SIX SIGMA METALS LIMITED

AND ITS CONTROLLED ENTITY (FORMERLY BOTSWANA METALS LIMITED)

ACN 122 995 073

ANNUAL REPORT
30 JUNE 2018

ANNUAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2018

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CORPORATE DIRECTORY

Directors:	Mr Eddie King Mr Steven Russell Groves Mr Joshua Alan Letcher
Company Secretary:	Mr Mauro Piccini
Registered Office:	Suite 2, Level 1 1 Altona Street West Perth WA 6005
Share Registry:	Advanced Share Registry Services Limited 110 Stirling Highway NEDLANDS WA 6009 Telephone (08) 9389 8033 Facsimile (08) 9262 3723
Banker:	Westpac Banking Corporation Level 13, 109 St Georges Terrace Perth WA 6000
Auditor:	William Buck Level 20 181 William Street MELBOURNE VIC 3000
Securities Exchange:	ASX Limited Level 45 Rialto South Tower 525 Collins Street MELBOURNE VIC 3000

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Six Sigma Metals Limited and its controlled entity ("the Group") for the year ended 30 June 2018.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this Report:

Mr Eddie King (Executive Chairman, appointed 12 June 2018)

Mr Steven Russell Groves

Mr Joshua Alan Letcher (appointed 21 August 2017)

Mr Edwin Edward Bulseco (appointed 21 August 2017, resigned 31 July 2018)

Mr Patrick John Volpe (Executive Chairman, resigned 11 December 2017)

Mr Matthew John Hudson (resigned 21 August 2017)

COMPANY SECRETARY

Mr Mauro Piccini

Mr Piccini is a Chartered Accountant (CA) and a member of the Governance Institute of Australia (GIA). He specialises in corporate advisory, company secretarial and financial management services. Mauro spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines.

Mr Ramon Jimenez resigned as Company Secretary 22 December 2017 and on the same day Mr Mauro Piccini was appointed.

PRINCIPAL ACTIVITIES

The Group's principal activities during the year have been the continuing exploration in Botswana. The main business activities in recent years have been focused on the exploration development for base metals and in particular for nickel and copper and PGEs within the Group's tenement portfolio located over the Limpopo belt on the eastern side of Botswana.

The Company entered into an option agreement with Mirroplex Pty Ltd to acquire up to 80% interest in the Chuatsa Vanadium-Titanium and Shamva Lithium projects in Zimbabwe as announced 17 May 2018, the Company is currently undertaking due diligence.

OPERATING RESULTS

The consolidated loss for the year attributable to the members of the Company was:

	2018	2017
	$	$
Operating loss after income tax	**(1,469,576)**	(1,772,286)
Net consolidated loss attributable to members of the Company	**(1,469,576)**	(1,772,286)

DIVIDENDS

As the Group's principal activities are minerals exploration it has not as yet paid any dividends and does not see any short–term return to shareholders via dividend payments.

REVIEW OF OPERATIONS

OPTION AGREEMENT ON SHAMVA LITHIUM AND CHUATSA VANADIUM PROJECTS

The Group entered Option Agreement to acquire an 80% interest in Shamva Lithium and Chuatsa Vanadium-Titanium Projects in Zimbabwe.

The proposed acquisition is planned as a three-phase staged option agreement whereby the Company can acquire up to an 80% interest in the Projects by acquiring an interest in the share capital of Mirrorplex. The key terms of the Option Earn in Agreement are outlined in ASX Announcement on 17 May 2018 and include an initial 60 Due Diligence period followed by 3 Earn-in phases. A reduction in the consideration shares for the option agreement for phase 1 were subsequently announced on 4 July 2018.

- Due Diligence Period was extended to accommodate drilling and de-risk project;
- Due diligence drilling of 5 holes undertaken in July at Shamva revealed;
- All holes intersected pegmatite dykes;
- Lithium minerals including Spodumene and Lepidolite identified in all pegmatite drill intersections;
- Down-hole pegmatite drill intersections of up to 9m, 14m and 36m (down dip intersection); and
- Pegmatite dykes intersected down to 60m vertically below surface outcrops.

BOTSWANA ASSETS

The Group is the holder of exploration licences covering approximately 1,500km^2 of terrain prospective for Ni-Cu-Co-PGE-Au-Ag and lithium and tantalum in eastern Botswana.

LITHIUM AND TANTALUM EXPLORATION

The Group continues to assess the Lithium and Tantalum exploration potential of the Company's portfolio in Botswana. A number of reconnaissance soil samples were collected in the first half of 2018 and are currently being processed.

BCL JOINT VENTURE

Three of the Group's licences Licences (PL 110/94, PL 111/94 and PL 54/98), covering 185km^2, have been in Joint Venture with BCL Limited (a major Ni-Cu miner in Botswana) since 2014. In October 2016, BCL was placed into Liquidation and all work on the JV assets ceased. The Ministry of Minerals Resources, Green Technology and Energy Security has subsequently suspended (put on hold) the renewal date of the three Prospecting Licences (see *ASX Announcement 25 September 2017*). This suspension means that the current renewal date of 31 March 2018 has been frozen for an indefinite period pending completion of the Liquidation process.

This decision does not affect SI6's right to continue exploring these licences. SI6, via its African subsidiary AML, will apply for renewals for all three licences as stipulated in the Mines and Minerals Act when advised by the Ministry of the new renewal dates for the licenses.
The liquidation process is ongoing as of the date of this report.

CORPORATE ACTIVITY

Financial Position

During the financial year ended 30 June 2018 the following changes in financial position ocurred:
- Net assets increased by $2,533,100 to $9,102,154.
- Total assets increased by $2,292,124 to $9,327,224.
- Total liabilities decreased by $240,976 to $225,070.

The Directors believe the Group is in a stable financial position and able to expand and grow its current operations.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

Board Changes

On 21 August 2017 Mr Matthew John Hudson resigned as Non-Executive Director of the Company.

On 11 December 2017 Mr Patrick John Volpe resigned as Chairman of the Company.

On 12 June 2018 Mr Eddie King was appointed as Non-Executive Director of the Company.

On 31 July 2018 Mr Edwin Bulseco resigned as Chairman, Non-Executive Director of the Company and Mr Eddie King was appointed to chairman in his place.

Share Placements

On 18 August 2017 the Group issued 362,000,000 pre consolidation fully paid ordinary shares at an issue price of $0.1 cent per share, the placement raised $362,000 (before costs).

On 8 September 2017, the Group announced a capital raising of $1,325,000 (before costs) via a placement of 1,615,853,617 pre-consolidation shares at $0.082 cents per share ("Issue Price"). This was completed on 6 December 2017.

On 21 December 2017 the Group announced that $1,600,000 had been raised in a placement following strong interest from a number of sophisticated and professional investors. The company issued 75,333,333 shares at $0.015 per share ("Issue Price") subsequent to 31 December 2017 on 3 January 2018.

On 23 March 2018, the Group issued 31,333,333 fully paid ordinary shares at $0.015 cents per share as a part of the second tranche raising $470,000 (before costs).

After Balance Date Events

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect the operations of the Group, the results of these operations or the state of affairs of the Group in subsequent years.

Future Developments

The Group is continuing the due diligence on the potential 80% acquisition of Shamva Lithium and Chuatsa Vanadium-Titanium Projects in Zimbabwe. The Group's geologists undertook a reconnaissance visit to the Chuatsa Vanadium project to locate old exploration sites and to take a limited collection of soil and rock samples of available material to verify the mineralisation levels reported by Anglo American in the 1960s. A total of 70 samples were collected and will be submitted to an independent laboratory in South Africa for analysis.
Assay results are pending and are expected during the September 2018 Quarter.

The Group will be focused on continuing to develop value from exploration across its tenement package in Botswana.

Environmental Issues

The Group holds a 100% interest in a number of exploration licences and has participating interests in others. The various authorities granting such licences require the licence holder to comply with directions given to it under the terms of the grant of licence. There have been no known breaches of the Group's licence conditions.

INFORMATION ON DIRECTORS

Steven Groves – Non- Executive Director

Mr Groves has a Bachelor of Applied Geology (Honours) and completed a Master's of Economic Geology from CODES-SRC at the University of Tasmania.
Mr Groves is currently a non-executive director of Six Sigma Metals Ltd (ASX: SI6) and brings 25 years of geological experience in the mining industry including exploration and management roles with BHP Billiton (ASX: BHP), Newmont Mining, Newcrest Mining (ASX: NCM), A-Cap Resources (ASX: ACB) and Botswana Metals.

During the past three years, Mr Groves held the following directorship in another ASX listed company:

- Managing Director of Sultan Resources Ltd (current)

Eddie King– Non-Executive Director

Mr King is a qualified Mining Engineer. He holds a Bachelor of Commerce and Bachelor of Engineering from the University of Western Australia. His past experience includes being a manager for an investment banking firm, where he specialised in the analysis of technical and financial requirements of bulk commodity and other resources projects.

