



**PARKWAY MINERALS NL  
(formerly Potash West NL)**

A.C.N. 147 346 334

**Annual Report**

For the year ended  
30 June 2017

# **Parkway Minerals NL**

A.C.N. 147 346 334

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# Parkway Minerals NL

A.C.N. 147 346 334

## Corporate directory

### Directors:

Adrian Griffin  
Patrick McManus  
Chew Wai Chuen  
Natalia Streltsova

### Company Secretary:

Elizabeth Hunt

### Auditor:

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Perth WA 6000 AUSTRALIA  
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### Registered and Principal Office

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Email [info@parkwayminerals.com.au](mailto:info@parkwayminerals.com.au)

### Stock Exchange Listing

Parkway Minerals NL shares are listed on the Australian Securities Exchange (ASX code: PWN), OTC Pink (OTC Pink code: PWNKY) and Frankfurt Stock Exchange (Ticker: A1JH27).

### Solicitors

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Level 24, St Martin's Tower  
Perth WA 6000 AUSTRALIA  
Telephone (+61 8) 6211 5000  
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100 St Georges Terrace  
Perth WA 6000 AUSTRALIA  
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# Parkway Minerals NL

A.C.N. 147 346 334

## CHAIRMAN'S LETTER

Dear Shareholder

Parkway Minerals is a fertilizer developer. It distinguishes itself from its peers by controlling a vast deposit of greensand capable of supplying phosphates and potash to nearby established and emerging markets for many decades. Significantly its focus on the greensand deposits of the Dandaragan Trough provide not only access to phosphate, but also potassium which can be recovered as sulphate of potash. The importance of this should never be underestimated, as markets for sulphate of potash has remained strong even during recent years' decline in the broader potash market. This situation may well underpin the long-term fortunes of our projects. Parkway Minerals remains the only company to successfully demonstrate a commercial means of recovering sulphate of potash from greensands.

The world population is forecast to grow between 30 and 50% in the next 35 years, reducing the arable land per person by approximately 40%. Add to that improving diets in the developing world and it is inevitable that more food will be required, from less area. Improvements in food production and the food supply chain are imperative to reduce malnutrition and maintain quality of life. Fertilisers are one of the most cost-effective methods of achieving this. Parkway Minerals is fortunate in controlling one of the world's largest known greensand deposits which can supply two of the three critical macrofertilisers, phosphorous and potassium. The Dandaragan Trough, located only 150km north of Perth in Western Australia, is capable of meeting the potash and phosphate requirements of our region for many decades. The project location offers an unsurpassable competitive advantage as Western Australia currently imports all of its phosphate and potash requirements, our regional neighbours are also net importers.

Resource development has focussed on the Dinner Hill area, in the north-west sector of the Trough. In particular the phosphate potential of Dinner Hill has been evaluated, as it offers the opportunity of advancing the project to a cash generating position with the lowest possible capital exposure, through the production of single superphosphate. This option has minimal technical risk as the processing methods are well established on a global basis.

It is planned that the cashflow from phosphate production will underpin the development of a potash processing facility, using the K-Max process to exploit the very large tonneages of glauconite (a potassium-rich mica), present within the extensive greensands of the Dandaragan Trough. The potassium can be recovered as sulphate of potash (SOP), which has not faced the weaker market conditions of the more commonly traded potassium chloride (MOP).

To minimise the dilution of shareholders with the development of the first mine in the Dandaragan Trough, to be located at Dinner Hill, we are investigating the possibility of forming a development Joint Venture. We have been working with FTI Consulting to identify and engage with potential partners. Whilst there has been interest in the project, to date there have been no agreements completed.

Parkway is developing a salt lake project, prospective for sulphate of potash, at Lake Barlee, north of Southern Cross, in Western Australia. This has the potential to be a viable source of fertiliser for WA and the local region.

Parkways 55% shareholding in East Exploration Pty Ltd has been vended into Davenport Resources, which listed on the ASX in January 2017. Parkway owns 19.25 M shares (26% at the IPO), after Davenport raised \$5.25 M at 20c/share.

During the year Parkway accepted an offer from Lithium Australia (ASX:LIT) for its Lepidico (ASX :LPD) shares. As Parkway and Lithium Australia have a common director, negotiations, discussions and decisions on this issue were carried out by the independent Parkway and Lithium Australia directors. Parkway now owns 7.3 million Lithium Australia shares.

Fertiliser markets have generally weakened in the last year. The bulk potash market, which is MOP, produced mainly in Canada and Eastern Europe, has remained weak with supply exceeding demand, several operations have been mothballed or closed.. However the SOP market has remained strong, with the premium for SOP, over MOP, increasing from ~ 30% to 70 to 80%. SOP is a premium product, used for crops that are chloride intolerant, such as many vegetables. Parkway Minerals' ability to recover SOP from greensand sets it apart from all of its competitors.

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**CHAIRMAN'S LETTER(continued)**

Similarly, the phosphate market is characterised by structural weaknesses within much of its resource/supply base. China is the dominant producer, with over 40% of world production. However the international export trade is dominated by a handful of north african nations in which political intervention remains a risk.

It is pleasing to see a level of renewed interest in the exploration sector, with support coming into a number of specific sectors. Several years of under-investment in exploration has led to a situation where there is a shortage of good projects. As always, the cyclical nature of business will see a renewed appetite for exploration and development risk, in time. Parkway Minerals is well placed to take advantage of that, and to achieve our goal of providing economic fertiliser products to meet both Australian and Asian demand.

Finally, thanks to all Potash West shareholders for their support over the last year, and to staff for helping the company achieve its objectives in such a difficult economic climate.

**Adrian Griffin**  
Chairman

# Parkway Minerals NL

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## Directors' Report

### Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below, directors were in office for the entire year unless otherwise stated.

Adrian Griffin ( Non-executive Chairman)

Patrick McManus (Managing Director)

Chew Wai Chuen (Non-executive Director)

Natalia Streltsova (Non-executive Director)

### Names, qualifications, experience and special responsibilities

#### *Adrian Griffin Non-Executive Chairman*

Adrian Griffin, an Australian-trained mining professional, has had exposure to metal mining and processing worldwide during a career spanning more than three decades. A pioneer of the lateritic nickel processing industry, he has helped develop extraction technologies for a range of minerals over the years. Today, Adrian specialises in mine management and production. He is a former Chief Executive Officer of Dwyka Diamonds Limited, an AIM- and ASX-listed diamond producer, was a founding director and executive of Washington Resources Limited and also a founding director of Empire Resources Limited, Ferrum Crescent Limited and Reedy Lagoon Corporation Limited. Moreover, Mr Griffin was a founding director of ASX-listed Northern Minerals, of which company he is currently a non-executive director. He is also managing director of ASX-listed Lithium Australia NL.

#### *Other listed company directorships during the last 3 years:*

Northern Minerals Ltd (Director June 2006 – present), Reedy Lagoon Corporation Ltd (Director June 2014 – present) and Lithium Australia NL (Director February 2011 – present).

Adrian Griffin is also a member of the Audit & Risk Committee, Remuneration Committee (Chairman) and the Nomination Committee.

