SIX SIGMA METALS

ACN 122 995 073

ANNUAL REPORT
30 JUNE 2019

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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:	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
Securities Exchange:	Listed on the Australian Securities Exchange ASX Code: SI6

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 2019. Directors held office for this entire period unless otherwise stated.

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

Mr Steven Russell Groves

Mr Joshua Alan Letcher

Mr Edwin Edward Bulseco (resigned 31 July 2018)

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.

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.

OPERATING RESULTS

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

	2019 $	Restated[(i)] 2018 $
Operating loss after income tax	**(1,196,239)**	**(1,871,186)**
Net consolidated loss attributable to members of the Company	**(1,196,239)**	**(1,871,186)**

(i) refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

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

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.

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.

Six Sigma Metals focus was on assessing new opportunities for potential involvement by the Company, reviewing the exploration potential of the Company's portfolio of assets in Botswana and continuing to monitor the BCL Limited liquidation process concerning the Company's affected Botswana assets.
The Company continued desktop assessments of its Botswana portfolio and constructed fieldwork programs for implementation once the liquidation of BCL is resolved. In particular, the recently granted licence PL389/2018 is under review where very strong historic nickel and copper targets show highly elevated base metal soil anomalism coincident with ultramafic rocks and EM conductors are present. Fieldwork aimed at confirming the historic results with a view to defining drill targets is proposed.
The Company is also reviewing the Dibete and Airstrip copper prospects where previous drilling has provided encouragement for the presence of significant copper mineralisation at both prospects. Fieldwork programs, including deep-looking geophysics, are being assessed, with a view to locating deep, massive-sulphide copper drill targets.

CORPORATE ACTIVITY

Financial Position

The financial results of the Company for the year ended 30 June 2019 are:

		Restated(i)
	30-Jun-19 $	30-Jun-18 $
Cash and cash equivalents	**1,230,860**	1,772,169
Net Assets/ (Net Liabilities)	**1,090,131**	1,904,644
Revenue	**18,547**	5,896
Net loss after tax	**(1,196,239)**	(1,871,186)

(i) refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

Dividends

No dividends have been paid or declared by the Company since the end of the previous financial year. No dividend is recommended in respect of the current financial year.

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 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

The Company undertook a capital raising initiative via a combination of share placement and a share Purchase Plan. The Company received $417,500 by the way of the issue of 104,375,00 ordinary shares at $0.004.

After Balance Date Events

On 16 August 2019 the Company issued 62,500,000 shares raising $250,000 at $0.004, through the share purchase plan. As a part of the share purchase plan (SPP) 31,250,000 unquoted options were issued for nil cash consideration to the subscribers in the SPP on the basis of 1 option for every 2 shares held.

On 22 August 2019 the Company 20,625,000 ordinary fully paid shares were issued at an issue price of $0.004 per share under Tranche 2 of the placement.
On the same day 62,500,000 attaching unquoted options (exercise price of $0.008 expiring 1 July 2022) were issued as a part of the placement on a 2 for 1 basis for both tranche 1 and 2.
20,000,000 lead manager options were also issued (exercise price of $0.008 expiring 1 July 2022) for nil cash consideration as remuneration for their services.

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

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 Chairman

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:

- Pure Minerals Limited (current);
- European Cobalt Limited (current);
- Easter Iron Limited (current),
- Ragnar Metals Limited (formerly, Drake Resources Limited) (current);
- Sultan Resources Limited (resigned March 2019);
- Axxis Technology Limited (resigned March 2019);
- Bowen Coking Coal Limited (resigned December 2018); and
- Lindian Resources Limited (resigned January 2018).

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).

Edwin Bulseco – Non-Executive Chairman (resigned 31 July 2018)

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 gained considerable capital markets and corporate experience.

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

- Non-executive Director of Greenpower Energy Ltd (Resigned);
- Non-Executive Director of Transcendence Technologies Ltd (Resigned 28 September 2018);
- 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).

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	438,492	6,666,667
Eddie King	750,000	-
Joshua Letcher	-	6,666,667
Total	**1,188,492**	**13,333,334**

Directors' Meetings

The number of meetings of the Group's Board of Directors held during the year ended 30 June 2019, and the numbers of meetings attended by each director were:

Name	Board of Directors	
	Number eligible to attend	Number attended
E King	5	5
S Groves	5	5
E Bulseco	-	-
J Letcher	5	5

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.

Voting and comments made at the Company's Annual General Meeting

At the 2018 Annual General Meeting, the resolution to adopt the Remuneration Report for the year ended 30 June 2018 was passed without amendment by 97.08% of the vote on the resolution to adopt the Remuneration Report.
The Company did not receive any specific feedback at the Annual General Meeting regarding its remuneration practices.

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

REMUNERATION REPORT (CONTINUED)

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;

- 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 Directors is detailed in KMP Remuneration table and their contractual arrangements are disclosed below.

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.

Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share ("EPS") of the Company as at 30 June 2019.