During the past three years, Mr King held the following directorships in other ASX listed companies:

- Non-Executive Chairman of Bowen Coking Coal Limited (current);
- Non-Executive Director of Pure Minerals Limited (current);
- Non-Executive Director of Axxis Technology Limited (current);
- Non-Executive Director of Sultan Resources Limited (current);
- Non-Executive Director of European Cobalt Limited (current);
- Non-Executive Director and Chairman of Eastern Iron Limited (current);
- Non-Executive Director of Drake Resources Limited (current); and
- Non-Executive Chairman of Lindian Resources Limited (resigned January 2018).

Edwin Bulseco – Non-Executive Chairman

Mr Bulseco has a wealth of experience in capital markets and corporate strategic planning. From 2010 to 2015, Mr Bulseco has served as a senior equity research analyst at two of Australia's oldest stockbrokers.

Edwin has more recently worked in corporate finance for numerous boutique East Coast based corporate advisories. During this period, Mr Bulseco has gained considerable capital markets and corporate experience, and

During the past three years, Mr Bulseco held the following directorships in other ASX listed companies:

- Non-executive Director of Greenpower Energy Ltd (current);
- Non-Executive Director of Transcendence Technologies Ltd (current);
- Chairman and Non-Executive Director of Sultan Resources Ltd (Resigned May 18); and
- Non-executive Director of Red Gum Resources Ltd now known as MCS Services Ltd (2 March 2014 to 18 December 2015).

Mr Joshua Alan Letcher – Non- Executive director

Mr Letcher has experience working in various operational and technical roles within the African and Australian mining industry. He was the founder of Allotropes Diamonds Pty Ltd and was responsible for its acquisition by Newfield Resources Ltd (ASX: NWF) which provided the company with A$4M in working capital. As CEO of Allotropes, Mr Letcher was responsible for the development of the project from exploration to trial mining. The roles in that capacity included project management, plant construction and commissioning, exploration management and asset acquisition. Mr Letcher served in the Royal Australian Navy and trained as a Mechanical Engineer.

During the past three years, Mr Letcher held the following directorships in other ASX listed companies:

- Non-executive Director of Aldoro Resources Limited (current); and
- Executive Director of Newfield Resources Ltd (from 31 March 2014 to 16 November 2015).

Mr Patrick John Volpe-Executive chairman

10 years Background in mining, media, transport, manufacturing, banking and stockbroking with a particular emphasis on corporate restructuring, business acquisitions, investment advising and capital raisings.

During the past three years, Mr Volpe held the following directorships in other ASX listed companies:

He was formerly:

- Chairman of Bisan Limited (from 18 December 2013 to 7 September 2015);
- Director of Bisan Limited (from 18 December 2013 to 1 February 2016);
- Deputy Chairman of Cohiba Minerals Limited (from 27 November 2013 to 5 August 2015); and
- Director of Cohiba Minerals Limited (from 24 July 2013 to 5 August 2015).

Mr Matthew John Hudson – Non-Executive Director

Mr Hudson completed a Bachelor of Commerce at the University of Melbourne. Following this he worked with Credit Suisse and Arthur Andersen as an analyst up until 2002. He has since operated through his own corporate advisory businesses which have consulted to both listed and unlisted public companies in Australia, Europe and the United States. Mr Hudson is actively involved in the oil and gas sector and is now focusing on mining and exploration projects as both an advisor and founding shareholder. He is also a non-executive Director of two unlisted public companies in the financial technology sector where his task is to assist with the achievement of an ASX listing for these companies.

During the past three years, Mr Hudson has not held directorships in other ASX listed companies.

Interests in Shares and Options of the Group and Related Bodies Corporate

The following table sets out each current Director's relevant interest in shares, options and performance rights of the Group or a related body corporate as at the date of this report.

Director	Ordinary Shares	Unlisted Share Options
Steven Groves	1,105,159	6,000,000
Eddie King	750,000	-
Joshua Letcher	666,667	6,000,000
Total	**2,521,826**	**12,000,000**

Directors' Meetings

The number of meetings of the Group's Board of Directors held during the year ended 30 June 2018, and the numbers of meetings attended by each director were:

Name	Board of Directors	
	Number eligible to attend	Number attended
E King	-	-
S Groves	3	3
E Bulseco	3	3
J Letcher	3	3
P Volpe	-	-
M Hudson	-	-

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions.

Due to the size and scale of the Group, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, refer to the Corporate Governance Statement.

REMUNERATION REPORT (AUDITED)

Remuneration Policy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of the Group comprise of the Board of Directors.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;

REMUNERATION REPORT (CONTINUED)

- Operation of the incentive plans which apply to executive directors and senior executives, including key performance indicators and performance hurdles;
- Remuneration levels of executives; and
- Non-Executive Director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

Non-Executive Remuneration Structure
The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The total aggregate fixed sum per annum to be paid to Non-Executive Directors in accordance with the Company's Constitution shall be no more than A$250,000 and may be varied by ordinary resolution of the Shareholders in a General Meeting.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. The chair's fees are determined independently to the fees of the Non-Executive Director's based on comparative roles in the external market. In accordance with the Company's Constitution, the Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company and which is designed to provide superannuation benefits for both present and future Non-Executive Directors, and they may from time to time vary this scheme or plan.

The remuneration of Non-Executive is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Service Agreements".

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

C Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share ("EPS") of the Company as at 30 June 2018.

	30-Jun-18
Revenue ($)	**5,896**
Net profit/(loss) after tax ($)	**(1,469,576)**
EPS ($)	**(0.19)**

Relationship between Remuneration and Company Performance
Given the recent re-compliance of the Company and the current phase of the Company's development, the Board does not consider earnings during the current and previous financial year when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:

a) Fixed Remuneration – base salary
b) Variable Short-Term Incentives
c) Variable Long-Term Incentives

The combination of these would comprise the key management personnel's total remuneration.

REMUNERATION REPORT (CONTINUED)

a) Fixed Remuneration – Base Salary

The fixed remuneration for each senior executive is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. No external advice was taken this year. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. The pay of key management personnel is also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

b) Variable Remuneration – Short -Term Incentives (STI)

Discretionary cash bonuses may be paid to senior executives annually, subject to the requisite Board and shareholder approvals where applicable. No bonus payments were made during the financial year.

c) Variable Remuneration – Long-Term Incentives (LTI)

Options are issued at the Board's discretion. Other than options disclosed in section D of the Remuneration Report there have been no options issued to employees at the date of this financial report.

KMP Remuneration for the year ended 30 June 2018

Details of the nature and amount of each major element of the remuneration of each KMP of Six Sigma Metals Limited for the year ended 30 June 2018 are:

Name	Short-term Benefits	Post-employment Benefits	Share-Based Payments	
	Cash Salary & Fees $	Superannuation $	$	Total $
Mr S R Groves	84,888	-	42,000	126,888
Mr E King	3,500	-	-	3,500
Mr J Letcher	37,000	-	42,000	79,000
Mr E Bulseco	41,000	-	42,000	83,000
Mr R Jimenez (Co. Secretary) (resigned 22 Dec 2017)	25,000	-	-	25,000
Mr P J Volpe (resigned 11 Dec 2017)	300,636	-	230,162	530,798
Mr M J Hudson (resigned 21 Aug 2017)	2,500	-	-	2,500
Total	**494,524**	**-**	**356,162**	**850,686**

Directors fees were accrued and unpaid of $8,000 as at 30 June 2018 to Kalcon Investments Pty Ltd (a company of which Mr Ed Bulseco is a Director) $3,500 was accrued and unpaid to King Corporate Pty Ltd (a company of which Mr Eddie King is a Director) these liabilities have been disclosed at note 13 in the financial report.

REMUNERATION REPORT (CONTINUED)

KMP Remuneration for the year ended 30 June 2017

Details of the nature and amount of each major element of the remuneration of each KMP of Six Sigma Metals Limited for the year ended 30 June 2017 are:

Name	Short-term Benefits	Post-employment Benefits	Share-Based Payments	Total
	Cash Salary & Fees $	Superannuation $	Directors' Fee Plan $	$
Mr P J Volpe (Executive Chairman)	180,000	-	107,900	287,900
Mr M L Cellante (resigned 22 Feb 2017)	27,350	2,598	-	29,948
Dr P Woolrich (resigned 31 Jan 2017)	10,000	-	-	10,000
Mr S R Groves	10,000	-	-	10,000
Mr M J Hudson	13,065	-	-	13,065
Mr R Jimenez (Co. Secretary)	50,000	-	-	50,000
Total	290,415	2,598	107,900	400,913

In April 2017 Trayburn Pty Ltd (a company of which Mr P J Volpe is a Director and substantial shareholder) was issued 53,950,000 fully paid ordinary shares pursuant to the Directors' Fee Plan (approved by the shareholders of the Company at the Annual General Meeting held on 30 November 2016) in satisfaction of accrued fees of $107,900 due to Trayburn Pty Ltd for director, management and consulting services.

Salary and fees were accrued and unpaid as at 30 June 2017 to Directors (or their related entity) as follows: Mr P J Volpe ($312,100), Dr P Woolrich ($34,700) and Mr M L Cellante ($17,350).