#### *Patrick McManus Managing Director*

Patrick McManus has a degree in mineral processing from Leeds University and an MBA from Curtin University. A mining professional for more than 30 years, his work has taken him to many sites within Australia and overseas, including Eneabba and the Murray Basin in Australia, and Madagascar, Indonesia and the United States. During that time, Patrick has worked in operational, technical and corporate roles for RioTinto, RGC Limited and Bemax Resources Limited. He was a founding director and, from January 2007 to March 2010, managing director of ASX-listed Corvette Resources Limited.

#### *Other listed company directorships during the last 3 years:*

Tungsten Mining NL (Director December 2012 – January 2015)  
Davenport Resources NL (Chairman January 2017 – present).

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**Directors' Report (continued)**

*Chew Wai Chuen Non-Executive Director*

Mr Chew was a financial advisor with more than 17 years of industry experience, specialising in the provision of corporate and wealth management for ultra-high net worth individuals. With experience in South East Asia capital market and extensive networks of clients based in Singapore and Malaysia, Mr Chew provides important contributions to the Board. He has successfully worked with a number of financial institutions in Singapore such as, Standard Chartered Bank, OCBC Bank and Credit Suisse Singapore.

Mr Chew is now a Managing Partner with a financial advisory firm, providing personal investing planning and wealth management for high net worth individuals and has a good track record of investment into junior mining companies in Australia and South East Asia.

*Other listed company directorships during the last 3 years:*

Tungsten Mining NL (Director April 2014 – present)

Chew Wai Chuen is also a member of the Audit & Risk Committee, Remuneration Committee and the Nomination Committee.

*Natalia Streltsova Non-Executive Director*

Dr Natalia Streltsova is a senior executive with over 26 years' experience in the minerals industry of which 15 years, prior to forming her own consulting business in 2014, was spent in various leadership and technical roles with major mining houses including Vale SA (formerly CVRD), BHP Billiton and WMC Resources Limited. In all of these roles, there was considerable interaction with operations to provide support as well as to identify and implement innovative projects leading to increased production and cost reduction.

Dr Streltsova has a strong background in mineral processing and metallurgy with broad international experience in project, technical and business development capacities. Dr Streltsova has previously been a director on a number of Vale subsidiary boards as well as on several collaborative industry boards. She is also a Non-Executive Director on ASX listed Neometals Limited.

*Other listed company directorships during the last 3 years:*

Neometals Limited (Director April 2016 – present)

CopperMoly Limited (Director September 2013 – March 2014)

Natalia Streltsova is also a member of the Audit & Risk Committee, Remuneration Committee and the Nomination Committee (Chairman).

**Company secretary**

*Elizabeth Hunt (appointed 15 August 2017)*

Elizabeth Hunt has over fifteen years' corporate and accounting experience with a particular interest in governance. Elizabeth Hunt has been involved in the IPO management, corporate advisory and company secretarial services, financial accounting and reporting and ASX and ASIC compliance management. Elizabeth Hunt holds a BSc degree in Sustainable Development and has completed a Master of Accounting. She is a Fellow of the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors. Elizabeth Hunt is currently also Company Secretary of a number of ASX-listed entities.

*Amanda Wilton-Heald (resigned 15 August 2017)*

Ms Wilton-Heald is a Chartered Accountant and has more than 19 years' experience within Australia and in the United Kingdom. That experience has included the auditing of the company financial statements of both ASX- and LSE-listed companies, an accounting role with an AIM-listed company in the UK specialising in the provision of collaboration technology, and involvement in the ASX listings of junior exploration companies, as well as the provision of corporate advisory and company secretarial services.

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**Directors' Report (continued)**

**Interests in the shares and options of the company and related bodies corporate**

As at the date of this report, the interests of the directors (including related parties) in the shares and options of the company were:

	Number of ordinary shares	Number of options over ordinary shares	Partly paid contributing shares
Adrian Griffin	9,315,634	-	4,950,217
Patrick McManus	10,860,829	-	3,445,273
Chew Wai Chuen	1,972,335	-	326,395
Natalia Streltsova	1,168,805	-	139,973

**Dividends**

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

**Principal activities**

The principal activity of the entity during the financial year was the exploration for minerals, namely phosphate and potash.

**Operating and financial review**

**Operating results for the year**

The loss after income tax expense for the year ended 30 June 2017 was \$1,784,884 (2016: \$184,648).

**Financial Performance**

	2017	2016	% Increase/ (Decrease)
	\$	\$	
Total income	4,238,200	3,126,825	35.54%
Loss before tax	(1,399,013)	(184,648)	657.66%
Loss after income tax expense	(1,784,884)	(184,648)	866.64%
Loss per share (cents)	(0.43)	(0.07)	514.30%

The financial position of the Group is presented in the attached Consolidated Statement of Financial Position.

**OPERATING AND FINANCIAL REVIEW**

**Introduction**

During fiscal 2016-2017 Parkway Minerals NL ("**Parkway**" or "**the Company**") continued the groundwork to establish a global phosphate and potash supply business primarily through our flagship Dinner Hill within the Dandaragan Trough Fertiliser Project, close to Perth in Western Australia. The Company has established a new project, Lake Barlee, which has potential for brine extraction for sulphate of potash. The company monetized the South Harz potash project by vending it into Davenport Resources Limited, which was listed on the ASX in January 2017.



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**Directors' Report (continued)**

**OPERATING AND FINANCIAL REVIEW (continued)**

**Key 2016-17 achievements included:**

- Identifying and claiming the Lake Barlee salt lake project
- Upgrading the Dinner Hill Resource and Exploration Target
- Maiden Exploration Targets on four advanced prospects within the Dandaragan Trough Project
- Continuing the Dinner Hill Pre-Feasibility Study (PFS) ,
- Completing the disposal of 55% interest in East Exploration Pty Ltd. Following this disposal, Parkway owns 19.25 M Davenport shares, plus performance shares.

**Our business strategy:**

Parkway remains focused on fertiliser projects that meet the criteria of:

- large-scale,
- in regions of the world dependent on importing fertiliser products, with
- existing and robust export infrastructure, and
- low sovereign risk.

Parkway's current two projects, Dinner Hill within the Dandaragan Trough and Lake Barlee, both in Western Australia, meet these criteria and have the potential to be major fertiliser suppliers for many decades. Similarly the South Harz project in central Germany, is located within a region with several significant historic potash mines.

**PROJECT SUMMARY**

**LAKE BARLEE**

Parkway has applied for exploration licences covering the bulk of Lake Barlee, a large salt lake between Southern Cross and Sandstone, in Western Australia (figure 1). The project currently consists of three exploration licences, of 582 km<sup>2</sup> and nine licence applications, covering 1337 km<sup>2</sup>. A reconnaissance trip collected brine samples with potassium values greater than 2000 mg/litre. A geophysical survey has been planned and will be carried out following the granting of key licences.