		Restated(i)
	30-Jun-19	30-Jun-18
Revenue ($)	**18,547**	5,896
Net profit/(loss) after tax ($)	**(1,196,239)**	(1,871,186)
EPS ($)	**(0.26)**	(0.61)

(i) refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

Relationship between Remuneration and Company Performance
Given 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.

Executive Remuneration
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 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 2019

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 2019 are:

Name	Short-term Benefits	Short-term Benefits	Post-employment Benefits	Share-Based Payments	
	Cash Salary & Fees $	Other	Superannuation $	$	Total $
Mr S R Groves	70,000	-	-	-	70,000
Mr E King	60,000	18,000	-	-	78,000
Mr J Letcher	48,000	-	-	-	48,000
Mr E Bulseco	5,000	-	-	-	5,000
Total	**183,000**	**18,000**	**-**	**-**	**201,000**

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above.

Relative proportion of fixed vs variable remuneration expense

	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
Name	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Key Management Personal						
Mr S R Groves	**100%**	66%	-	34%	-	-
Mr E King	**77%**	100%	**23%**	-	-	-
Mr J Letcher	**100%**	47%	-	53%	-	-
Mr E Bulseco	**100%**	49%	-	51%	-	-
Mr R Jimenez	-	100%	-	-	-	-
Mr P J Volpe	-	56%	-	44%	-	-
Mr M J Hudson	-	100%	-	-	-	-

REMUNERATION REPORT (CONTINUED)

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**

Number of Options Held directly or indirectly by Key Management Personnel

2019	Balance 1.7.2018	Granted as Compensation	Exercised	Expired	Net Change Other*	Balance 30.6.2019	Vested and exercisable
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	-	-	-	(6,666,667)	-	-
Total	**20,000,001**	**-**	**-**	**-**	**(6,666,667)**	**13,333,334**	**13,333,334**

*Edwin Bulseco resigned 31 July 2018

Number of Shares held directly or indirectly by Key Management Personnel

2019	Balance 1.7.2018	Received as Compensation	Issued on Exercise of Options / Performance Rights	Net Change Other*	Balance 30.6.2019
Mr S R Groves	438,492	-	-	-	438,492
Mr E King	750,000	-	-	-	750,000
Mr J Letcher	-	-	-	-	-
Mr E Bulseco	8,414,635	-	-	(8,414,635)	-
Total	**9,603,127**	**-**	**-**	(8,414,635)	**1,188,492**

*Edwin Bulseco resigned 31 July 2018

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: $60,000 per annum
- Consultants Fee: $60,000 per annum (ceased August 2019)
- Term: No fixed term

Edwin Bulseco – Chairman, Non-Executive Director
- Contract: Commenced on 1 August 2017-31 July 2018
- Director's Fee: $60,000 per annum
- Term: No fixed term.

Equity Instruments Issued on Exercise of Remuneration Options
No remuneration options were exercised during the financial year.

Other transactions with Directors and related parties
There were no transactions between related parties.

Loans with KMP
There were no loans made to any KMP during the year ended 30 June 2019 (2018 nil).

This is the end of the audited remuneration report

ADDITIONAL INFORMATION

		Restated(i)	Restated(i)	Restated(i)	Restated(i)
	2019 **$**	**2018** **$**	**2017** **$**	**2016** **$**	**2015** **$**
Revenue	**18,547**	5,896	47,468	37,561	71,842
EBITDA	**(1,158,895)**	(1,865,883)	(2,296,741)	(1,779,045)	(7,721,785)
EBIT	**(1,196,239)**	(1,871,186)	(2,302,811)	(1,792,533)	(7,756,621)
Loss after income tax	**(1,196,239)**	(1,871,186)	(2,302,811)	(1,792,533	(7,756,621)
Share Price	**0.005**	0.013	0.012	0.048	0.090
Basic EPS ($)	**(0.26)**	(0.61)	(0.02)	(0.02)	(0.16)

(i) refer to note 13 for details regarding the restatement as a result of a change in accounting policy.

The Company has not yet set measurable objectives for achieving gender diversity. The Company is currently not of a size that justifies the establishment of measurable diversity objectives. As the Company develops, the Board will seek to develop a reporting framework in the future to report the Company's progress against the objectives and strategies for achieving a diverse workplace which can be used as a guide to be used by the Company to identify new Directors, senior executives and employees. The Company intends to appoint additional female Directors and employees should a vacancy arise, and appropriately qualified and experienced individuals are available.

Full details of the Company's Diversity Policy can be found on the Corporate Governance page of the Company's website.
This concludes the Remuneration Report, which has been audited.

SHARES UNDER OPTION

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

- 18,000,000 options expiring 23 March 2021, exercisable at $0.022 each;
- 132,436,366 options expiring July 2021, exercisable at $0.015 each;
- 12,500,000 options expiring 16 April 2021, exercisable at $0.022 each; and
- 113,750,000 options expiring 1 July 2022, exercisable at $0.008 each.

SHARES ISSUED ON EXERCISE OF OPTIONS

There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

ENVIRONMENTAL REGULATIONS

The company is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

AUDITOR

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF BDO AUDIT (WA) PTY LTD

There are no officers of the company who are former partners BDO Audit (WA) Pty Ltd.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and included within these financial statements.