Service Companies

The services of certain current and former key management personnel are obtained through arrangements with their related companies as follows:

- Trayburn Pty Ltd provides the services of Mr P J Volpe;
- Kalcon Investments Pty Ltd provided the services of Mr Edwin Bulseco;
- Bohr Industries Pty Ltd provided the services of Mr Joshua Letcher;
- Corporate advisory agreement – Xcel Capital Pty Ltd (a company associated with Mr Edwin Bulseco); and
- Corporate advisory agreement – Foxfire Capital Pty Ltd (a company associated with Mr P J Volpe)

Where a company provides the services then the fees disclosed above are paid to, or accrued in favour of, the relevant company. All amounts disclosed are shown exclusive of any GST

REMUNERATION REPORT (CONTINUED)

Number of Options Held directly or indirectly by Key Management Personnel

2018	Balance 1.7.2017 or date of appointment	Granted as Compensation	Exercised	Expired	Net Change Other*	Balance 30.6.2018 or date of resignation	Vested and exercisable	Vested and Unexercisable
Mr S R Groves	-	6,666,667	-	-	-	6,666,667	6,666,667	-
Mr E King	-	-	-	-	-	-	-	-
Mr J Letcher	-	6,666,667	-	-	-	6,666,667	6,666,667	-
Mr E Bulseco	-	6,666,667	-	-	3,027,102	9,693,769	9,693,769	-
Mr R Jimenez (Co. Secretary) (i)	-	-	-	-	-	-	-	-
Mr P J Volpe(i)	-	14,531,845	-	-	(14,531,845)	-	-	-
Mr M J Hudson(ii)	-	-	-	-	-	-	-	-
Total	**-**	**34,531,848**	**-**	**-**	**(11,504,743)**	**23,027,103**	**23,027,103**	**-**

*During the period Mr P Volpe resigned. Mr E Bulseco was issued options indirectly, for advisory services, to Xcel Capital Pty Ltd, ESE Capital Pty Ltd and Kalcon Investments Pty Ltd which are Company's that he is a Director.
(i) Mr R Jimenez resigned 22 Dec 2017, Mr P Volpe resigned 11 Dec 2017 ,Mr M Hudson resigned 21 Aug 2017.

The option terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors in the year end or future reporting years are as follows:

OPTIONS ISSUED	Grant date	Expiry date	Exercise price $	Fair value per option $	Vested $
Director Options	27/11/2017	1/7/2021	0.0013	0.07	100%
	16/03/2018	16/04/2021	0.022	0.01	100%

Number of Shares held directly or indirectly by Key Management Personnel

2018	Balance 1.7.2017 or date of appointment	Received as Compensation	Issued on Exercise of Options / Performance Rights	Consolidation of shares 1 for 12	Net Change Other*	Balance 30.6.2018 or date of resignation
Mr S R Groves	5,261,904	-	-	(4,823,412)	-	438,492
Mr E King	750,000	-	-	-	-	750,000
Mr J Letcher	-	-	-	-	-	-
Mr E Bulseco	-	-	-	-	8,414,635	8,414,635
Mr R Jimenez (Co. Secretary)	10,222,223	-	-	(9,370,371)	(851,852)	-
Mr P J Volpe	241,777,897	-	-	(221,629,738)	(20,148,159)	-
Mr M L Cellante	73,941,742	-	-	(67,779,930)	(6,161,812)	-
Dr P Woolrich	3,902,777	-	-	(3,577,546)	(325,231)	-
Mr M JHudson	27,680,606	-	-	(23,373,889)	(2,306,717)	-
Total	**363,537,149**	**-**	**-**	**(330,554,886)**	**(21,379,136)**	**9,603,127**

*Mr M Cellante, Dr P Woolrich and Mr M Hudson resigned during the period. Mr E Bulseco was issued shares in the placement approved by shareholders at the General Meeting held on 16 March 2018 through participation.

REMUNERATION REPORT (CONTINUED)

Employment Contracts of Directors and Senior Executives

Eddie King – Chairman, Non-Executive Director
- Contract: Commenced on 12 June 2018
- Director's Fee: $60,000 per annum
- Term: No fixed term.

Joshua Letcher – Non-Executive Director
- Contract: Commenced on 21 August 2017
- Director's Fee: $48,000 per annum
- Term: No fixed term

Steven Groves – Non-Executive Director
- Contract: Commenced on 1 August 2017
- Director's Fee: $36,000 per annum
- Term: No fixed term

Edwin Bulseco – Chairman, Non-Executive Director
- Contract: Commenced on 1 August 2017
- Director's Fee: $60,000 per annum
- Term: No fixed term.

Other transactions with Directors and related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.	**2018**	2017
	$	$
Key Management Personnel		
Kalcon Investments Pty Ltd, of which Edwin Bulseco is a Director and shareholder, was paid Director fees of $41,000.	**41,000**	-
Xcel Capital Pty Ltd, of which Edwin Bulseco is a Director was paid $413,183, in relation to Corporate advisory work undertaken in relation to the placement and share purchase plan. Xcel was issued 13,750,000 listed options to the value of $110,057 and issued 12,500,000 unquoted options to the value of $100,000 for Corporate advisory services.	**623,240**	-
Bohr Industries Pty Ltd, of which Joshua Alan Letcher is a Director was paid $37,000 in relation to Director fees for the period.	**37,000**	-
Consulting fees paid to Woolrich & Associates Pty Ltd, a company of which Dr P Woolrich is a Director and substantial shareholder.		9,375
Capital raising fees paid to Foxfire Capital Pty Ltd, a company of which Mr P J Volpe is a consultant and substantial shareholder.		25,000
Foxfire Capital, of which Mr P J Volpe is a director was issued 6,250,000 listed options, fully vested to the value of $50,026 for Corporate advisory services.	**50,026**	-
Trayburn Pty Ltd, of which Mr P J Volpe is a Director, payment of unpaid fees for the years ended 30 June 2015, 2016 & 2017 amounting to $190,691. Shares to the value of $174,800 and 666,667 listed options fully vested at $5,336.	**370,827**	-
King Corporate Pty Ltd, of which Mr Eddie King is a Director, has unpaid Director ($3,500) and rental fees ($1,350) as at 30 June 2018.	**4,850**	-

REMUNERATION REPORT (CONTINUED)
Other transactions with Directors and related parties continued

	2018	2017
Transactions with CAP Holdings Pty Ltd ("CAP"), a company of which close family members of Mr P J Volpe are Directors and shareholders:	**$**	$
• printing and posting the Annual Report of the Company and the notices and proxy forms for the Company's Annual General Meeting; and	**-**	8,000
• administration and clerical costs.	**9,600**	20,800
Transactions with Cam Bow Holdings (Pty) Ltd ("CBH"), a wholly-owned subsidiary of Cam Bow Limited ("CBL"). Mr P J Volpe is a Director of CBH and CBL and a substantial shareholder of CBL:		
• contracting fees charged by CBH to African Metals (Pty) Ltd.	**-**	10,470
	1,136,543	73,645

All amounts above are exclusive of GST. Expenses paid by, or for, Directors and related entity were, or will be, reimbursed at cost.

This concludes the Remuneration Report, which has been audited.

OPTIONS

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

Grant / Exercise Date	Expiry Date	Exercise Price	No. Options
Issued in prior years:			
30-10-2013	31-12-2016	$0.015	282,235,323
30-05-2014	31-12-2016	$0.015	62,500,000
10-06-2014	31-12-2016	$0.015	35,714,285
10-06-2014	31-12-2016	$0.015	30,000,000
Exercised in prior years:			
09-07-2014	31-12-2016	$0.015	(200,000)
03-09-2014	31-12-2016	$0.015	(15,675)
Balance as at 1 July 2016			**410,233,933**
Issued in current year:			
Nil			
Exercised in current year:			
31-12-2016	31-12-2016	$0.015	(20,011)
Expired in current year:			
31-12-2016	31-12-2016	$0.015	(410,213,922)
Balance as at 30 June 2017			**-**
Issued in current year:			
27-11-2017	1-07-2021	$0.0013	89,769,699
16-03-2018	16-04-2021	$0.015	42,666,667
16-03-2018	16-04-2021	$0.022	30,500,000
Balance as at 30 June 2018			**162,936,366**

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the current Directors and Officers of the Company and of its controlled entity against all liabilities incurred as an officer except where the liability arises out of conduct involving a lack of good faith. The Indemnity includes costs and expenses in successfully defending any legal proceedings, and applied, from 9 January 2008 when SI6 ceased to be a controlled entity of A-Cap Resources Ltd. The Company has paid a premium to insure the Directors and Officers against liabilities incurred in their respective capacities.

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

DIVIDENDS

No dividends have been paid during the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of 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 any such proceedings during the year.

NON-AUDIT SERVICES

There were no fees for non-audit services paid to the external auditors during the year ended 30 June 2018.

AUDITOR'S INDEPENDENCE DECLARATION

The lead Auditor's Independence Declaration for the year ended 30 June 2018 has been received and can be found on page 16 of this Report.

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

Mr Eddie King
Director
Dated 28 September 2018

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SIX SIGMA METALS LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the year ended 30 June 2018 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

William Buck.

