLYERS PTY LTD <S&G MOONEY SUPER FUND>	5,510,000	3.40%
IANAKI SEMERDZIEV	3,706,333	2.29%
ANNE MARIE HUTCHINGS	3,650,000	2.25%
CLELAND PROJECTS PTY LTD <CT A/C>	3,000,000	1.85%
JP MORGAN NOMINEES AUSTRALIA	2,907,722	1.79%
CORONA LAND HOLDINGS PTY LTD <HUMBERSTONE SUPER FUND>	2,533,333	1.56%
DALE LEONARD ANDREWS <DOG STAR SUPER FUND A/C>	2,492,000	1.54%
LATERAL MINERALS PTY LTD <SUNGOLD SUPER FUND A/C>	2,200,000	1.36%
OAK WINDS SUPER PTY LTD <DACIN NOMINEES PTY LTD SUPER FUND A/C>	2,000,000	1.23%
IAN KERR	1,709,669	1.05%
JEREMY ALAN SCOTT WEST	1,700,000	1.05%
CHRISTOPHER JOHN FONE	1,572,498	0.97%
LISA KATHLEEN WELLS	1,550,000	0.96%
WEST SIDE SALES PTY LTD	1,500,000	0.92%
PAUL SCIANCALEPORE & PAULINE SCIANCALEPORE	1,500,000	0.92%
Z&M CONSOLIDATED PTY LTD <THE Z AND M SUPER FUND A/C>	1,500,000	0.92%
GOLD AND MINERAL RESOURCES PTY LTD	1,475,000	0.91%
Total	**100,749,084**	**62.11%**

HOLDERS OF SECURITIES IN AN UNQUOTED CLASS

OPTIONS

Option Holder Name	Directors Options Expiring 5 Nov 2017 @ 1.9 cents each	Employee Options Expiring 9 Nov 2017 @ 4.4 cents each	Employee Options Expiring 29 July 2018 @ 2.6 cents each	Directors Options Expiring 3 Nov 2018 @ 7.0 cents each	Employee Options Expiring 13 Dec 2018 @ 3.5 cents each
James Richards	3,000,000	-	-	3,000,000	-
Mark Thompson	1,000,000	-	-	1,000,000	-
Grant Mooney	1,000,000	-	-	1,000,000	-
Michael Denny	-	500,000	-	-	400,000
Tamara Gray	-	-	300,000	-	-
	5,000,000	**500,000**	**300,000**	**5,000,000**	**400,000**

CORPORATE GOVERNANCE

(a) The Board of Directors

The primary responsibility for the Board is to represent and advance Shareholder's interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The Company has adopted the ASX *Corporate Governance Principles and Recommendations* with some amendments where applicable after giving consideration to the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

A summary of the Company's key policies follow.

(b) Board and Senior Executive Evaluation

The Board considers the ongoing development and improvement of its own performance as critical input to effective governance. The Board will undertake an annual evaluation of its effectiveness as a whole. The Chairman will review the individual performance of each Board member annually.

The Chairman's performance is evaluated by the Board annually.

All senior executives of POZ Minerals are subject to an annual performance evaluation. Each year, senior executives establish a set of performance targets with her or his superior. These targets are aligned to overall business goals and requirements of the position. In the case of the Managing Director, these targets are established between the Managing Director and the Board.

(c) Code of Conduct

The Board, management and all employees of POZ Minerals are committed to implementing POZ Mineral's core principles and values as stated in this Code of Conduct when dealing with each other and with customers, suppliers, government authorities, creditors and the wider community.

POZ Minerals is dedicated to delivering outstanding performance for investors and employees. POZ Minerals aspires to be a leader in its field while operating openly, with honesty, integrity and responsibility and maintaining a strong sense of corporate social responsibility. In maintaining its corporate social responsibility POZ Minerals will conduct its business ethically and according to its values, encourage community initiatives, consider the environment and ensure a safe, equal and supportive workplace.