NON-AUDIT SERVICES

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

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor amounted to $7,140.

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

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

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

Mr Eddie King
Director
27 September 2019

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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF SIX SIGMA METALS LIMITED

As lead auditor of Six Sigma Metals Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Six Sigma Metals Limited and the entity it controlled during the period.

JPrue

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 27 September 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

		Consolidated Group	
			Restated[(i)]
	Notes	**2019**	2018
		$	$
Revenue and other income	4	**18,547**	5,896
Expenses			
Employment and consultancy		**(69,403)**	(76,561)
Administration and corporate expenses		**(197,201)**	(175,269)
Other expenses		**(120,345)**	(229,835)
Directors remuneration and fees		**(172,983)**	(161,738)
Professional fees	5a	**(288,002)**	(628,070)
Marketing		**(49,800)**	(50,794)
Depreciation		**(37,344)**	(11,199)
Exploration Expenses	5b	**(279,707)**	(401,608)
Share-based payment expense		**-**	(142,008)
Loss before Income Tax Expense		**(1,196,239)**	(1,871,186)
Income Tax Expense	6	**-**	-
Loss for the year attributable to owners of Six Sigma Metals Limited		**(1,196,239)**	(1,871,186)
Other Comprehensive Income for the year that may be subsequently reclassified to the profit or loss			
Exchange differences on translating foreign controlled operation		**15,527**	88,551
Total Comprehensive Loss attributable to owners of Six Sigma Metals Limited		**(1,180,712)**	(1,782,635)
Basic Loss per Share (cents per share) & Diluted Loss per Share (cents per share)	9	**(0.26)**	(0.61)

(i) refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	Notes	2019	2018	2017
		Consolidated Group		
			Restated(i)	Restated(i)
		$	$	
Current Assets				
Cash and cash equivalents	10	**1,230,860**	1,772,169	147,039
Trade and other receivables	11	**30,885**	92,719	62,374
Total Current Assets		**1,261,745**	1,864,888	209,413
Non-Current Assets				
Other assets		**-**	228,014	-
Plant and equipment		**-**	36,812	29,785
Total Non-Current Assets		**-**	264,826	29,785
TOTAL ASSETS		**1,261,745**	2,129,714	239,198
Current Liabilities				
Trade and other payables	14	**147,013**	182,211	428,489
Provisions		**24,601**	42,859	37,557
Total Current Liabilities		**171,614**	225,070	466,046
TOTAL LIABILITIES		**171,614**	225,070	466,046
Net Assets (Liabilities)		**1,090,131**	1,904,644	(226,848)
Equity				
Issued capital	15	**21,402,070**	21,035,871	17,535,843
Reserves	16	**156,406**	140,879	(361,769)
Accumulated losses		**(20,468,345)**	(19,272,106)	(17,400,922)
TOTAL EQUITY/(DEFICIENCY IN EQUITY)		**1,090,131**	1,904,644	(226,848)

(i) refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For year ended 30 June 2019

	Issued Share Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Balance at 1 July 2018 as previously reported	**21,035,871**	**414,097**	**(2,232,651)**	**(10,115,163)**	**9,102,154**
Change in accounting policy	**-**	**-**	**1,959,433**	**(9,156,943)**	**(7,197,510)**
Balance at 1 July 2018 restated	**21,035,871**	**414,097**	**(273,218)**	**(19,272,106)**	**1,904,644**
Loss after income tax for the year	**-**	**-**	**-**	**(1,196,239)**	**(1,196,239)**
Other Comprehensive income	**-**	**-**	**15,527**	**-**	**15,527**
Total comprehensive income/(loss)	**-**	**-**	**15,527**	**(1,196,239)**	**(1,180,712)**
Transactions with owners in their capacity as owners					
Shares issued during the year	**417,500**	**-**	**-**	**-**	**417,500**
Share issue costs	**(51,301)**	**-**	**-**	**-**	**(51,301)**
Options issued during the year	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2019	**21,402,070**	**414,097**	**(257,691)**	**(20,468,345)**	**1,090,131**
Balance at 1 July 2017 as previously reported	17,535,843	-	(2,321,202)	(8,645,587)	6,569,054
Change in accounting policy	-	-	1,959,433	(8,755,335)	(6,795,902)
Balance at 1 July 2017 restated	17,535,843	-	(361,769)	(17,400,922)	(226,848)
Loss after income tax for the year	-	-	-	(1,871,184)	(1,871,184)
Other Comprehensive income	-	-	88,551	-	88,551
Total comprehensive income/(loss)	-	-	88,551	(1,871,184)	(1,782,633)
Transactions with owners in their capacity as owners					
Shares issued during the year	3,918,282	-	-	-	3,918,282
Share issue costs	(418,254)	-	-	-	(418,254)
Options issued during the year	-	414,097	-	-	414,097
Balance at 30 June 2018 (i)	21,035,871	414,097	(273,218)	(19,272,106)	1,904,644