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

J.C. Luckins
Director

Dated 28 September 2018

CHARTERED ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Notes	Consolidated Group 2018 $	2017 $
Other Income	2	**5,896**	47,468
Expenses			
Administration	3	**(240,568)**	(228,632)
Corporate		**(219,528)**	(52,737)
Employment and consultancy		**(1,015,376)**	(490,126)
Impairment of bad and doubtful debts		**-**	(104,462)
Impairment of capitalised exploration expenditure		**-**	(943,797)
Loss before Income Tax Expense		**(1,469,576)**	(1,772,286)
Income Tax Expense	4	**-**	-
Loss for the year attributable to owners of Six Sigma Metals Limited		**(1,469,576)**	(1,772,286)
Other Comprehensive Income for the year that may be subsequently reclassified to the profit or loss			
Exchange differences on translating foreign controlled operation		**88,551**	269,992
Total Comprehensive Loss attributable to owners of Six Sigma Metals Limited		**(1,381,025)**	(1,502,294)
Basic Loss per Share (cents per share) & Diluted Loss per Share (cents per share)	7	**(0.19)**	(1.69)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

	Notes	Consolidated Group 2018 $	2017 $
Current Assets			
Cash and cash equivalents	8	**1,772,169**	147,039
Trade and other receivables	9	**92,719**	62,374
Total Current Assets		**1,864,888**	209,413
Non-Current Assets			
Other assets		**228,014**	-
Plant and equipment	11	**36,812**	29,785
Capitalised exploration and evaluation	12	**7,197,510**	6,795,902
Total Non-Current Assets		**7,462,336**	6,825,687
TOTAL ASSETS		**9,327,224**	7,035,100
Current Liabilities			
Trade and other payables	13	**182,211**	428,489
Provisions		**42,859**	37,557
Total Current Liabilities		**225,070**	466,046
TOTAL LIABILITIES		**225,070**	466,046
Net Assets		**9,102,154**	6,569,054
Equity			
Issued capital	14	**21,035,871**	17,535,843
Reserves	15	**(1,818,554)**	(2,321,202)
Accumulated losses		**(10,115,163)**	(8,645,587)
TOTAL EQUITY		**9,102,154**	6,569,054

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For year ended 30 June 2018

Consolidated Group

	Issued Share Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Balance at 1 July 2017	**17,535,843**	**-**	**(2,321,202)**	**(8,645,587)**	**6,569,054**
Loss after income tax for the year	**-**	**-**	**-**	**(1,469,576)**	**(1,469,576)**
Other Comprehensive Loss	**-**	**-**	**88,551**	**-**	**88,551**
Transactions with owners in their capacity as owners					
Shares issued during the period	**3,918,282**	**-**	**-**	**-**	**3,918,282**
Share issue costs	**(418,254)**	**-**	**-**	**-**	**(418,254)**
Options issued during the period	**-**	**414,097**	**-**	**-**	**414,097**
Balance at 30 June 2018	**21,035,871**	**414,097**	**(2,232,651)**	**(10,115,163)**	**9,102,154**
Balance at 1 July 2016	16,958,181	60,000	(2,591,194)	(6,933,301)	7,493,686
Loss after income tax for the year	-	-	-	(1,772,286)	(1,772,286)
Other Comprehensive Loss	-	-	269,992	-	269,992
Expiry of Options	-	(60,000)	-	60,000	-
Transactions with owners in their capacity as owners					
Shares issued during the period	608,200	-	-	-	608,200
Share issue costs	(30,538)	-	-	-	(30,538)
Balance at 30 June 2017	17,535,843	-	(2,321,202)	(8,645,587)	6,569,054

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Notes	Consolidated Group 2018 $	2017 $
Cash Flows from Operating Activities			
Cost recoveries		**-**	4,485
Payments to suppliers and employees		**(1,564,099)**	(564,050)
Interest received		**4,505**	1,523
Net Cash Used in Operating Activities	19b	**(1,559,594)**	(558,042)
Cash Flows from Investing Activities			
Exploration expenditure		**(297,077)**	(271,010)
Purchase of plant and equipment		**(18,226)**	(31,876)
Sale of plant and equipment		**-**	44,848
Net Cash Used in Investing Activities		**(315,303)**	(258,038)
Cash Flows from Financing Activities			
Issue of share capital		**3,918,282**	500,300
Payments of share capital issue costs		**(418,254)**	(30,538)
Net Cash Received From (Used in) Financing Activities		**3,500,028**	469,762
Net Increase/(Decrease) in Cash and cash equivalents held		**1,625,131**	(346,318)
Cash and cash equivalents at the Beginning of the Financial Year		**147,039**	488,249
Foreign currency effect on cash held		**-**	5,108
Cash and cash equivalents at the End of the Financial Year	19a	**1,772,170**	147,039

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements include the consolidated financial statements and notes of Six Sigma Metals Limited and controlled entity ('Group').

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001* as appropriate for for-profit oriented entity.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the impairment (where required) of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 30 June 2018.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non- controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

(a) Basis of Consolidation

- de-recognises the assets (including goodwill) and liabilities of the subsidiary;
- de-recognises the carrying amount of any non-controlling interests;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

A list of controlled entity is contained in Note 10 to the financial statements.

(b) Income Tax

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

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

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

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

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Farm Out Arrangements

A farm out arrangement is when the owner of a working interest (the farmor) undertakes to transfer all or a portion of its working interest to another party (the farmee) in return for the farmee's performance of agreed upon actions.

When the farmee agrees to undertake exploration works, upon the farmee meeting the required performance hurdles, the farmor transfers a portion of the working interest in the property to the farmee.

The farmor will not record any expenditure (whether this would otherwise have been capitalised or expensed immediately) that is settled by the farmee, and the farmor does not recognise a gain or loss on the basis of the partial disposal of any exploration asset that has already been capitalised.

(d) Plant and Equipment

Plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses.

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(f) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At the end of each reporting period, the group assess whether there is objective evidence that a financial instrument has been impaired.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition

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

(g) Impairment of Non-Financial Assets

At the end of each reporting period, the group assesses whether there is any indication that an asset may be impaired.

The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries or jointly controlled entity deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transactions and balances

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

Exchange differences arising on the translation of monetary items are recognised in the Statement of Comprehensive Income.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the Statement of Comprehensive Income.

Group companies

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period.
- Income and expenses are translated at average exchange rates for the period where this approximates the rate at the date of the transaction.
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the Statement of Changes in Equity. These differences are recognised in the Statement of Comprehensive Income in the period in which the operation is disposed.

(i) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be wholly settled after one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those benefits are discounted using market yields on national corporate bonds with terms to maturity that match the expected timing of cash flows.

(j) Equity-settled compensation

The group operates equity-settled share-based payment employee share and option schemes. The fair value of the options granted is recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(k) Provisions

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

(l) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue and Other Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Revenue from cost recoveries is recognised either when the right to receive the recoveries has accrued. All revenue is stated net of the amount of goods and services tax (GST) or valued added tax (VAT).

(n) Goods and Services Tax (GST) and Value-Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST / VAT, except where the amount of GST / VAT incurred is not recoverable from the relevant taxation authority. In these circumstances the GST / VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST / VAT. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST / VAT component of investing and financing activities, which are disclosed as operating cash flows.

(o) Loss per Share

Basic loss per share is calculated as net loss attributable to members of the parent, adjusted to exclude any cost of servicing equity (other than dividends), divided by the weighted average number of ordinary shares.

Diluted loss per share is calculated as net profit attributable to members of the parent, adjusted for:

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

(q) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimate – Impairment

The Group assess impairment at the end of each reporting period by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment indicator exists, the recoverable amount of the assets is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Directors may impair capitalised expenditure in respect of licences which have, or will shortly expire, or which have been deemed to be a low priority for exploration.

The Group's right to tenure is subject to ongoing renewal of its Prospecting Licences.

Key Judgements - Exploration and Evaluation Expenditure

The group 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 reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $7,197,510 (2017: $6,795,902).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Critical Accounting Estimates and Judgements continued

Key Judgements – Share Based Payments

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Key Judgements – Non-Recognition of Deferred Tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(r) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ending 30 June 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

The Group will adopt this standard from 1 July 2019. Due to the basic nature of the entity's financial instruments, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

Under AASB 9, the Group anticipates that its financial assets (being cash and trade and other receivables) and its financial liabilities (being trade and other payables) will initially be recognised at fair value plus transaction costs and be subsequently measured at amortised cost. The Group's receivables are all of a short term nature and accordingly new impairment rules will apply requiring recognition of potential credit losses based on forward looking estimates that reflect current and forecast credit conditions. With the exception of the receivables due from the BCL Group, the Group has had no recent history of credit losses and does not expect that significant potential credit losses will be recognised.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The Group will adopt this standard from 1 July 2019. As the Group does not currently generate any revenue (other than for cost recoveries and interest) the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.
The Group will adopt this standard from 1 July 2019. The Group does not currently have in place any continuing lease agreements. Therefore the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

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

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

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

The financial statements were authorised for issue on the date of the signing of the Directors' Declaration by the Board of Directors.