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**Directors' Report (continued)**

**OPERATING AND FINANCIAL REVIEW (continued)**

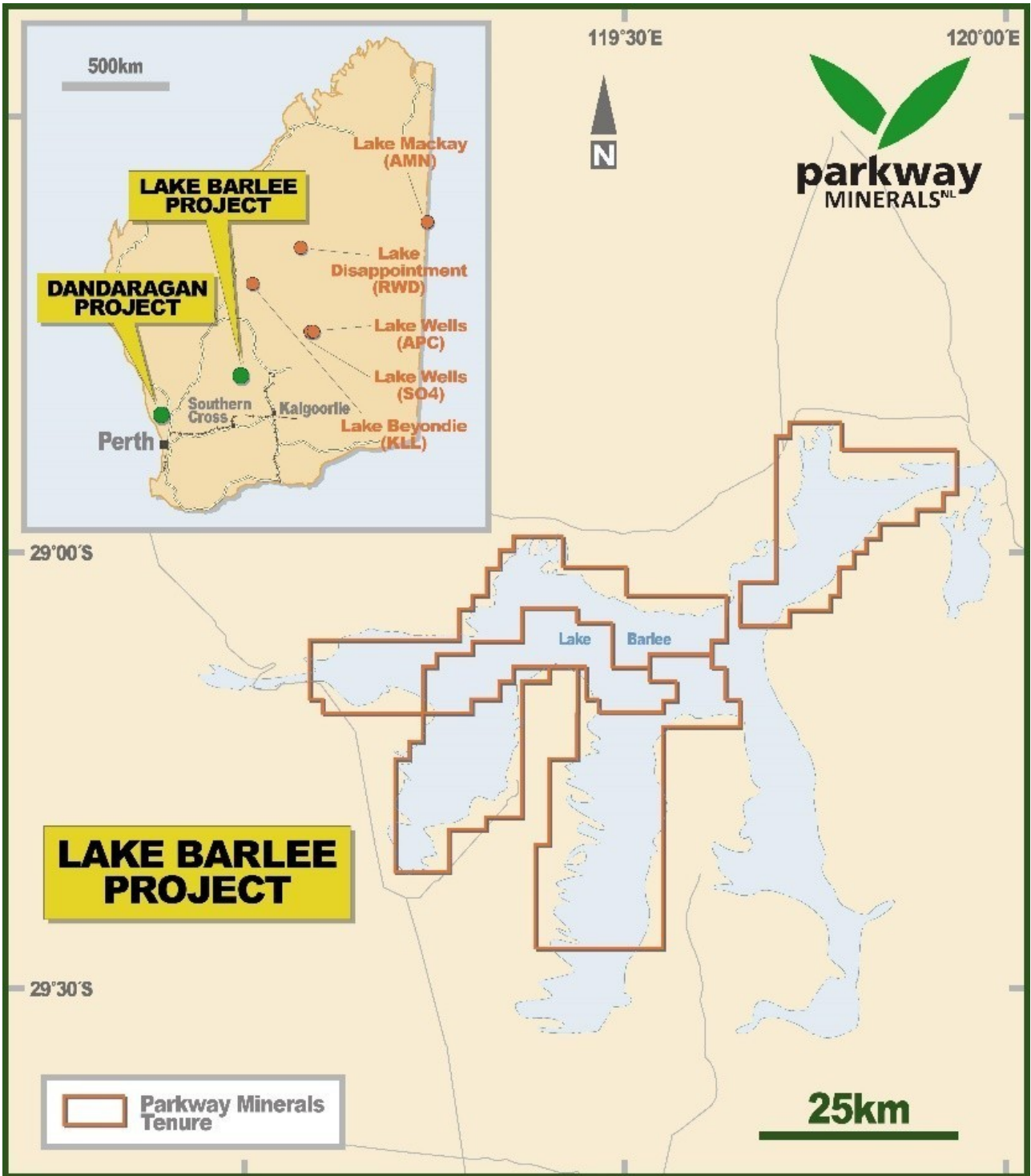


Figure 1: Lake Barlee tenements

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**Directors' Report (continued)**

**OPERATING AND FINANCIAL REVIEW (continued)**

**DANDARAGAN TROUGH**

The Company continues to advance the Dinner Hill potash and phosphate deposit, 175km north of Perth in Western Australia (Figure 2). Dinner Hill forms part of the larger Dandaragan Trough Fertiliser Project, which covers an area of more than 1,050km<sup>2</sup>. Sedimentary deposits of greensands within the trough contain glauconite, a potash rich mica, and phosphate nodules. The project objective is to produce potash and phosphate fertilisers and a range of valuable by-products from the glauconite and phosphate present within the sediments of the Dandaragan Trough.



**Figure 2: Dandaragan Trough and Dinner Hill prospect location**

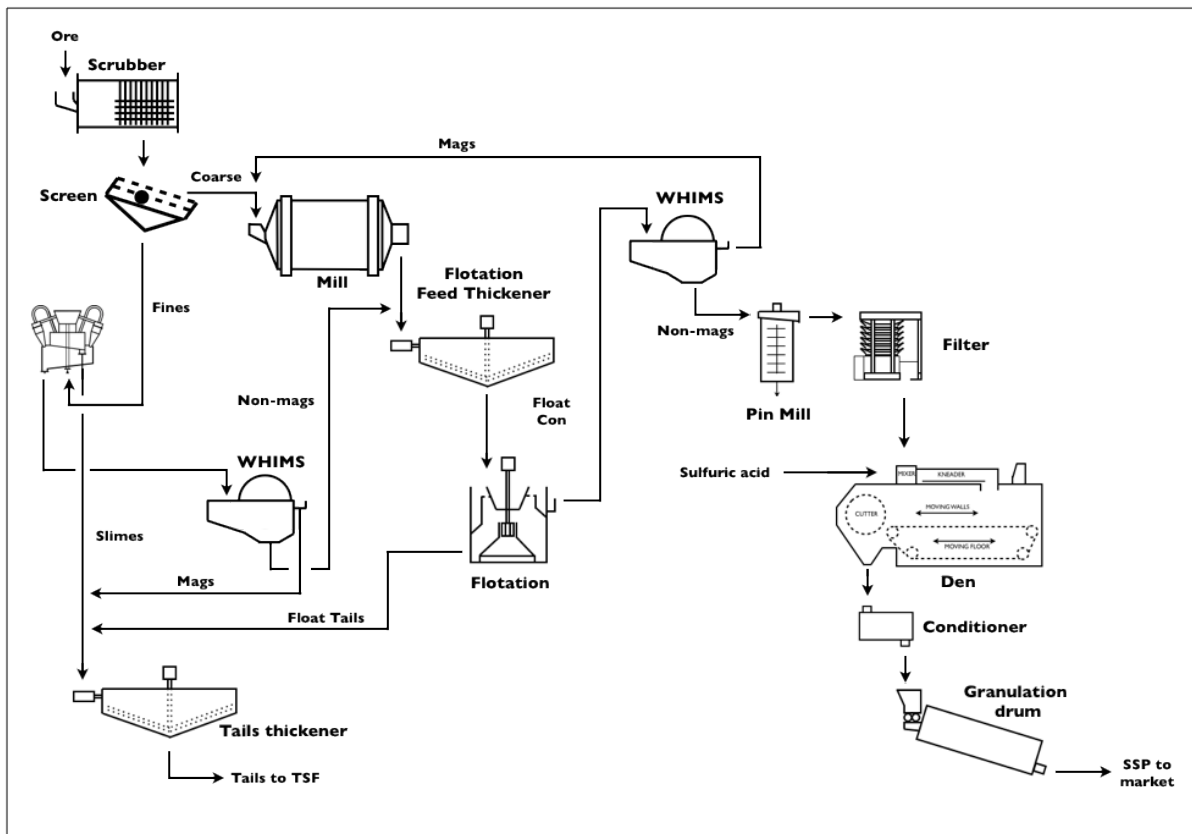
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**Directors' Report (continued)**