(d) Continuous Disclosure

In accordance with the ASX Listing Rules, POZ Minerals will immediately notify the ASX of information concerning POZ Minerals that a reasonable person would expect to have a material effect on the price or value of POZ Minerals' securities.

The only exception to this requirement is where the ASX Listing Rules do not require such information to be disclosed.

Upon confirmation of receipt from the ASX, POZ Minerals will post all information disclosed to ASX on its website.

CORPORATE GOVERNANCE (Continued)

(e) Selection of External Auditor

The Board identifies and recommends an appropriate external auditor for appointment, in conjunction with senior management and/or POZ Minerals in general meeting. The appointment is made in writing.

The external auditor is required to rotate its audit partners so that no partner of the external auditor is in a position of responsibility in relation to POZ Minerals' accounts for a year of more than five consecutive years. Further, once rotated off POZ Minerals' accounts, no partner of the external auditor may assume any responsibility in relation to POZ Mineral's accounts for a year of five consecutive years.

The Company has appointed, with their consent, Grant Thornton as its auditors.

(f) Senior Executives Remuneration

POZ Minerals is committed to remunerating its senior executives in a manner that is market competitive, consistent with best practice and supports the interests of shareholders. Consequently, senior executives' remuneration consists of a fixed salary, statutory superannuation and, subject to the terms of their engagement, mobile phone expenses.

All reasonable out of pocket expenses incurred by the senior executive in connection with the performance of duties on behalf of POZ Minerals will be reimbursed.

In addition, the Company has established an employee share option plan ("ESOP") in order to provide an incentive for senior executives and other employees to participate in the future growth of the Company. The ESOP is administered in accordance with the ESOP rules which can be viewed, in full, on the Company's website.

(g) Non-executive Directors Remuneration

Non-executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. The sum each Non-Executive Director is paid is determined by the Board from time to time. Additional fees may be paid for participation on Board Committees however, the total fees paid to Non-Executive Directors, including fees paid for participation on Board Committees, are kept within the total amount approved by shareholders. At present the maximum aggregate remuneration of Non-Executive Directors is $400,000 per annum.

(h) Selection and Appointment of New Directors

Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within POZ Minerals' scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting.

(i) Risk Management

Risk recognition and management are viewed by POZ Minerals as integral to the Company's objectives of creating and maintaining shareholder value, and the successful execution of the Company's mineral exploration and development.

There are a range of specific risks that have the potential to have an adverse impact on POZ Minerals' business. The Company has developed a framework for a risk management policy and internal compliance and control system which covers organisational, financial and operational aspects of the Company's affairs.

Management reports to the Board annually in relation to the key business risks, the control system in place to manage such risks and how effective the risk management system is operating.

CORPORATE GOVERNANCE (Continued)

(j) Security Trading

POZ Minerals recognises that directors, officers and employees may hold securities in POZ Minerals and that most investors are encouraged by these holdings. It is the responsibility of the individual director, officer or employee to ensure that any trading by the director, officer or employee complies with the Corporations Act 2001, the ASX Listing Rules and Company Policy.

A breach of this policy may lead to disciplinary action. It may also be a breach of the law.

On 17 December 2010, the Company adopted a Securities Trading Policy which sets out procedures and protocols to be complied with if a director, officer or employee wishes to trade in the Company's securities. These procedures and protocols include the clear establishment of "blackout periods" where trading in the Company's securities by a director, officer or employee is prohibited as well as approvals required for trading in securities during non-blackout periods.

(k) Shareholder Communication Policy

The Board aims to ensure that shareholders are informed of all major developments affecting POZ Minerals. All shareholders receive the Company's annual report, and may also request copies of the Company's half-yearly and quarterly reports. The Board also encourages full participation of shareholders at the Company's annual general meeting.

In addition, the Company maintains a website at www.pozminerals.com.au which is regularly updated.

(l) Independent Professional Advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(m) Matters for Approval by the Board of Directors

The Board has adopted a list of matters required to be brought before the Board of Directors for approval. This provides an important means of dividing responsibility between the Board and management, assisting those affected by corporate decisions to better understand the respective accountabilities and contributions of the Board and the Senior Executives.