NOTE 2 INCOME

	Consolidated Group	
	2018	2017
	$	$
Income from Ordinary Activities		
Other income		
Gain on disposal of fixed assets	**-**	35,881
Interest	**4,505**	1,523
Sundry	**1,391**	-
Proceeds of insurance claim	**-**	8,966
Recoveries	**-**	1,098
	5,896	47,468

NOTE 3 EXPENDITURE

	Consolidated Group	
	2018	2017
	$	$
Administration		
Office expenses	**54,390**	65,320
Depreciation expense	**11,199**	6,070
Rental expense	**41,553**	49,220
Travel expenses	**72,684**	5,994
Other expenses	**60,740**	102,028
	240,566	228,632

NOTE 4 INCOME TAX EXPENSE

	Consolidated Group	
	2018	2017
	$	$
The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:		
(Loss) before income tax expense	**(1,469,576)**	(1,772,286)
Prima facie (tax benefit) on (loss) from ordinary activities before income tax at 27.5% (2017: 27.5%)	**(404,134)**	(487,379)
Add:		
Tax effect of:		
- Accrued expenses	**2,022**	4,716
- Accrued remuneration to directors and management	**3,121**	46,063
- Non-deductible expenses	**119,199**	2,129
-Foreign tax rate differential	**8,476**	-
Less		
Tax effect of:		
- Accrued remuneration paid during the year	**(46,063)**	(34,444)
- Other deductible items	**(32,421)**	(18,997)
- Prepayments	**(3,850)**	-
Tax losses for the period	**(353,650)**	(487,912)
Prior year tax losses not previously brought to account	**(1,866,094)**	(2,663,084)
The Directors estimate that the potential deferred income tax assets at 30 June in respect of tax losses not brought to account is:	**(2,219,744)**	(3,150,996)
Tax benefits not recognised during the year	**2,219,744**	3,150,996
Income Tax Expense for the year	-	-

Tax benefits are not brought to account for the year ended 30 June 2018 (2017: nil) as the certainty of recovery cannot yet be reliably determined at this stage of the Group's development.

NOTE 5 KEY MANAGEMENT PERSONNEL

(a) Names and positions held of economic and parent entity key management in office at any time during the financial year are:

Key Management Person	Position
Mr E King	Non-executive Director
Mr E Bulseco	Chairman, Non-executive Director
Mr S R Groves	Non-executive Director
Mr J Letcher	Non-executive Director
Mr P J Volpe (resigned 11 December 2017)	Executive Chairman
Mr S R Groves	Non-executive Director
Mr M J Hudson (resigned 21 August 2017)	Non-executive Director

NOTE 5 KEY MANAGEMENT PERSONNEL (CONTINUED)

(b) Remuneration paid to Key Management Personnel

	Consolidated Group	
	2018	2017
	$	$
Short-term employee benefits	**494,524**	290,415
Post-employment benefits	**-**	2,598
Share based payments	**356,162**	107,900
Total	**850,686**	400,913

Remuneration of $11,500 for Key Management Personnel was accrued and unpaid at 30 June 2018 (2017: $364,150). Refer to the Remuneration Report and Note 13 for further information.

(c) Share based payments to Key Management Personnel

The Company issued fully paid ordinary shares to Trayburn Pty Ltd to the value of $174,800 and 666,667 listed options (of which Mr P J Volpe is a Director and substantial shareholder) in satisfaction for fees.
The Company issued 6,250,000 listed options, fully vested to the value of $50,026 to Foxfire Capital Pty Ltd (of which Mr P J Volpe is a Director and substantial shareholder) in satisfaction of corporate advisory services.
The Company issued 13,750,000 listed options to the value of $110,057 and 12,500,000 unquoted options to Xcel Capital Pty Ltd (of which Mr E Bulseco) is a Director for Corporate advisory fees.

Refer to the Remuneration Report and Note 20 for further information.

NOTE 6 REMUNERATION OF AUDITORS

	Consolidated Group	
	2018	2017
	$	$
Remuneration of the auditor of the entity for:		
- Audit or review of the financial statements	**25,000**	24,250

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 LOSS PER SHARE ("LPS")

	Consolidated Group	
	2018	2017
	$	$
a) Reconciliation of losses to profit or loss		
Loss used to calculate basic and diluted LPS	**(1,470,388)**	(1,772,286)
		No.
b) Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	**760,589,146**	104,890,326
c) Anti-dilutive options not used in dilutive LPS calculation	**162,936,366**	410,233,933

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NOTE 8 CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2018	2017
	$	$
Cash at bank and in hand	**1,772,169**	147,039

NOTE 9 TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2018	2017
	$	$
Current		
Trade and other receivables	**92,719**	62,374

During the prior year, as a result of BCL Limited and BCL Investments (Pty) Ltd being placed in provisional liquidation on 9 October 2016, the Group fully impaired an amount of $104,462 owed by BCL to African Metals (Pty) Ltd. BCL Limited was placed in final liquidation on 15 June 2017. BCL Investments (Pty) Ltd remains in provisional liquidation.

NOTE 10 CONTROLLED ENTITY

	Country of Incorporation	Principal Activity	Class of Share	Equity Holding	
				2018	2017
				%	%
African Metals (Pty) Ltd	Botswana	Mineral Exploration	Ordinary	**100**	100

NOTE 11 PLANT AND EQUIPMENT

	Consolidated Group	
	2018	2017
	$	$
Plant and equipment		
At cost	**273,772**	309,136
Accumulated Depreciation	**(236,960)**	(279,351)
	36,812	29,785

Movements in Carrying Amounts

	Consolidated Group	
	2018	2017
	$	$
Balance at beginning of year	**29,785**	4,138
Additions	**20,775**	31,586
Disposals	**-**	-
Depreciation charged	**(11,199)**	(6,070)
Foreign currency translation	**(2,549)**	131
Balance at end of year	**36,812**	29,785

No depreciation was capitalised as exploration expenditure during the year (2017: Nil).

NOTE 12 CAPITALISED EXPLORATION AND EVALUATION

The exploration and evaluation expenditure relates to the Group's projects in Botswana.

	Consolidated Group	
	2018	2017
	$	$
Capitalised exploration and evaluation (at cost)	**7,197,510**	6,795,902
Movements in carrying values		
Balance at beginning of year	**6,795,902**	7,209,174
Expenditure during the year	**249,642**	260,979
Expenditure impaired during the year	**-**	(943,797)
Foreign currency translation	**151,966**	269,546
Balance at year end	**7,197,510**	6,795,902

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of base and precious metals.

There was no capitalised depreciation included in exploration expenditure this year (2017: Nil).

BCL Limited is now in final liquidation and BCL Investments (Pty) Ltd remains in provisional liquidation.

Notwithstanding the liquidation of BCL, the Group considers that the exploration expenditure in respect of the three PLs is not impaired as the Group has defined a JORC (2012) inferred resource of 2.3Mt of mineralised rock containing 0.72% Nickel and 0.21% Copper which is open at depth and at length.

NOTE 13 TRADE AND OTHER PAYABLES

	Consolidated Group	
	2018	2017
Current	**$**	$
Trade payables	**170,711**	61,839
Accrued remuneration owing to Directors	**11,500**	364,150
Other	**-**	2,500
	182,211	428,489

NOTE 14 ISSUED CAPITAL

	Consolidated Group	
	2018	2017
	$	$
457,503,153 (2017: 1,462,315,814) fully paid ordinary shares	**21,035,871**	17,535,843

(a) Ordinary Shares

	Date	Number of Shares		Issue Price ($)		$	
		2018	2017	**2018**	2017	**2018**	2017
At the beginning of the reporting period		**1,462,315,814**	1,158,345,803			**17,535,843**	16,958,181
Shares issued during the year							
- Exercise of options	09/01/17		20,011		0.0150		300
- Placement	22/02/17		250,000,000		0.0020		500,000
- Directors' Fee Plan	11/04/17		53,950,000		0.0020		107,900
Costs associated with capital raising							(30,538)
- Placement	18/08/17	**362,000,000**		**0.001**		**362,000**	
- SPP	4/12/17	**547,294,744**		**0.0008**		**448,782**	
- Placement	5/12/17	**1,838,414,592**		**0.0008**		**1,507,500**	
-Share consolidation 1 for 12	6/12/17	**(3,859,188,663)**					
- Tranche 1 Placement	3/01/18	**75,333,333**		**0.015**		**1,130,000**	
- SPP	23/3/18	**31,333,333**		**0.015**		**470,000**	
Costs associated with capital raisings						**(418,254)**	
At reporting date		**457,503,153**	1,462,315,814			**21,035,871**	17,535,843

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of and amounts paid on the shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The Company's ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.