**OPERATING AND FINANCIAL REVIEW (continued)**

The development strategy is to commence operations with a project producing phosphate fertiliser, from the phosphate nodules and mineralisation that occurs through the greensand sequences. This approach offers the advantage of using well established technology and requires a lower capital requirement to commence production and generate a positive cashflow. Stage 2 would follow and would use Parkway's 100% owned K-Max technology to produce sulphate of potash ("SOP"), high magnesium SOP, alum, phosphoric acid and iron oxide.

**Scoping Study Strategy**

The scoping study (ASX release 30 September 2015) examined the production of single superphosphate (SSP) at a site near the Dinner Hill deposit for 40 years. The ore will be processed through a beneficiation and acidulation plant, Figure 3. The pelletised product will be transported by road to Moora and dispatched by rail to Kwinana and/or Geraldton for local and international distribution. The study assumed using sulphur sourced internationally and delivered to site from Kwinana, Western Australia. The beneficiation plant may produce a glauconite concentrate, which will be stockpiled for later treatment.

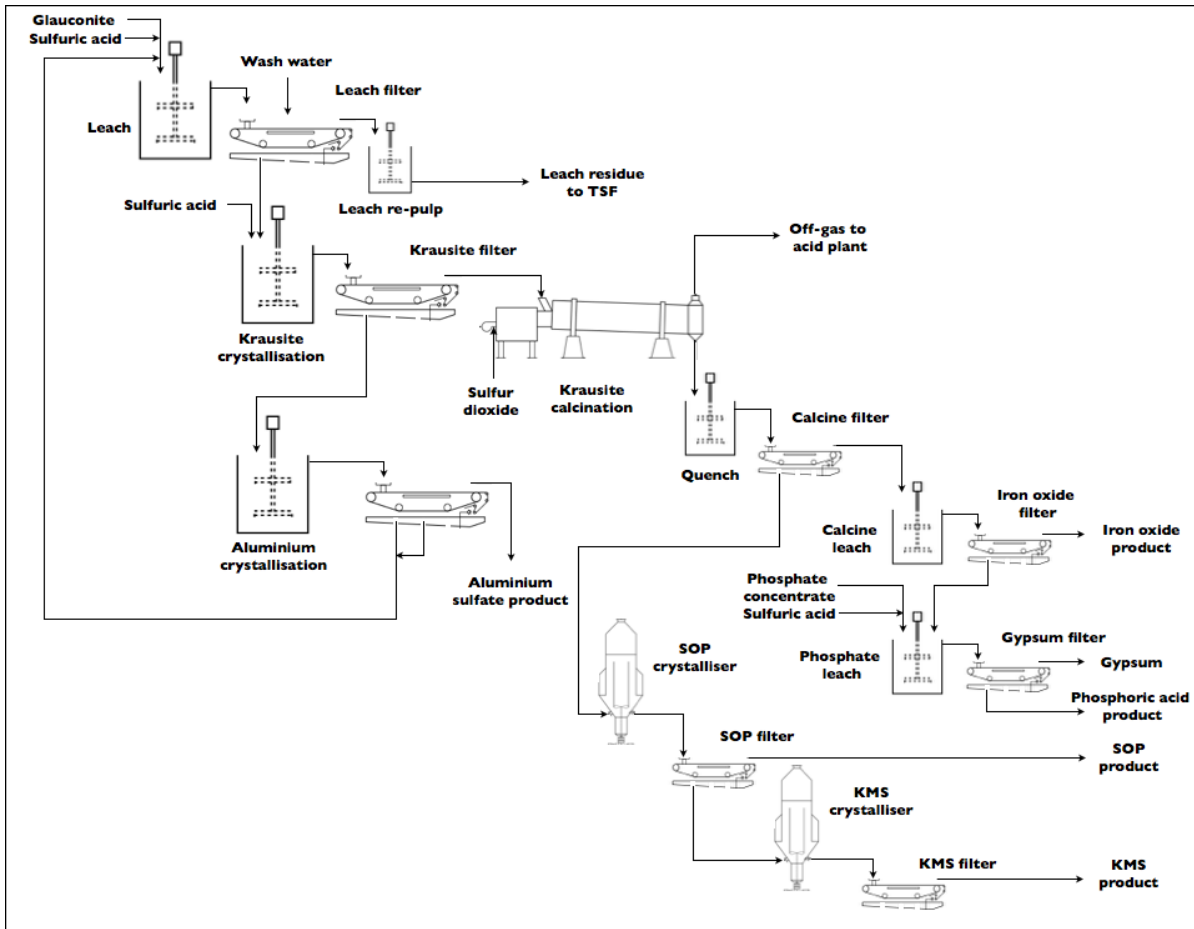


**Figure 3: Phosphate Process Flowsheet**

Stage 2, the Integrated K-Max plant, will employ the Company's 100%-owned patented K-Max process to produce potassium sulphate (SOP), potassium magnesium sulphate (KMS), phosphoric acid, iron oxide and aluminium sulphate Figure 3. The scoping study for the integrated plant has not been updated since the ASX release of 13 January 2015.

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**OPERATING AND FINANCIAL REVIEW (continued)**



**Figure 4: K-Max Process Flowsheet**

Recognising the disparity between the Company's current market capitalisation and the estimates of capital required to commence mining operations, Parkway is looking for a partner to assist in the development of the Dinner Hill project. FTI Consulting was appointed to assist Parkway Minerals in marketing the Dinner Hill project to potential financial and strategic investors. This marketing drive continues in the current financial year in parallel with the prefeasibility study.

**Annual Mineral Resource Statement as at 30 June 2017**

The Mineral Resource at Dinner Hill was updated in September 2017, reflecting changes driven by metallurgical testwork.

The September 2017 resource update used drilling carried out in between 2011 and 2016 comprising a 222 aircore drill holes for 8,143m and 93 SG samples taken from four PQ diamond drill holes completed in 2012. The resource covers an area of some 52 km<sup>2</sup> (Figure 5).

The Dinner Hill Deposit contains an Indicated Mineral Resource of phosphate mineralisation of 160Mt at 2.45% P<sub>2</sub>O<sub>5</sub> and 4.2% K<sub>2</sub>O and an Inferred Mineral Resource of 470Mt at 1.7% P<sub>2</sub>O<sub>5</sub> and 4.4% K<sub>2</sub>O.