(i) refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Notes	Consolidated Group 2019 $	Restated[(i)] 2018 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(668,843)**	(1,564,099)
Interest received		**18,547**	4,505
Exploration expenditure		**(272,739)**	(297,077)
Net Cash Used in Operating Activities	19b	**(923,035)**	(1,856,671)
Cash Flows from Investing Activities			
Purchase of plant and equipment		**-**	(18,226)
Net Cash Used in Investing Activities		**-**	(18,226)
Cash Flows from Financing Activities			
Issue of share capital		**417,500**	3,918,282
Payments of share capital issue costs		**(51,301)**	(418,254)
Net Cash Received From Financing Activities		**366,199**	3,500,028
Net Increase/(Decrease) in Cash and cash equivalents held		**(556,836)**	1,625,131
Cash and cash equivalents at the Beginning of the Financial Year		**1,772,169**	147,039
Foreign currency effect on cash held		**15,527**	-
Cash and cash equivalents at the End of the Financial Year	19a	**1,230,860**	1,772,169

(i) refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

The accompanying notes form part of these financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Six Sigma Metals Limited (referred to as "Company" or "parent entity") is a company domiciled in Australia. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or the "Group").

(b) Basis of Preparation

Statement of compliance
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Basis of measurement
The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 24.

Adoption of new and revised accounting standards
A number of new or amended standards became applicable for the current reporting period for which the Company has adopted

- AASB 15 Revenue from Contracts with Customers; and
- AASB 9 Financial Instruments.

There is no impact on the Company for the year ended 30 June 2019.

Changes to the Group's accounting policies

Exploration and Evaluation Asset
The financial report has been prepared on the basis of retrospective application of a voluntary change in accounting policy in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The Group previously capitalised these expenditures, accumulated exploration and evaluation expenditure and carried forward to the extent that they were expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

The result of this accounting change means that the Group will expense exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development.

The Board determined that the change in accounting policy will result in more relevant and no less reliable information as the policy is more transparent and less subjective. Recognition criteria of exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income. Furthermore, the change in policy aids in accountability of line management's expenditures and the newly adopted policy is consistent with industry practice.
The impact of the adoption of the accounting policy change has been summarised in Note 13.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue. AASB 15 was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. The Company has considered AASB 15 in detail and determined that the impact on the Company's sales revenue from contracts under AASB 15 is insignificant for the year.

Impact of adoption
AASB 15 was adopted using the modified retrospective approach and such comparatives have not been restated. There is no material impact for the Group in the current reporting year as no revenue with customers has been recognised. There was no impact of adoption on opening retained profits as at 1 July 2018.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any material transitional adjustments. The new accounting policies (applicable from 1 July 2018) are set out below.

In accordance with the transitional provisions in AASB 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

Classification and measurement

The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Impairment

From 1 July 2018 the Company assesses on a forward looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company assesses at each reporting period end whether there is objective evidence that a financial asset or group of financial assets is impaired.

Due to the nature of the Group's receivables, the impacted of the expected loss allowance under AASB 9 against the loss incurred under AASB 139 was not material to the Group.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Judgements and Estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(c) Principles of Consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Six Sigma Metals Limited ('Company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Six Sigma Metals Limited and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition method of accounting is used to account for business combinations by the consolidated entity.

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

(e) Foreign Currency Translation

Functional and presentation currency
Items included in the financial statements of each of the consolidated entity's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Australian dollars, which is Six Sigma Metals Limited's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign Currency Translation (continued)

Consolidated entity companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position account presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of profit or loss and other comprehensive income account are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(f) Revenue Recognition and other Income

The consolidated entity recognises revenue and other income as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.
Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Interest
Interest revenue is recognised as interest accrues using the effective interest method.

Other income
Other income is recognised when it is received or when the right to receive payment is established.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

(i) Exploration and evaluation expenditure

The Group expenses exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development.

(j) Cash and Cash Equivalents

Cash on hand and in bank and short-term deposits are stated at nominal value. For the purpose of the statement of cash flows, cash includes cash on hand and in bank, and bank securities readily convertible to cash, net of outstanding bank overdrafts.

(k) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses (ECL). The ECL is based on either the 12-month or lifetime ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset, unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:
(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
(ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.
Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(m) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(n) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received whether or not billed to the Group. Trade payables are usually settled within 30 days of recognition.

(o) Employee Benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(p) Share-based Payments

Equity-settled share-based compensation benefits are provided to Key Management Personnel and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Share-based Payments (continued)

best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(q) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(r) Earnings Per Share

Basic earnings per share
Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share
Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(s) Goods and Services Tax ("GST")

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

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

Commitments and contingencies are disclosed net of amount of GST recoverable from, or payable to, the tax authorities.

(t) Current and Non-Current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(u) Dividends

Dividends are recognised when declared during the financial year and are no longer at the discretion of the Company.

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 Company for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 at the present value of the unavoidable future lease payments to be made over the lease term adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. 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 present value of the unavoidable future lease payments to be made over the lease term will also be recognised. 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 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.

Impact of adoption
The Company will adopt this standard from 1 July 2019 and its impact on adoption is not expected to have a material impact on transactions and balances recognized in the financial statements as currently there is no lease contract in the Company.