NOTE 14 ISSUED CAPITAL CONTINUED

(b) Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. The strategy is to ensure that the group's gearing ratio has minimal debt. The gearing ratios for the year ended 30 June 2018 and 30 June 2017 are as follows:

		Consolidated Group	
		2018	2017
	Note	**$**	$
Total creditors and other payables	13	**225,070**	(466,046)
Less cash and cash equivalents	8	**1,772,169**	147,039
Net Assets/(debt)		**1,547,099**	(319,007)
Total equity		**9,102,154**	6,569,054
Total capital		**10,649,253**	6,250,047
Gearing ratio		**15%**	(5.1)%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 15 RESERVES

	2018 $	2017 $
Share-based payments reserve (i)	**414,097**	-
Foreign currency translation reserve (ii)	**(2,232,651)**	(2,321,202)
	(1,818,554)	(2,321,202)
Movement reconciliation		
Share-based payments reserve (i)		-
Balance at the beginning of the year	**-**	60,000
Equity settled share-based payment transactions (Note 20) (1)	**272,089**	-
Options issued to Directors (1)	**142,008**	-
Expiry of options	**-**	(60,000)
Balance at the end of the year	**414,097**	-
Movement reconciliation		
Foreign currency translation reserve (ii)		
Balance at the beginning of the year	**(2,321,202)**	(2,591,194)
Other comprehensive income	**88,551**	269,992
Balance at the end of the year	**(2,232,651)**	(2,321,202)

(1) Equity settled share-based payment transactions

- 26,250,000 options were issued to Xcel Capital as part consideration for lead manager services provided to the Company in relation to the SPP, Placement and advisory services;
- 6,250,000 options were issued to Foxfire Capital in consideration for services provided to the company in relation to the placement;
- 833,335 options were issued to a contractor for services provided to the Company; and
- 666,667 options were issued to Trayburn Pty Ltd, as part consideration for services provided to the Company.

(2) Options issued to Directors

- 20,000,000 options were issued to Directors in consideration for services provided to the Company.

Share-based payment reserve

The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

Foreign Currency Translation reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary as described in Note 1(h).

NOTE 16 CAPITAL AND LEASING COMMITMENTS

	Consolidated Group	
	2018	2017
	$	$
Planned Exploration Expenditure		
Payable		
- not later than 12 months	29,250	2,022,480
- between 12 months and 5 years	-	763,200
- greater than 5 years	-	-
	29,250	2,785,680

The figures above are extracted from the Prospecting Licences issued to African Metals (Pty) Ltd by the Department of Mines in Botswana. Expenditures are required to maintain the right of tenure to exploration until the expiry of the licences. These obligations are subject to renegotiation upon expiry of the leases and are not provided for in the financial statements.

The Group anticipates future expenditure on its current rights of tenure to exploration and mining tenements up until the expiry of its current Prospecting Licences and on tenement renewals and extensions that have been applied for but not yet granted, which are included in the above table. In the event the Group does not meet the minimum exploration expenditure the licences may be cancelled or not renewed.

NOTE 17 CONTINGENT LIABILITIES

Magogaphate Tenement

Although the Group acquired a 100% interest in the Magogaphate group of tenements in Botswana from A-Cap Resources Limited in 2007, Mineral Holdings Botswana (Pty) Ltd ("MHB") has retained a right to a 5% net profits share. The Group therefore, has a contingent liability to MHB should it establish a profitable mining operation on those tenements. The 5% net profits share interest is limited to the three tenements subject to joint venture with BCL, namely PL 110/94, PL 111/94 and PL 54/98. A profitable mining operation has not yet been established and accordingly there have been no payments to MHB.

NOTE 18 SEGMENT INFORMATION

The Group operates in one reportable segment, being the exploration and evaluation of mineral resources in Botswana.

NOTE 19 CASH FLOW INFORMATION

	Consolidated Group	
	2018	2017
	$	$
(a) Reconciliation of cash		
For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position.		
Cash at bank and on hand	**1,772,169**	147,039
(b) Reconciliation of cash		
Operating Loss after income tax	**(1,469,576)**	(1,772,286)
Non–cash flows in loss:		
- Depreciation	**11,119**	6,070
- Non cash variance in capitalised expenditure	**(21,201)**	-
- Impairment of capitalised exploration expenditure	**-**	943,797
- Impairment of bad and doubtful debts	**-**	104,462
- Share-based payments	**414,097**	-
Investing cash flows in loss:		
- Sale of plant and equipment and insurance proceeds	**-**	(35,882)
Working capital:		
- (Increase)/decrease in trade and other receivables	**(30,345)**	141,148
- (Increase)/decrease in other assets	**(228,014)**	-
- Increase/(decrease) in trade and other payables	**(240,976)**	54,649
- Increase/(decrease) in provisions	**5,302**	-
Net cash (outflow) from operating activities	**(1,559,594)**	(558,042)

NOTE 20 SHARE-BASED PAYMENTS

	2018 $	2017 $
Opening balance	**-**	60,000
(a) Recognised share-based payment transactions		
Options issued to Directors (i)	**16,008**	-
Quoted options Issued to consultants (i)	**172,090**	-
Unlisted options issued to Directors in consideration for services provided	**126,000**	-
Unlisted options issued to Xcel Capital Pty Ltd in consideration for corporate advisory services provided	**100,000**	-
Expiry of options	**-**	(60,000)
	414,098	-

(i) Options were issued to creditors being current or past Directors and their related companies that accepted shares in part satisfaction of accrued remuneration.

(b) Summary of options granted during the year

Options	Issue Date	Date of Expiry	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year
Free attaching options	27/11/17	1/07/21	0.013	-	60,087,446	-	-	60,087,446
Free attaching options issued to creditor	27/11/17	1/07/21	0.013	-	6,182,251	-	-	6,182,251
Quoted options Issued to consultants	27/11/17	1/07/21	0.013	-	23,500,002	-	-	23,500,002
Options placement	16/03/18	16/04/21	0.015	-	42,666,667	-	-	42,666,667
Director options	16/03/18	16/04/21	0.022	-	18,000,000	-	-	18,000,000
Options issued to Xcel Capital Pty Ltd	16/03/18	16/04/21	0.022	-	12,500,000	-	-	12,500,000
				-	162,936,366	-	-	162,936,366

NOTE 20 SHARE-BASED PAYMENTS

The Company has used an independent expert to measure the fair value of the quoted options granted by the Company to Directors and consultants:

Underlying asset price	$0.01
Exercise price	$0.025
Expected volatility	106.49%
Time to Maturity of underlying option (Years)	3.62
Dividend yield	0.00%
Interest rate	1.89%
Value per option	$0.07
Total value of options	$188,098

The unlisted options issued to the Directors of the Company, have been valued using the Black-Scholes model. The model and assumptions are shown in the table below:

Black-Scholes Option Pricing Model	
Grant Date	16/03/18
Vesting Date	23/03/21
Strike (Exercise) Price	0.022
Underlying Share Price (at date of issue)	0.013
Risk-free Rate (at date of issue)	2.06%
Volatility	100%
Number of Options Issued	18,000,000
Dividend Yield	0%
Probability	100%
Black-Scholes Valuation	$0.007
Total Fair Value of Options	$126,000

The unlisted options issued to Xcel Capital Pty Ltd for corporate advisory services, have been valued using the Black-Scholes model. The model and assumptions are shown in the table below:

Black-Scholes Option Pricing Model	
Grant Date	16/03/18
Vesting Date	23/03/21
Strike (Exercise) Price	0.022
Underlying Share Price (at date of issue)	0.013
Risk-free Rate (at date of issue)	2.06%
Volatility	100%
Number of Options Issued	18,000,000
Dividend Yield	0%
Probability	100%
Black-Scholes Valuation	$0.008
Total Fair Value of Options	$100,000

NOTE 21 EVENTS AFTER THE END OF THE REPORTING PERIOD

After Balance Date Events

Other than the matters discussed below, there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect the operations of the Group, the results of these operations or the state of affairs of the Group in subsequent years.

Board Changes

On 31 July 2018 Mr Edwin Bulseco resigned as Chairman, Non-Executive Director of the Company and Mr Eddie King was appointed to chairman in his place.

NOTE 22 RELATED PARTY INFORMATION

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.	2018	2017
	$	$
Key Management Personnel		
Kalcon Investments Pty Ltd, of which Edwin Bulseco is a Director and shareholder, was paid Director fees of $41,000.	**41,000**	-
Xcel Capital Pty Ltd, of which Edwin Bulseco is a Director was paid $413,183, in relation to Corporate advisory work undertaken in relation to the placement and share purchase plan. Xcel was issued 13,750,000 listed options to the value of $110,057 and issued 12,500,000 unquoted options to the value of $100,000 for Corporate advisory services.	**623,240**	-
Bohr Industries Pty Ltd, of which Joshua Alan Letcher is a Director was paid $37,000 in relation to Director fees for the period.	**37,000**	-
Consulting fees paid to Woolrich & Associates Pty Ltd, a company of which Dr P Woolrich is a Director and substantial shareholder.	**-**	9,375
Capital raising fees paid to Foxfire Capital Pty Ltd, a company of which Mr P J Volpe is a consultant and substantial shareholder.	**-**	25,000
Foxfire Capital, of which Mr P J Volpe is a director was issued 6,250,000 listed options, fully vested to the value of $50,026 for Corporate advisory services.	**50,026**	-
Trayburn Pty Ltd, of which Mr P J Volpe is a Director, payment of unpaid fees for the years ended 30 June 2015, 2016 & 2017 amounting to $190,691. Shares to the value of $174,800 and 666,667 listed options fully vested at $5,336.	**370,827**	-
King Corporate Pty Ltd, of which Mr Eddie King is a Director, has unpaid Director and rental fees as at 30 June 2018.	**4,850**	-
Other transactions with Directors and related parties continued		
Transactions with CAP Holdings Pty Ltd ("CAP"), a company of which close family members of Mr P J Volpe are Directors and shareholders:		
• printing and posting the Annual Report of the Company and the notices and proxy forms for the Company's Annual General Meeting; and	**-**	8,000
• administration and clerical costs.	**9,600**	20,800
Transactions with Cam Bow Holdings (Pty) Ltd ("CBH"), a wholly-owned subsidiary of Cam Bow Limited ("CBL"). Mr P J Volpe is a Director of CBH and CBL and a substantial shareholder of CBL:		
• contracting fees charged by CBH to African Metals (Pty) Ltd.	**-**	10,470
	1,136,543	73,645

NOTE 22 RELATED PARTY INFORMATION (CONTINUED)

As at 30 June 2018 $4,850 was owed to King Corporate Pty Ltd, of which Eddie King is a director for Director ($3,500) and office rental fees ($1,350). $8,000 was owed to Kalcon Investments Pty Ltd, of which Edwin Bulseco is a director for Director fees.