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**Directors' Report (continued)**

**OPERATING AND FINANCIAL REVIEW (continued)**

Within the phosphate resource area there is a Potash Resource of 630Mt at 4.4 % K<sub>2</sub>O (Indicated 160 Mt at 4.2% K<sub>2</sub>O, Inferred 470Mt at 4.4% K<sub>2</sub>O). An additional Indicated Mineral Resource of 50Mt at 2.65% K<sub>2</sub>O and an additional Inferred Mineral Resource of 250Mt at 2.6% K<sub>2</sub>O occur marginal to the phosphate resource.

<b>Resource</b>	<b>Category</b>	<b>Tonnes (Mt)</b>	<b>P<sub>2</sub>O<sub>5</sub> (%)</b>	<b>K<sub>2</sub>O (%)</b>
<b>Phosphate</b>	Indicated	160	2.45	4.2
	Inferred	470	1.7	4.4
	<b>Total</b>	<b>630</b>	<b>1.85</b>	<b>4.3</b>
<b>Potash</b>				
Potash resources included within the phosphate resource area	Indicated	160		4.2
	Inferred	470		4.4
	<b>Totals</b>	<b>630</b>		<b>4.3</b>
Potash resource outside the phosphate resource area	Indicated	50		2.65
	Inferred	230		2.6
	<b>Totals</b>	<b>280</b>		<b>2.6</b>
<b>Total Potash Resources</b>	Indicated	210		3.8
	Inferred	700		3.8
	<b>Totals</b>	<b>910</b>		<b>3.8</b>

*NB: Totals may differ from sum of individual items due to rounding*

**Table 1 Dinner Hill Resource**

**Comparison with Previously Estimated Mineral Resources**

The previously reported phosphate Mineral Resource for Dinner Hill was estimated to be 250Mt at 2.9% P<sub>2</sub>O<sub>5</sub> above a lower cut-off grade of 2.15% P<sub>2</sub>O<sub>5</sub>. The phosphate resource herein reported is 630Mt at 1.9% P<sub>2</sub>O<sub>5</sub> above a lower cut-off grade of 1.0% P<sub>2</sub>O<sub>5</sub>. The tonnage change is related to:

- Reduction in Indicated Resource tonnage, due to metallurgical constraints
- Increase in Inferred Resources, due to conversion of material from the Exploration Target

The current potash Resource of 910Mt at 3.8% K<sub>2</sub>O compares with the previously reported 195Mt at the same grade. The increase in tonnage reflects material being converted from Exploration Target to Inferred Resource.

The project tenements cover two virtually horizontal greensand formations within the Cretaceous Coolyena Group: the Poison Hill Greensand and the Molecap Greensand. Over most of the area of the deposit, they are separated by the Gingin Chalk and in places are underlain by a thin pebble horizon containing phosphatic nodules. An average thickness of about 11m of surficial, mostly sandy, cover overlies the greensand units. The greensands and the chalk contain significant amounts of phosphate as grains and nodules of fluorapatite. They also contain significant potash within the mineral glauconite. Figure 6 is a cross section through the deposit showing the geology and summary intersections through potash and phosphate mineralization.

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**Directors' Report (continued)**

**OPERATING AND FINANCIAL REVIEW (continued)**

This Indicated resource is being used to develop an optimised mining plan for mining Dinner Hill. Two development options will be considered:

1. Mining the phosphate rich parts of the deposit, to produce single superphosphate, for the life of the Indicated resource.
2. Using the phosphate mining project as a "springboard" to generate cashflows, some of which would be used to complete the development work for the K-Max process. In this model, the K-Max operation will commence ~ 5 years after the phosphate project.

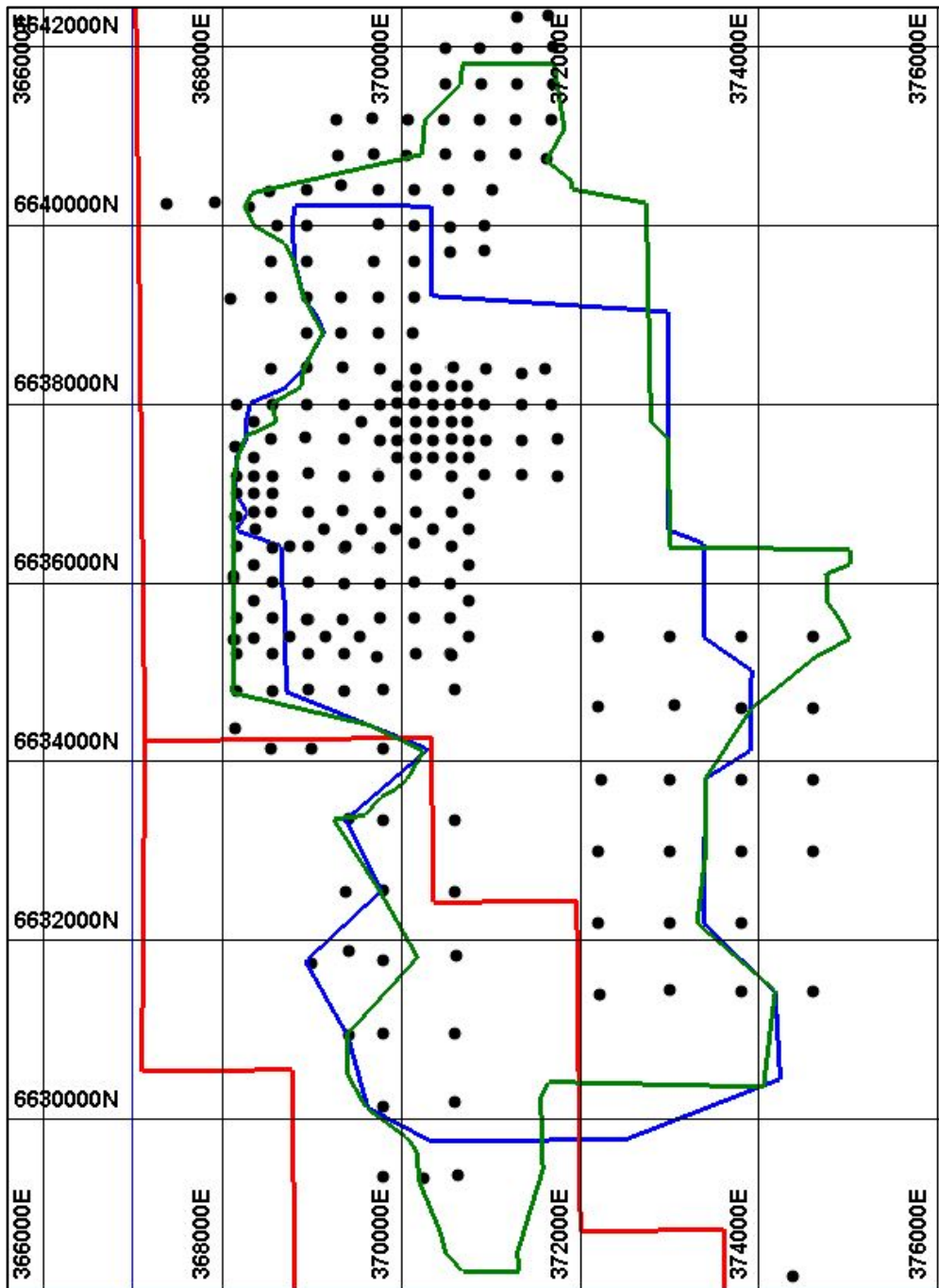
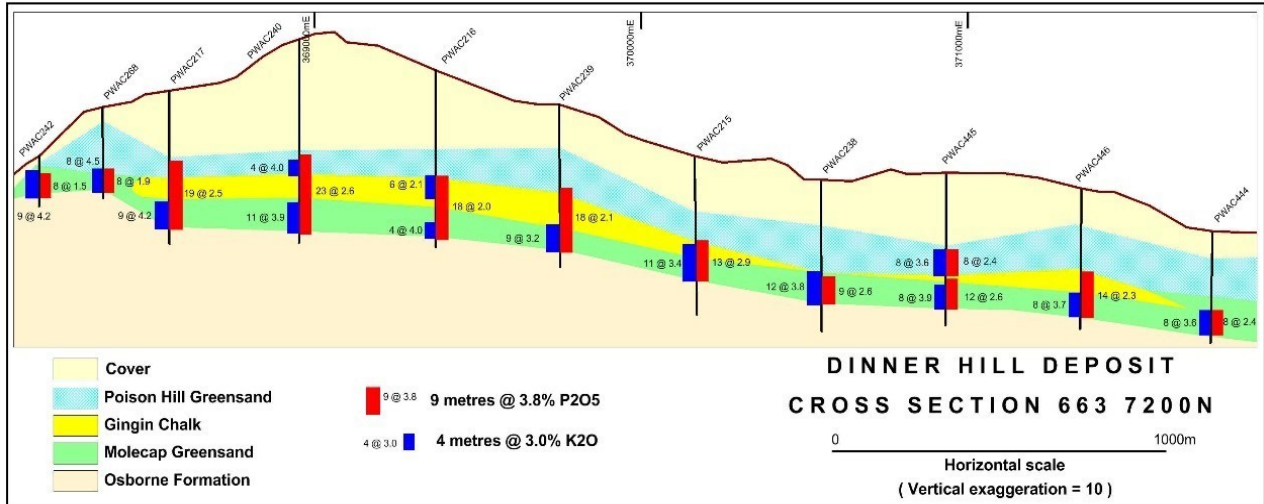