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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.

NOTE 3 SEGMENT INFORMATION

The consolidated entity operates within two geographical segments within mineral exploration being Australia and Botswana. The segment information provided to the chief operating decision maker is as follows:

	Australia	Botswana	Total
Year Ended 30 June 2019	$	$	$
Revenue and other income	18,547	-	18,547
Result (loss)	(1,018,257)	(177,982)	(1,196,239)
Total assets	1,259,194	2,551	1,261,745
Total liabilities	(139,873)	(31,741)	(171,614)
Year Ended 30 June 2018(i) Restated			
Revenue and other income	5,896	-	5,896
Result (loss)	(1,315,476)	(555,710)	(1,871,186)
Total assets	2,045,619	84,095	2,129,714
Total liabilities	(132,160)	(92,910)	(225,070)

(i) refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

NOTE 4 REVENUE AND OTHER INCOME

	Consolidated Group	
	2019	2018
	$	$
Income from Ordinary Activities		
Revenue		
Interest revenue	**18,547**	4,505
Sundry income	**-**	1,391
	18,547	5,896

NOTE 5 EXPENDITURE

	Consolidated Group	
	2019	2018
	$	$
5(a) Professional Fees		
Legal Fees	**49,495**	57,315
Corporate advisory	**175,000**	276,590
Accounting and audit fees	**56,041**	31,110
Consulting fees	**7,466**	263,055
	288,002	628,070

		Restated(i)
	2019	2018
	$	$
5(b) Exploration Expenditure		
Exploration Expenditure	**297,707**	401,608
	297,707	401,608

(i) refer to note 13 for details regarding the restatement as a result of a change in accounting policy.

NOTE 6 INCOME TAX EXPENSE

	Consolidated Group	
		Restated
	2019	2018[(i)]
	$	$
The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:		
(Loss) before income tax expense	**(1,196,239)**	(1,871,186)
Prima facie (tax benefit) on (loss) from ordinary activities before income tax at 30% (2018: 30%)	**(358,872)**	(561,356)
Add:		
Tax effect of:		
- Accrued expenses	**21,845**	3,061
- Accrued remuneration to directors and management	**-**	-
- Non-deductible expenses	**99,735**	137,355
-Foreign tax rate differential	**14,239**	44,457
Less		
Tax effect of:		
- Accrued remuneration paid during the year	**-**	(50,250)
- Other deductible items	**(50,566)**	(49,387)
- Prepayments	**562**	(4,201)
Tax losses for the year	**(273,057)**	(480,321)
Prior year tax losses not previously brought to account	**(2,560,517)**	(2,035,739)
The Directors estimate that the potential deferred income tax assets at 30 June in respect of tax losses not brought to account is:	**(2,833,574)**	(2,516,059)
Tax benefits not recognised during the year	**2,833,574**	2,516,059
Income Tax Expense for the year	**-**	-

Tax benefits are not brought to account for the year ended 30 June 2019 (2018: nil) as the certainty of recovery cannot yet be reliably determined at this stage of the Group's development.
(i) refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

NOTE 7 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	Chairman, Non-executive Director
Mr E Bulseco	Chairman, Non-executive Director (Resigned 31 July 18)
Mr S R Groves	Non-executive Director
Mr J Letcher	Non-executive Director

NOTE 7 KEY MANAGEMENT PERSONNEL (CONTINUED)

(b) Remuneration paid to Key Management Personnel

	Consolidated Group	
	2019	2018
	$	$
Short-term employee benefits	**201,000**	494,524
Share based payments	**-**	356,162
Total	**201,000**	850,686

NOTE 8 REMUNERATION OF AUDITORS

	Consolidated Group	
	2019	2018
	$	$
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
Audit or review of the financial statements	**26,329**	-
Other services - BDO Corporate Tax (WA) Pty Ltd		
Tax compliance	**7,140**	-
Amounts received or due and receivable by William Buck Audit (Vic) Pty Ltd for:		
Audit or review of the financial statements	**-**	25,000

NOTE 9 LOSS PER SHARE ("LPS")

	Consolidated Group	
		Restated
	2019	2018(i)
	$	$
a) Reconciliation of losses to profit or loss		
Loss used to calculate basic and diluted loss per share(i)	**(1,196,239)**	(1,871,186)
b) Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share(ii)	**461,220,619**	307,007,662

(i) Refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

(ii) The weighted average number of shares used in the calculation of basic and diluted loss per share for 2018 has been adjusted to correctly reflect the impact of the share consolidation during that year.

NOTE 10 CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2019	2018
	$	$
Cash at bank and in hand	**829,722**	972,169
Term deposits held	**401,138**	800,000
	1,230,860	1,772,169

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2019	2018
	$	$
Current		
Trade and other receivables	**30,885**	92,719

NOTE 12 CONTROLLED ENTITY

	Country of Incorporation	Principal Activity	Class of Share	Equity Holding	
				2019	2018
				%	%
African Metals (Pty) Ltd	Botswana	Mineral Exploration	Ordinary	**100**	100

NOTE 13 EXPLORATION AND EVALUATION EXPENDITURE

The following table summarises the adjustments made to the Consolidated Statement of Profit or Loss and Other Comprehensive Income, to the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows on implementation of the new accounting policy.