(2017: A net amount of $2,655 was owed by CBL/CBH to the Group at year end. This amount is unsecured and interest free).

All amounts above are exclusive of GST.

Expenses paid by, or for, Directors and related entity were, or will be, reimbursed at cost.

The Company has provided at call interest free unsecured loans to its wholly owned subsidiary African Metals (Pty) Ltd to pay operational and exploration costs.

Remuneration and shares and options

Information on remuneration of Directors and other KMP is disclosed in the Remuneration Report and Note 5 to the financial statements. Remuneration is paid or accrued to the Director/Executive or to a related company for the provision of the services of the person.

Information on the shares and options held by Directors and other KMP, and the movements in their holdings, is disclosed in the Remuneration Report.

Details of the shares issued under the Directors' Fee Plan are set out in Note 20.

Other Transactions with Directors and Director-Related Entity

There were no other transactions with Directors and Director-Related Entity in the year to 30 June 2018.

NOTE 23 FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

(i) Treasury Risk Management

The Board of Directors meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

(ii) Financial Risk Exposures and Management

The main risk the group is exposed to through its financial instruments is liquidity risk.

Liquidity Risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages liquidity risk by monitoring forecast cash flows and only investing surplus cash with major financial institutions. For further commentary on the Group's liquidity risk profile please refer to the Going Concern note contained in Note 1.

Maturity analysis:

Consolidated 2018	**<6 months $**	**6-12 months $**	**1-5 years $**	**>5 years $**	**Total $**
Financial liabilities					
Trade and other payables	225,070	-	-	-	225,070

Consolidated 2017	<6 months $	6-12 months $	1-5 years $	>5 years $	Total $
Financial liabilities					
Trade and other payables	466,046	-	-	-	466,046

NOTE 23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

(i) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Group's exposure to this risk relates primarily to the Group's cash and any cash on deposit. The Group does not use derivatives to mitigate these exposures. The Group manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2018		2017	
	Weighted average interest rate (i)	**Balance $**	**Weighted average interest rate (i)**	**Balance $**
Cash and cash equivalents	**1.28%**	**1,772,169**	-	488,249

(i) This interest rate represents the average interest rate for the period.

Sensitivity

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year, using the observed range of historical rates for the preceding five-year period.

At 30 June 2018, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

	Profit higher/(lower)	
Judgements of reasonably possible movements:	**2018 $**	2017 $
+ 1.0% (100 basis points)	**17,722**	4,882
- 1.0% (100 basis points)	**(17,722)**	(4,882)

Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The Group also has exposure to foreign exchange risk due to the currency cash reserves and other balances denominated in foreign currencies. The Group does not actively manage foreign currency risk and does not make use of derivative financial instruments.

NOTE 23 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Policies (continued)

The following sensitivity is based on the foreign currency risk exposures in existence at the reporting date.

At 30 June 2018, had the Australian Dollar/Botswana Pula exchange rate moved, as illustrated in the table below with all other variables held constant, post-tax profit would have been affected as shown.

(ii) Financial Risk Exposures and Management (continued)

Judgments of reasonable possible movements	Post-tax Loss Higher/(Lower)		Other Comprehensive Income Higher/(Lower)		Equity Higher/(Lower)	
	2018	2017	**2018**	2017	**2018**	2017
	$	$	**$**	$	**$**	$
AUD/BWP +5%	**73,478**	58,322	**69,051**	13,500	**455,108**	341,911
AUD/BWP -5%	**(73,478)**	(58,322)	**(69,051)**	(13,500)	**(455,108)**	(341,911)

Management believes the reporting date risk exposures are representative of the risk exposure inherent in the financial instruments.

(b) Net Fair Values

The net fair values of financial assets and liabilities approximate their carrying values due to their short-term nature.

NOTE 24 PARENT ENTITY DISCLOSURES

Financial Position	2018	2017
	$	$
Assets		
Current assets	**2,045,619**	165,909
Non-current assets	**13,038,615**	12,579,866
Total assets	**15,084,234**	12,745,775
Liabilities		
Current liabilities	**132,160**	392,351
Non-current liabilities	**-**	-
Total liabilities	**132,160**	392,351

NOTE 24 PARENT ENTITY DISCLOSURES (CONTINUED)

Equity	**2018**	2017
	$	$
Issued capital	**(21,035,871)**	17,535,843
Reserves	**(414,098)**	-
Accumulated losses	**6,497,896**	(5,182,419)
Total equity	**(14,952,074)**	12,353,424
Financial Performance		
Loss for the year	**(1,315,476)**	(672,122)
Other comprehensive income	**-**	-
Total comprehensive loss	**(1,315,476)**	(672,122)

Guarantees, contingent liabilities and contractual commitments

The subsidiary company has expenditure commitments to maintain its current rights of tenure to exploration and mining tenements up until the expiry of the leases including its joint venture commitments. These obligations are subject to renegotiation upon expiry of the leases and are not provided for in the financial statements. The parent entity may provide funds to ensure the subsidiary company can fulfil these commitments as well as any other operating commitments.

NOTE 25 COMPANY DETAILS

The principal place of business and registered office is:
Suite 2, Level 1, 1 Altona Street West Perth WA 6005

Directors' Declaration

1. The Directors declare that the financial statements and notes set out on pages 17 to 49 are in accordance with the *Corporations Act 2001* and:

   a) comply with International Financial Reporting Standards, as stated in Note 1 to the financial statements;

   b) comply with Australian Accounting Standards and the *Corporations Regulations 2001*; and

   c) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Group.

2. The Executive Chairman and Company Secretary have each declared that:

   a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

   b) the financial statements and notes for the financial year comply with Australian Accounting Standards; and

   c) the financial statements and notes for the financial year give a true and fair view.

3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Mr Eddie King
Director
Dated 28 September 2018

Six Sigma Metals Limited
(Formerly Botswana Metals Limited)
Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Six Sigma Metals Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

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

Basis for Opinion

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

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

CHARTERED ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

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.

<table>
<tr><th colspan="2">CARRYING VALUE OF EXPLORATION AND EVALUATION ASSETS</th></tr>
<tr><th>Area of focus
Refer also to notes 1 and 12</th><th>How our audit addressed it</th></tr>
<tr><td>The Group have incurred exploration and evaluation costs for the Nickel and Copper projects they have in Botswana over a number of years.

There is a risk that accounting criteria associated with the capitalisation of exploration and evaluation costs may no longer be appropriate.

An impairment review is only required if an impairment trigger is identified.
Due to the nature of the mining industry, inclusive of Nickel and Copper, indicators of impairment applying the value in use model could include:
— Changes to exploration plans;
— Loss of rights to tenements;
— License renewals not confirmed;
— Changes to reserve estimates;
— Costs of extraction and production;
— Exchange rate factors;
— Changing political environment of Botswana; and
— Market views to the use of Nickel or Copper</td><td>Our audit procedures included:
— Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the requirement to renew that tenement at its expiry;
— Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying tenement expenditure plan;
— A review of the directors’ assessment of the criteria for the capitalisation of exploration expenditure and evaluation of whether there are any indicators of impairment to capitalised costs of the remaining tenements; and
— Performing an assessment for each area of interest of whether any indicators of impairment existed in line with requirements of AASB6 - Exploration for and Evaluation of Mineral Resources.
— Compared the current market capitalisation of the Company against the current net assets value of the Group at 30 June 2018 and assessed whether any further indicators of impairment existed.