Figure 5: Dinner Hill Resource boundaries (phosphate resource blue, potash resource green), drill-hole locations, and tenement boundaries (red).

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**Directors' Report (continued)**

**OPERATING AND FINANCIAL REVIEW (continued)**



**Figure 6: Dinner Hill Deposit – Cross-section 663 7200N – showing geological formations and intersection grades**

**Exploration Targets**

As part of the resource update for Dinner Hill, Exploration Targets were updated. The Dinner Hill Exploration Target has been reduced, as displayed in Table 2:

	Phosphate		Potash, K-Max	
	Tonnes, Millions	%P <sub>2</sub> O <sub>5</sub>	Tonnes, Millions	%K <sub>2</sub> O
Previous (22 July 2015)	550 to 800	2-2.8	1,200 to 1,800	3.5-4.0
Current (26 Sept 2017)	250 to 300	1.5-1.8	800 to 1,600	3.8-4.4

**Table 2 Dinner Hill Deposit Exploration Target**

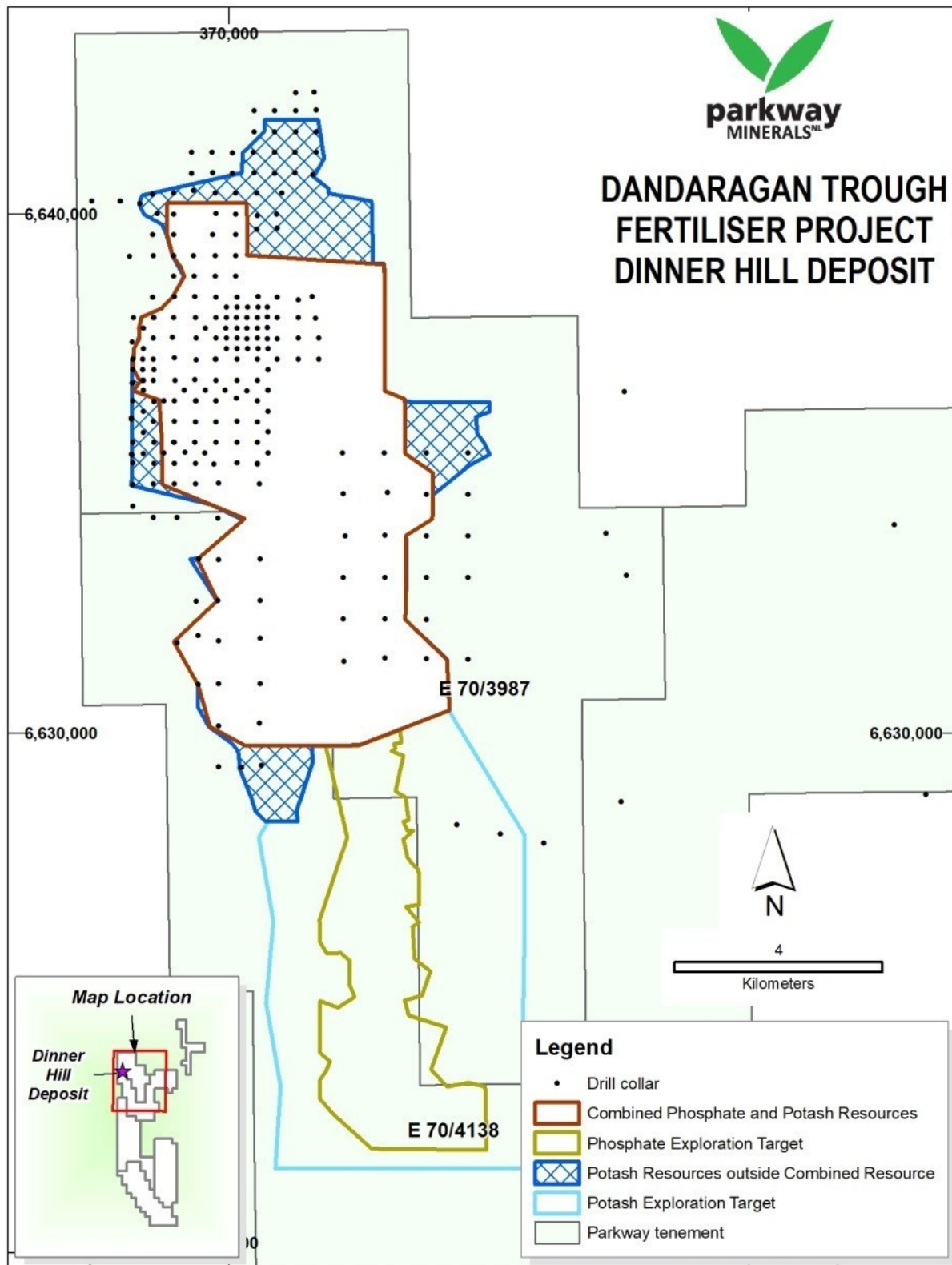
*Note: The potential quantity and grade of the targets are conceptual in nature, as there has been insufficient exploration to estimate Mineral Resources over their areas and as it is uncertain if further exploration will result in the estimation of Mineral Resources.*

The reduction is a function of material being reclassified to Inferred Resource, and extending the Target area, based on recent drilling. Figure 7 shows the Dinner Hill Resource and Exploration Target areas.