	Exploration expenditure	Foreign exchange reserve	Retained Earnings
	$	$	$
Balances as at 1 July 2017, as previously reported	6,795,902	(2,321,202)	(8,645,587)
Impact of the change in accounting policy	(6,795,902)	1,959,433	(8,755,335)
Restated balances at 1 July 2017	**-**	**(361,769)**	**(17,400,922)**
Balances at 30 June 2018, as previously reported	7,197,510	(2,232,651)	(10,115,163)
Impact of the change in accounting policy at 1 July 2017	(6,795,902)	1,959,433	(8,755,335)
Impact of the change in accounting policy during 2018	(401,608)	-	(401,608)
Restated balance at 30 June 2018	**-**	**(273,218)**	**(19,272,106)**

In the year ending 30 June 2019, the Group changed its accounting treatment of exploration and evaluation expenditure in accordance with standard AASB 6: Exploration for and Evaluation of Mineral Resources. Previously, the Group capitalised accumulated exploration and evaluation expenditure and carried forward to the extent that they were expected to be recouped through the successful development. The result of this accounting change means that the Group will expense exploration and evaluation expenditure as incurred in respect of each identifiable are of interest until a time where an asset is in development.

The effects on the Consolidation Statement of Profit or Loss and Other Comprehensive Income were as follows:

	For the year ended 30 June 2018
	$
Increase in loss for the year	401,608

NOTE 13 EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

The table below summarises the impact on the earnings per share for the comparative period:

	30 June 2018 (cents)
Previously reported – basic and diluted earnings per share	(0.19)
Restated – basic and diluted earnings per share	(0.61)*

*The weighted average number of shares used in the calculation of basic and diluted loss per share for 2018 has been adjusted to correctly reflect the impact of the share consolidation during that year.

NOTE 14 TRADE AND OTHER PAYABLES

	Consolidated Group	
	2019	2018
Current	**$**	$
Trade payables	**35,624**	170,711
Accrued remuneration owing to Directors	**11,543**	11,500
Accrued professional fees & operating expenses	**99,846**	-
	147,013	182,211

NOTE 15 ISSUED CAPITAL

	Consolidated Group	
	2019	2018
	$	$
561,878,153 (2018: 457,503,153) fully paid ordinary shares	**21,402,070**	21,035,871

(a) Ordinary Shares

	Date	Number of Shares		Issue Price ($)		$	
		2019	2018	2019	2018	2019	2018
At the beginning of the reporting period		**457,503,153**	**1,462,315,814**			**21,035,871**	**17,535,843**
Tranche 1 placement	17/6/19	**104,375,000**		**0.004**		**417,500**	
Costs associated with capital raising						**(51,301)**	
- 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		**561,878,153**	**457,503,153**			**21,402,070**	**21,035,871**

NOTE 16 RESERVES

	2019 $	Restated 2018[(i)] $
Share-based payments reserve (a)(i)	**414,097**	414,097
Foreign currency translation reserve (b)	**(257,691)**	(273,218)
	156,406	140,879
Movement reconciliation		
Share-based payments reserve (a) (i)		
Balance at the beginning of the year	**414,097**	-
Equity settled share-based payment transactions (Note 20) (1)	**-**	272,089
Options issued to Directors (2)	**-**	142,008
Balance at the end of the year	**414,097**	414,097
Movement reconciliation		
Foreign currency translation reserve (b)		
Balance at the beginning of the year	**(273,218)**	(361,769)
Other comprehensive income	**15,527**	88,551
Balance at the end of the year	**(257,691)**	(273,218)

(i) refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

(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.

NOTE 17 CAPITAL AND LEASING COMMITMENTS

	Consolidated Group	
	2019	2018
	$	$
Planned Exploration Expenditure		
Payable		
- not later than 12 months	**227,361**	29,250
- between 12 months and 5 years	**1,511,284**	-
- greater than 5 years	**-**	-
	1,738,645	29,250

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 18 CONTINGENT LIABILITIES

Broker Options

20 million unquoted options exercisable at $0.008 with an expiry of 1 July 2022, are to be issued for corporate advisory services on the tranche 1 and 2 placements, upon the successful raising of capital and the approval by shareholders.
The options were subsequently issued (refer to note 21).

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 19 CASH FLOW INFORMATION

	Consolidated Group	
		Restated
	2019	2018(i)
	$	$
(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	**1,230,860**	1,772,169
(b) Reconciliation of cash		
Operating Loss after income tax	**(1,196,239)**	(1,871,186)
Non–cash flows in loss:		
- Depreciation	**36,812**	11,119
- Non cash variance in capitalised expenditure	**-**	(5,299)
- Foreign currency translation	**-**	88,551
- Share-based payments	**-**	414,097
Working capital:		
- (Increase)/decrease in trade and other receivables	**61,834**	(30,345)
- (Increase)/decrease in other assets	**228,014**	(228,014)
- Increase/(decrease) in trade and other payables	**(35,198)**	(240,976)
- Increase/(decrease) in provisions	**(18,258)**	5,302
Net cash (outflow) from operating activities	**(923,035)**	(1,856,671)

(i) refer to note 13 for details regarding the restatement as a result of a change in accounting policy.