We assessed the adequacy of the Group’s disclosures in respect of the carrying value of exploration and evaluation assets</td></tr>
</table>

RELATED PARTY TRANSACTIONS	
Area of focus **Refer also to notes 1 and 22**	**How our audit addressed it**
There have been numerous related party transactions with companies where the group or key management personnel of the group have interests and/or are Directors. As, such, there is a risk that not all related party transactions are disclosed in the financial report or that related party transactions have been made on non-arm's length basis. This could result in insufficient information being provided in order to enable the reader to understand the nature and effect of the various related party relationships and transactions.	Our audit procedures included: — Assessment of the group's controls to identify and disclose related party transactions and transactions in accordance with the relevant accounting standards and the Corporations Act 2001; — Comparing the list of related parties provided by the Directors with internal sources; — Conducting an ASIC search for external directorships held by the Board members to evaluate whether all related party relationships and transactions had been appropriately identified and disclosed; and — Assessing whether related party transactions were conducted at arms-length by comparing the basis of the transactions to external sources. — For each class of related party transaction we compared the financial statement disclosures against the underlying transactions and the accounting and Corporations Act 2001 requirements.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements 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 independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

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

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

Responsibilities

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

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

J.C. Luckins
Director

Melbourne, 28 September 2018

CORPORATE GOVERNANCE STATEMENT

The Company has elected to publish its Corporate Governance Statement on its website in accordance with ASX Listing Rule 4.10.3.

A copy of the Corporate Governance Statement can be found at:

http://botswanametals.com.au/wp-content/uploads/2016/02/corporate_governance_statement-1.pdf

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 19 September 2018.

DISTRIBUTION OF EQUITY SECURITIES

Ordinary share capital

- 457,503,153 fully paid shares held by 2,439 individual shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of shareholders, by size of holding, is:

Range	Holders	Units	Percentage
1 – 1,000	914	222,157	0.05%
1,001 – 5,000	394	979,295	0.21%
5,001 – 10,000	177	1,348,839	0.30%
10,001 – 100,000	580	24,868,281	5.44%
100,001 and over	374	430,084,581	94.01%
Total	**2,439**	**457,503,153**	**100%**

The number of Option holders, by size of holding, is:

Range	Holders	Units	Percentage
1 – 1,000	4	104	0.00%
1,001 – 5,000	0	0	0.00%
5,001 – 10,000	0	0	0.00%
10,001 – 100,000	40	1,304,522	0.99%
100,001 and over	92	131,131,740	99.02%
Total	**136**	**132,436,366**	**100%**

TWENTY LARGEST SHAREHOLDERS

	Ordinary Shares	
	Number	**Percentage**
VERMAR PTY LIMITED <P & T SUPER FUND A/C>	5,258	0
VERMAR PTY LTD <CAP A/C>	4,740,818	1.04
VERMAR PTY LTD <P&T SUPER FUND A/C>	4,846,291	1.06
TRAYBURN PTY LTD	32,085,061	7.01
SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	25,267,187	5.52
SANGREAL INVESTMENTS PTY LTD	18,000,000	3.93
PAPILLON HOLDINGS PTY LTD <THE VML NO 1 A/C>	13,000,000	2.84
V7 INVESTMENT & DEVELOPMENT <THE ZHOU FAMILY A/C>	12,000,000	2.62
LIGHTSTORM PTY LTD <HOTSPICE A/C>	10,731,707	2.35
POLARITY B PTY LTD	150,033	0.03
POLARITY B PTY LTD	10,387,653	2.27
MALCORA PTY LTD <C & C CENIVIVA A/C>	10,000,000	2.19
NIGHTFALL PTY LTD <NIGHTFALL SUPER FUND A/C>	9,247,968	2.02
FINNIAN GROUP PTY LTD	6,890,244	1.51
BELL IXL INVESTMENTS PTY LTD	6,521,840	1.43
SJ CAPITAL PTY LTD	6,465,070	1.41
BUSHWOOD NOMINEES PTY LTD	6,260,651	1.37
MR ARTHUR IOANNOU + MS OLIVIA KEENE <IMAX SUPERFUND A/C>	6,056,911	1.32
MS ANGELA MARIA GIUSTI	5,995,935	1.31
QUID CAPITAL PTY LTD	5,723,581	1.25
MR OKTAY TASDEMIR	5,500,375	1.2
FIRST INVESTMENT PARTNERS PTY LTD	5,000,000	1.09
RIMOYNE PTY LTD	4,441,057	0.97
T T NICHOLLS PTY LTD <SUPERANNUATION ACCOUNT>	4,382,114	0.96
Total	**213,699,754**	**46.71**

TWENTY LARGEST OPTION HOLDERS

	Ordinary Shares	
	Number	**Percentage**
MR PATRICK JOHN VOLPE	666,667	0.5
VERMAR PTY LTD <P&T SUPER FUND A/C>	1,355,014	1.02
TRAYBURN PTY LTD	5,821,410	4.4
VERMAR PTY LTD <CAP A/C>	6,250,000	4.72
XCEL CAPITAL PTY LTD	13,750,000	10.38
SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	8,124,125	6.13
MR STEPHEN JULIAN KOUKOULAS	7,600,000	5.74
MR ASHWANI KUMAR	5,000,000	3.78
LIGHTSTORM PTY LTD <HOTSPICE A/C>	4,021,680	3.04
FIRST INVESTMENT PARTNERS PTY LTD	4,000,000	3.02
MRS VANESSA RUBEN	3,778,754	2.85
MR MATTHEW DEAN QUINN	3,375,000	2.55
MR ASHWANI KUMAR	3,216,437	2.43
FINNIAN GROUP PTY LTD	2,518,970	1.9
BUSHWOOD NOMINEES PTY LTD	2,046,884	1.55
MR VINCENZO BRIZZI + MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	2,000,000	1.51
MS ANGELA MARIA GIUSTI	1,998,645	1.51

MR JEREMY DAVID RUBEN + MRS VANESSA RUBEN <JVR S/F A/C>	1,984,146	1.5
BARROSEVEN PTY LIMITED	1,761,030	1.33
QUID CAPITAL PTY LTD	1,718,970	1.3
POLARITY B PTY LTD	1,693,767	1.28
MR EDWIN EDWARD BULSECO + MRS ALLISON BULSECO <KC BULSECO FAMILY A/C>	1,682,928	1.27
T T NICHOLLS PTY LTD <SUPERANNUATION ACCOUNT>	1,549,594	1.17
Total	**85,914,021**	**64.87**

Unlisted Options

- 18,000,000 unquoted options with an exercise price of $0.022 and an expiry date of 23/03/21.
- 12,500,000 unquoted options with an exercise price of $0.022 and an expiry date of 16/04/21.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the Company are:

	Ordinary Shares	
	Number	Percentage
Vermar Pty Ltd / Trayburn Pty Ltd / Mr Patrick John Volpe	14,093,091	10.64%
XCEL CAPITAL PTY LTD	13,750,000	10.38%
SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	8,124,125	6.13%
MR STEPHEN JULIAN KOUKOULAS	7,600,000	5.74%

Voting Rights

The voting rights attaching to each class of equity security are set out below:

Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

Options carry no voting rights.

UNMARKETABLE PARCELS

There were 1,900 holders of less than a marketable parcel of ordinary shares, which as at 19 September was 14,226,251.

RESTRICTED / UNQUOTED SECURITIES

There are no restricted or unquoted securities on issue.

ON-MARKET BUY-BACK

There is currently no on-market buyback program for any of ‘SI6 Metals’ listed securities.

SECURITIES EXCHANGE

The Company is listed on the Australian Securities Exchange under the code SI6.

ACQUISITION OF VOTING SHARES

No issues of securities have been approved for the purposes of Item 7 of Section 611 of the Corporations Act 2001.

TAX STATUS

The Company is treated as a public company for taxation purposes.

FRANKING CREDITS

The Company has no franking credits.

SCHEDULE OF INTERESTS IN MINING TENEMENTS

Exploration areas held in Botswana

The Company holds the following prospecting licences in Botswana:

Tenement	Renewal / Expiry Date	Percentage Holding	Title Holder	Comment
Magogaphate PL 110/94	31/03/2018	100	African Metals (Pty) Ltd	Farm-in agreement with BCL Ltd
Mokoswane PL 111/94	31/03/2018	100	African Metals (Pty) Ltd	Farm-in agreement with BCL Ltd.
Takane PL 54/98	31/03/2018	100	African Metals (Pty) Ltd	Farm-in agreement with BCL Ltd
Shashe South PL 059/2008	30/09/2016	100	African Metals (Pty) Ltd	Renewal application submitted 30/06/16
PL 193/2016	30/09/2019	100	African Metals (Pty) Ltd	
PL 194/2016	30/09/2019	100	African Metals (Pty) Ltd	
PL 195/2016	30/09/2019	100	African Metals (Pty) Ltd	

The mining tenement interests relinquished during the quarter and their location

Nil.

The mining tenement interests acquired during the quarter and their location

Nil

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

SI6, via it's wholly-owned subsidiary African Metals Limited, holds a 100% interest in Prospecting Licences PL110/94, PL111/94 and PL54/2008. These licences have been suspended (put on hold) until the liquidation process is complete but are confirmed in Good Standing by the Department of Mines in Botswana.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

Additional Tenement Information:

African Metals (Pty) Ltd is a wholly owned subsidiary of the Company.

Minerals Holdings (Botswana) Pty Ltd holds a 5% net profit share interest in PL 110/94, PL 111/94 and PL 54/98.