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**OPERATING AND FINANCIAL REVIEW (continued)**



**Figure 7: Dinner Hill Resources and Exploration Target Plan**

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**Directors' Report (continued)**

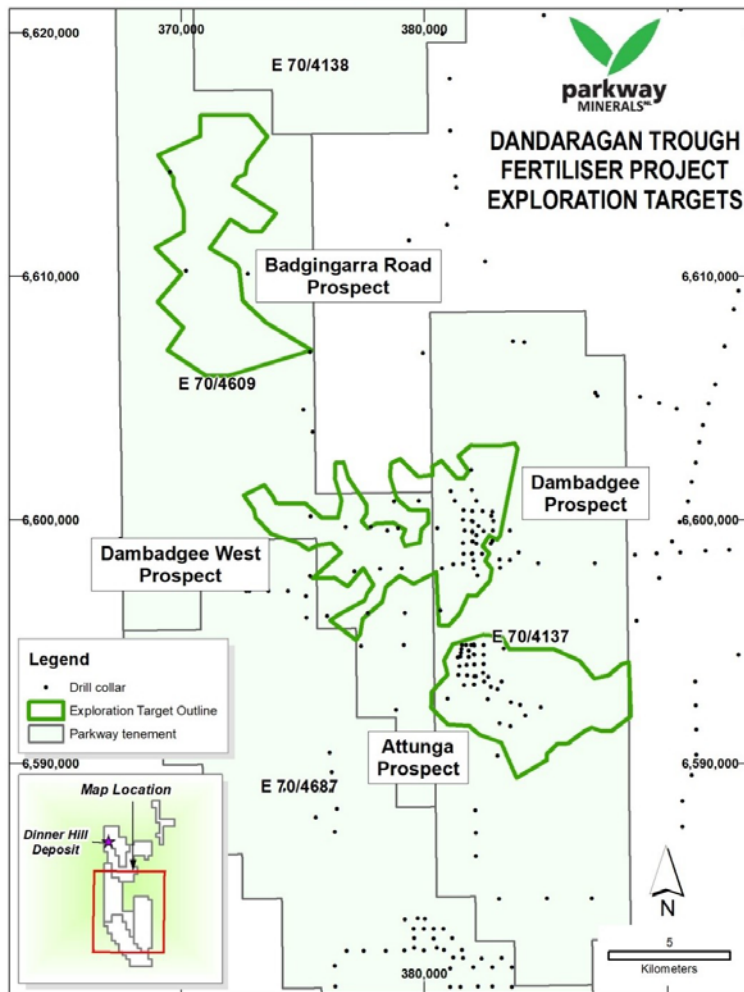
**OPERATING AND FINANCIAL REVIEW (continued)**

Additional Exploration Targets have been identified on four advanced prospects within the Dandaragan Trough Project area to the south of the Dinner Hill Deposit, within the same geological sequence. The location of the Exploration Target areas is shown in Figure 8 and the target sizes and grades are summarised in Table 3:

Project Area	Phosphate Tonnage (Mt)	Phosphate Grade P <sub>2</sub> O <sub>5</sub>	Potash Tonnage (Mt)	Potash Grade K <sub>2</sub> O%
Badgingarra Road	60 to 100	2 to 3	600 to 900	4 to 5
Dambadgee West	300 to 350	1.5 to 2	2000 to 2750	3 to 4
Dambadgee	200 to 250	1.5 to 2.5	1200 to 1500	3 to 3.5
Attunga	30 to 45	1.5 to 2	750 to 1000	3.5 to 4
<b>Totals</b>	<b>590 to 745</b>	<b>1.5 to 2.5</b>	<b>4550 to 6150</b>	<b>3.2 to 4</b>

**Table 3: Dandaragan Trough Fertiliser Project Exploration Targets**

*Note: The potential quantity and grade of the targets are conceptual in nature, as there has been insufficient exploration to estimate Mineral Resources over their areas and as it is uncertain if further exploration will result in the estimation of Mineral Resources.*



**Figure 8: Dandaragan Trough Fertiliser Project Exploration Targets**

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**Directors' Report (continued)**

**OPERATING AND FINANCIAL REVIEW (continued)**

These additional Exploration Targets indicate the potential of the Dandaragan Trough to be a long-term source of phosphate and potash fertilisers to local, regional and international agriculture.

**GERMANY**

**South Harz Project**

Following the successful IPO of Davenport Resources in January 2017, Parkway owns 19.25 M shares of Davenport Resources, plus:

- 17.88 M performance shares converting to ordinary shares on a JORC compliant Inferred Resource
- 17.88 M performance shares, converting to ordinary shares on a decision to mine

Davenport owns two exploration licences in the South Harz region of central Germany (Figure 9).

More than 500 million tonnes of potash ore were extracted from the South Harz region in the 22 year period between 1970 and 1992, producing more than 100 million tonnes of potash fertiliser.



**Figure 9: South Harz project location**

**Parkway Minerals NL**  
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**Directors' Report (continued)**

**OPERATING AND FINANCIAL REVIEW (continued)**

Davenport is working with Ingenieurgesellschaft Geotechnik und Bergbau GmbH (ERCOSPLAN) on this project. ERCOSPLAN has a long association with the German potash industry. In its former role, as the Central Engineering Office for the East German potash mining industry, ERCOSPLAN was closely associated with exploration drilling in the South Harz region in the 1970s and 80s and has access to most of the summary exploration data. ERCOSPLAN has estimated Exploration targets for both Kllstedt and Grfentonna, these are reported on the Davenport website.

Subsequent to the year-end, Davenport announced a proposal to buy 216 km2 of historic mining licences from the German government. The purchase is being finalised.

**K-Max technology**

Parkway Minerals owns 100% of the intellectual property of the K-Max process which unlocks the valuable elements that exist within the vast glauconite deposits of the Dandaragan Trough. We have been granted a patent for this technology. The K-Max process uses hot sulphuric acid to leach glauconite at atmospheric pressure, extracting potassium and other elements to make a range of products, including sulphate of potash (SOP) high magnesium SOP, (KMS), phosphoric acid, aluminium sulphate (alum) and iron oxide. The process is also applicable to other mica-like minerals, such as phlogopite.

There has been interest from other companies looking at similar deposits and the Company is investigating opportunities to licence the technology.

Parkway owned 97 million shares in the listed company Lepidico Ltd (ASX:LPD). In February 2017 Parkway agreed to sell those shares in return for shares in Lithium Australia (ASX:LIT). Parkway now owns 7.3 million LIT shares.