NOTE 20 SHARE-BASED PAYMENTS

	2019 $	2018 $
(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
	-	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.

There was no movement for share based payment transactions in the current year.

(b) Summary of options granted during the 2018 year, there was no movement in the 2019 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

On 16 August 2019 the Company issued 62,500,000 shares raising $250,000 at $0.004, through the share purchase plan. As a part of the share purchase plan (SPP) 31,250,000 unquoted options were issued for nil cash consideration to the subscribers in the SPP on the basis of 1 option for every 2 shares held.

On 22 August 2019 the Company 20,625,000 ordinary fully, paid shares were issued at an issue price of $0.004 per share under Tranche 2 of the placement.
On the same day 62,500,000 attaching unquoted options (exercise price of $0.008 expiring 1 July 2022) were issued as a part of the placement on a 2 for 1 basis for both tranche 1 and 2.
20,000,000 lead manager options were also issued (exercise price of $0.008 expiring 1 July 2022) for nil cash consideration as remuneration for their services.

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.

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.	**2019**	2018
	$	$
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
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
Transactions with CAP Holdings Pty Ltd ("CAP"), a company of which close family members of Mr P J Volpe are Directors and shareholders for administration and clerical costs.	-	9,600
Total	-	1,136,543

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.

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.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.
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.

NOTE 23 FINANCIAL RISK MANAGEMENT

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

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.

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.

Maturity analysis:

Consolidated 2019	**<6 months $**	**6-12 months $**	**1-5 years $**	**>5 years $**	**Total $**
Financial liabilities					
Trade and other payables	**147,013**	-	-	-	**147,013**

NOTE 23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Consolidated 2018	<6 months $	6-12 months $	1-5 years $	>5 years $	Total $
Financial liabilities					
Trade and other payables	182,211	-	-	-	182,211

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:

	2019		2018	
	Weighted average interest rate (i)	**Balance $**	**Weighted average interest rate (i)**	**Balance $**
Cash and cash equivalents	**1.24%**	**1,230,860**	1.28%	1,772,169

(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 2019, 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:	**2019 $**	2018 $
+ 1.0% (100 basis points)	**12,309**	17,722
- 1.0% (100 basis points)	**(12,309)**	(17,722)

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)

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

At 30 June 2019, 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.

Judgments of reasonable possible movements	Post-tax Loss Higher/(Lower)		Other Comprehensive Income Higher/(Lower)		Equity Higher/(Lower)	
	2019	Restated 2018[(i)]	**2019[(i)]**	Restated 2018[(i)]	**2019**	Restated 2018[(i)]
	$	$	**$**	$	**$**	$
AUD/BWP +5%	**8,899**	7,705	**9,675**	12,133	**18,575**	19,838
AUD/BWP -5%	**(8,899)**	(7,705)	**(9,675)**	(12,133)	**(18,575)**	(19,838)

(i) refer to note 1(b) & 13 for details regarding the restatement as a result of a change in accounting policy.

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

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

Capital Risk Management
The Group manages its capital to ensure that Companies in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt to equity balance. The Group's focus has been to raise sufficient funds through equity to fund exploration and resource development activities.

The Group's overall strategy remains unchanged from 2018. Risk management policies and procedures are established with regular monitoring and reporting.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising of issued capital, reserves and accumulated losses as disclosed in Notes 15 and 16 respectively.

The Group operates in Australia and Botswana. None of the Group's companies are subject to externally imposed capital requirements.

NOTE 24 PARENT ENTITY DISCLOSURES

Financial Position	**2019**	2018
	$	$
Assets		
Current assets	**1,230,004**	2,045,619
Non-current assets	**-**	13,038,615
Total assets	**1,230,004**	15,084,234
Liabilities		
Current liabilities	**139,873**	132,160
Total liabilities	**139,873**	132,160
Issued capital	**21,402,070**	21,035,871
Reserves	**414,098**	414,098
Accumulated losses	**(20,726,037)**	(6,497,896)
Total equity	**1,090,131**	14,952,073
Financial Performance		
Loss for the year	**(14,228,141)**	(1,315,476)
Other comprehensive income	**-**	-
Total comprehensive loss	**(14,228,141)**	(1,315,476)

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.

DIRECTORS' DECLARATION

In the Directors' opinion:

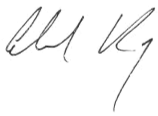
a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
   i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date.

b) The financial statements and notes comply with International Financial Reporting Standards as described in Note 1 to the financial statements.

c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

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



Mr Eddie King
Director
27 September 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of Six Sigma Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Six Sigma Metals Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other 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 report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year 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 Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Other matter

The financial report of Six Sigma Metals Limited, for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that report on 28 September 2018.

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.