(n) Diversity Policy

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. As such, the Board has adopted a policy to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

(o) Explanations for Departure From Best Practice Recommendations

During the reporting year from the Company has complied with each of the Essential Corporate Governance principles and the corresponding Best Practice Recommendations as published by ASX Corporate Governance Council ("ASX Principles and Recommendations" 3rd Edition), other than in relation to the matters specified below.

EXPLANATION FOR DEPARTURE FROM BEST PRACTICE RECOMMENDATIONS

The Company has complied with each of the Eight Corporate Governance Principles and Recommendations as published by ASX Corporate Governance Council (3rd Edition), other than in relation to the matters specified below.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The listing entity should disclose:

(a) the respective roles and responsibilities of its board and management; and

(b) those matters expressly reserved to the board and those delegated to management.

The Company complies with this recommendation.

The Company has established clear details of the roles and responsibilities of each of its board management members.

Recommendation 1.2

A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Company complies with this recommendation.

The Company has a policy for the evaluation of the Board and Senior Executives, details of which can be found on the Company's website.

The appointment of any director is subject to subsequent approval by shareholders at the next Annual General Meeting of the Company. Meeting materials for such meeting incorporates all relevant details to assist shareholders in deciding whether or not to elect or re-elect that director.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company complies with this recommendation.

Prior to the formal appointment of any director, a written agreement is entered into between the Company and the director setting out the terms and conditions of their appointment.

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company complies with this recommendation.

Recommendation 1.5

A listed entity should:

(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either;

(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or

(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.

The Company does not comply with this recommendation. The Company has not yet set measurable objectives for achieving diversity. The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company. Due to the size of the Company, the Board does not consider it appropriate at this time to formally set objectives for gender diversity. The Company currently employs (including on a consulting basis) 6 staff (2 females and 4 males).

Recommendation 1.6

A listed entity should:

(a) *have and disclose a process for periodically evaluation the performance of the board, its committees and individual directors; and*

(b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Company complies with this recommendation.

On an annual basis the Company undertakes a review of the Board, its committees and individual directors which is confirmed in the Annual Report.

Recommendation 1.7

A listed entity should:

(a) *have and disclose a process for periodically evaluating the performance of its senior executives; and*

(b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Company complies with this recommendation.

On an annual basis the Company undertakes a review of the senior executives which is confirmed in the Annual Report.

Principle 2: Structure the board to add value

Recommendation 2.1

The board of a listed entity should:

(a) *have a nomination committee which:*

(i) *has at least three members, a majority of whom are independent directors; and*

(ii) *is chaired by an independent director; and disclose:*

(iii) *the charter of the committee;*

(iv) *the members of the committee; and*

(v) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Company does not comply with this recommendation. Given the Company's size, it is not considered necessary to have a separate Nomination Committee.

In addition to the above, the following information is provided:

(a) the skills, experience and expertise of each of the Company's directors are set out in the Company's Annual Report;

(b) the Board, in consultation with external advisers where required, undertakes this role; and

(c) the Company provides for the proper assessment of prospective directors and include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Company complies with this recommendation.

The skills, experience and expertise of each of the Company's directors are set out in the Company's Annual Report.

Recommendation 2.3

A listed entity should disclose:

(a) the names of the directors considered by the board to be independent directors;

(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director.

The Company complies with this recommendation.

Non-Executive Directors Grant Mooney and Mark Thompson are considered Independent Directors.

The length of service of each Director is set out in the Annual Report.

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

The Company currently complies with this recommendation.

Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

The Company does not comply with this recommendation.

Given the size of the Group the Board considers it is prudent to combine the roles of Chairman and Executive to preserve funds.

Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors efficiently.

The Company complies with this recommendation.

The Company has established a process for induction of new directors and where possible, provides each director with opportunities for professional development such that they can improve their effectiveness as directors of the Company.

<u>Principle 3: Act ethically and responsibly</u>

Recommendation 3.1

A listed entity should:

(a) have a code of conduct for its directors, senior executives and employees; and

(b) disclose that code or a summary of it.

The Company complies with this recommendation.

The Company has established a code of conduct for all directors, senior executives and employees which is summarised in the Company's Annual Report.

<u>Principle 4: Safeguard integrity in corporate reporting</u>

Recommendation 4.1

The board of a listed entity should:

(a) have an audit committee which:

(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

(ii) is chaired by an independent director, who is not the chair of the board,

and disclose:

(b) the charter of the committee;

(c) the relevant qualifications and experience of the members of the committee; and

(d) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(e) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company does not comply with this recommendation.

The Directors are of the view that given the size of the Company and the relatively small number of directors, it is not practical to have an Audit Committee. The Board undertakes this role.

The Board meets on a regular basis and discusses matters normally captured under the terms of reference of an audit committee, being Company risk, controls and general and specific financial matters, as detailed in Risk Management on the Company's website.

Recommendation 4.2

The board of the listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company complies with this recommendation. The Board receives assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration in relation to section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company also has a separate policy in relation to Risk Management which is available on the Company's website.

Recommendation 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The Company complies with this recommendation.

The Company's auditor attends the annual general meeting of the Company and is available to answer any question in relation to the audit.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

A listed entity should:

(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and

(b) disclose that policy or a summary of it.

The Company complies with this recommendation.

The Company has a Continuous Disclosure policy which is set out on the Company's website.

Principle 6: Respect the rights of security holders

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

The Company complies with this recommendation.

A summary of the Company's Corporate Governance policies is set on the Company's website.

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company complies with this recommendation.

The Company has established an investor relations program to ensure effective communications between the Company and shareholders and investors.

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Company complies with this recommendation.

The Company has a Shareholder Communication Policy which is set out on the Company website.

Recommendation 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company complies with this recommendation.

The Company provides the option to shareholders to receive communications electronically, notification of this option is provided by the Company registry.

Principle 7: Recognise and manage risk

Recommendation 7.1

The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

(i) has at least three members, a majority of whom are independent directors; and

(ii) is chaired by an independent director;

And disclose:

(iii) the charter of the committee;

(iv) the members of the committee; and

(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Company does not comply with this recommendation.

The Directors are of a view that given the size of the Company, it is not necessary to have a separate committee to oversee risk and this function is undertaken directly by the Board and senior management at regular intervals. The Risk Management Policy is available on the Company's website.

Recommendation 7.2

The board or a committee of the board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

The Company complies with this recommendation.

As stated above, in the forum of board meetings the board regularly addresses certain risks that may affect the Company's business interests and confirmation of these risks being addressed are noted in the Corporate Governance Policies within the Annual Report.

Recommendation 7.3

A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.

The Company does not comply with this recommendation.

The Directors are of the view that given the size of the Company, it is not practical to have an internal audit function and that risk management is undertaken by the Board and senior management.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Company does not comply with this recommendation.

The Directors are of the view that given the Company's size, risks are addressed directly by the Board and senior management and are not disclosed externally.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

The board of a listed entity should:

(a) *have a remuneration committee which:*

- *(i)* *has at least three members, a majority of whom are independent directors; and*
- *(ii)* *is chaired by an independent director;*

and disclose:

- *(iii)* *the charter of the committee;*
- *(iv)* *the members of the committee; and*
- *(v)* *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

(b) *if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The Company does not comply with this recommendation.

The Company does not presently have a remuneration committee.

The Directors are of the view that given the size of the Company, the relatively small number of directors it is not practical to have a remuneration committee. The Board undertakes this role with the assistance of any external advice which may be required from time to time.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company complies with this recommendation.

The Company has separate policies relating to the remuneration of non-executive directors as opposed to senior executives.

These policies provide a basis for distinguishing the type of remuneration which is suitable for the two classes.

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

(a) *have a policy on whether participants are permitted to enter into transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*

(b) *disclose that policy or a summary of it.*

The Company complies with this recommendation.

The Company has a Securities Trading Policy which, among other things, sets out the Company's policy on trading the Company's securities. A copy of this policy is on the Company's website.