Change of Accounting Policy – Exploration and Evaluation Expenditure

Key audit matter	How the matter was addressed in our audit
During the year the Group changed its accounting policy in relation to exploration and evaluation expenditure as disclosed in Note 1 (b) and 13 of the financial report. We consider management's change of accounting policy for exploration and evaluation expenditure to be a key audit matter given the significant impact on the financial report and the judgment involved in assessing the change in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors ("AASB 108").	Our procedures included, but were not limited to the following: • Obtaining and reviewing management's workings relating to the change in accounting policy in accordance with AASB 108; • Reviewing management's basis for the change in accounting policy in accordance with AASB 108; and • Assessing the adequacy of the related disclosures in notes 1 (b) and 13 of the financial report.

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 2019, 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 the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 11 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Six Sigma Metals Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 27 September 2019

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:

https://www.sixsigmametals.com/about-us/corporate-governance/

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 24 September 2019.

DISTRIBUTION OF EQUITY SECURITIES

Ordinary share capital

- 645,003,153 fully paid shares held by 599 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	56	8,661	0
1,001 – 5,000	39	110,674	0.02
5,001 – 10,000	18	133,319	0.02
10,001 – 100,000	127	5,906,163	0.92
100,001 and over	359	638,844,336	99.005
Total	**599**	**645,003,153**	**100**

Listed options

- 132,436,366 quoted options expiring 1 July 2021, exercisable at $0.015 held by 124 individual option holders.

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

Range	Holders	Units	Percentage
1 – 1,000	4	104	0
1,001 – 5,000	0	0	0
5,001 – 10,000	0	0	0
10,001 – 100,000	40	1,342,792	1.01
100,001 and over	80	131,093,470	98.99
Total	**124**	**132,436,366**	**100**

TWENTY LARGEST SHAREHOLDERS

	Ordinary Shares	
	Number	**Percentage**
CAP HOLDINGS PTY LTD <CAP A/C>	38,825,879	6.02
KITARA INVESTMENTS PTY LTD <KUMOVA #1 FAMILY A/C>	30,000,000	4.65
SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	29,017,187	4.5
MRS ANGELA MAREE ROWE <ROWE INVESTMENT A/C>	24,250,000	3.76
VERMAR PTY LTD <P&T SUPER FUND A/C>	21,846,291	3.39
RIMOYNE PTY LTD	20,948,915	3.25
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,598,336	3.04
ELSTREE CAPITAL PTY LTD	18,750,000	2.91
V7 INVESTMENT & DEVELOPMENT <THE ZHOU FAMILY A/C>	17,000,000	2.64
METECH SUPER PTY LTD <METECH NO 2 SUPER FUND A/C>	14,000,000	2.17
TELL CORPORATION PTY LTD	13,223,996	2.05
MR GAVIN JEREMY DUNHILL	12,000,000	1.86
BUSHWOOD NOMINEES PTY LTD	11,260,651	1.75
LIGHTSTORM PTY LTD <HOTSPICE A/C>	10,731,707	1.66
POLARITY B PTY LTD	10,387,653	1.61
DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	10,000,000	1.55
MR NATHAN DAVID TAYLOR + MRS THERESE-MARIE TAYLOR <TAYLOR FAM SF A/C>	10,000,000	1.55
NIGHTFALL PTY LTD <NIGHTFALL SUPER FUND A/C>	9,247,968	1.43
MS ANGELA MARIA GIUSTI	8,495,935	1.32
KALCON INVESTMENTS PTY LTD	8,333,333	1.29
Total	**337,917,851**	**52.39**

TWENTY LARGEST OPTION HOLDERS

	Ordinary Shares	
	Number	**Percentage**
TANGO88 PTY LTD <TANGO88 A/C>	22,055,000	16.65
XCEL CAPITAL PTY LTD	13,750,000	10.38
CAP HOLDINGS PTY LTD <CAP A/C>	12,071,410	9.11
SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	8,124,125	6.13
LIGHTSTORM PTY LTD <HOTSPICE A/C>	4,021,680	3.04
MRS VANESSA RUBEN	3,778,754	2.85
MR VINCENZO BRIZZI + MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	3,518,317	2.66
MR MATTHEW DEAN QUINN	3,370,000	2.54
PATH HOLDINGS PTY LTD	3,000,000	2.27
FINNIAN GROUP PTY LTD	2,518,970	1.9
BUSHWOOD NOMINEES PTY LTD	2,046,884	1.55
BULL BREEDER PTY LTD <BULL BREEDER SUPER 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
INFO AND PROJECTS PTY LTD <GAUDENCIO SUPER FUND A/C>	1,500,000	1.13
NIGHTFALL PTY LTD <NIGHTFALL SUPER FUND A/C>	1,500,000	1.13
Total	**94,094,626**	**71.05**

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.
- 113,750,000 unquoted options with an exercise price of $0.008 and an expiry date of 1/07/22.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the Company are:

	Ordinary Shares	
	Number	Percentage
CAP HOLDINGS PTY LTD <CAP A/C>	38,825,879	6.02

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 251 holders of less than a marketable parcel of ordinary shares, which as at 24 September 2019 was 7,368,762.

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	