Lithium is a commodity which is facing very strong demand growth. Lithium Australia has developed a business model focussed on lithium, both exploring for lithium ores and using new technology to unlock value from lithium ores, including unconventional hard-rock minerals. LIT is active in several parts of the world in exploration in its own name and joint ventures.

**Corporate Activity**

Subsequent to the year end Parkway Minerals raised \$850,000 via a placement to sophisticated investors. A Share Purchase Plan is in progress.

Parkway owns 19.25 million DAV shares and 7.3 million LIT Shares

Parkway monitors activities and opportunities that maybe relevant to the company's objectives. This may include expanding or changing the scope of existing projects or engaging with third parties on other projects. If a proposal advances, details would be announced in accordance with the Company's continuous disclosure obligations.

**Competent Person's Statements**

**Dandaragan Trough Project**

The information in this report that relates to the estimation of the Mineral Resources is based on and fairly represents information and supporting documentation prepared by J.J.G. Doepel, who is a member of the Australasian Institute of Mining and Metallurgy. Mr. Doepel, Principal Geologist of the independent consultancy, Continental Resource Management Pty Ltd, has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". This report is issued with Mr. Doepel's consent as to the form and context in which the Mineral Resource appears.

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**Directors' Report (continued)**

**OPERATING AND FINANCIAL REVIEW (continued)**

Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by Parkway Minerals, are inherently subject to significant uncertainties and contingencies

Parkway Minerals disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and other similar expressions identify forward-looking statements. All forward-looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

**Significant changes in the state of affairs**

There have been no significant changes in the state of affairs for the year.

**Significant events after the balance date**

Subsequent to the reporting date, the Company undertook a capital raising, raising a total of \$850,000 before costs at \$0.01 per share. A total of 85,000,000 ordinary shares have been issued as a result of the capital raising. The Company has also announced share purchase plan, expected to raise an additional \$1 million.

There have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than disclosed elsewhere in this annual report.

**Likely Developments and expected results**

The Company will advance the Lake Barlee project with the objective of developing a project to produce sulphate of potash from the lake brines. It is expected we will complete a drilling programme within the next six months. The Company will also advance the Dinner Hill project, within the Dandaragan Trough through exploring opportunities to progress both the phosphate and the K-Max projects.

**Environmental regulation and performance**

The Company's activities are subject to Australian legislation relating to the protection of the environment. The Company is subject to significant environmental legal regulations in respect to its exploration and evaluation activities. There have been no known breaches of these regulations and principles.

**Indemnification and Insurance of directors and officers**

The Company has entered into deeds of access and indemnity with the officers of the Company, indemnifying them against liability incurred, including costs and expenses in successfully defending legal proceedings. The indemnity applies to a liability for costs and expenses incurred by the director or officer acting in their capacity as a director or officer.

Except in the case of a liability for legal costs and expenses, it does not extend to a liability that is:

- (a) owed to the Company or a related body corporate of the Company;
- (b) for a pecuniary penalty order under section 1317G or a compensation order under section 1317H or section 1317HA of the *Corporations Act 2001*; or
- (c) owed to someone other than the Company or a related body corporate of the Company where the liability did not arise out of conduct in good faith.

**Parkway Minerals NL**  
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**Directors' Report (continued)**

**Indemnification and Insurance of directors and officers (continued)**

Similarly, the indemnity does not extend to liability for legal costs and expenses:

- (d) in defending proceedings in which the officer is found to have a liability described in paragraph (a), (b) or (c);
- (e) in proceedings successfully brought by the Australian Securities and Investments Commission or a liquidator; or
- (f) in connection with proceedings for relief under the *Corporations Act 2001* in which the court denies the relief.

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the Directors and Officers. The terms of the contract prohibit the disclosure of the details of the insurance contract and premiums paid.

**Indemnification of auditors**

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

**Share Options**

As at the date of this report there were 22,796,691 (2016: 23,296,691) unissued ordinary shares under options.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate.

**Non-audit services**

The Company may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company are important. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for audits by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provide means that auditor independence was not compromised.

Details of the amounts paid or payable to the auditor, Ernst & Young, for non-audit services provided during the year are set out below.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the Company for:		
- research & development tax concession	15,169	13,303
- tax compliance	4,635	4,635
	<b>19,804</b>	<b>17,938</b>

**Parkway Minerals NL**  
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**Directors' Report (continued)**

**Directors' meetings**

Meetings of directors held and their attendance during the financial year were as follows:

Name of director:	Directors' meeting held whilst in office	Directors' meetings attended	Audit and Risk Committee meetings held	Audit and Risk Committee meetings attended	Remuneration Committee meetings held	Remuneration Committee meetings attended	Nomination committee meetings held	Nomination committee meetings attended
Adrian Griffin	6	6	2	2	1	1	1	1
Patrick McManus	6	6	-	-	-	-	-	-
Chew Wai Chu	6	6	2	2	1	1	1	1
Natalia Streltsova	6	6	2	2	1	1	1	1

**Remuneration Report (audited)**

This Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, and includes executives of the Company. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The remuneration report for 2016 was adopted at the 2016 Annual General meeting. 27,578.557 votes were in favour of the report and 1,511,226 were against. No questions or comments were raised relating to the report.

No remuneration consultants were used during the year.

**Details of Key Management Personnel**

**(i) Directors:**

Adrian Griffin	Non-Executive Chairman
Patrick McManus	Managing Director
Chew Wai Chu	Non-Executive Director
Natalia Streltsova	Non-Executive Director

**(ii) Executives:**

James Guy	Exploration Manager (appointed 22 September 2016)
Robert Van Der Laan	Chief Financial Officer
Lindsay Cahill	Exploration Manager (resigned 22 September 2016)

Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value.

**Parkway Minerals NL**  
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**Directors' Report (continued)**

**Remuneration Report (audited) (continued)**

Shares and options issued under the incentive plans provide an incentive to stay with the Company. At this time, shares and options issued do not have performance criteria attached. This policy is considered to be appropriate for the Company, having regard to the current state of its development.

The Company does not have a policy which precludes directors and executives from entering into contracts to hedge their exposure to options or shares granted to them as remuneration.

The Company also recognises that, at this stage in its development, it is most economical to have only a few employees and to draw, as appropriate, upon a pool of consultants selected by the directors on the basis of their known management, geoscientific, and engineering and other professional and technical expertise and experience. The Company will nevertheless seek to apply the principles described above to its directors and executives, whether they are employees of/or consultants to the Company.

Remuneration Committee Responsibilities

The Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive and executive director remuneration is separate and distinct.

Non-executive director remuneration

*Objective*

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

*Structure*

The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors must be determined from time to time by shareholders of the Company in a general meeting. An amount not exceeding the amount determined is then divided between the non-executive directors. As at the date of the report, the aggregate directors' fees for non-executive Directors has been set at an amount not exceeding \$200,000 per annum (2016: \$200,000 per annum).

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst non-executive directors is reviewed annually. The Board may consider advice from external consultants (none were used during the current year), as well as the fees paid to non-executive directors of comparable companies, when undertaking the annual review process. The remuneration report has been approved by shareholders at the annual general meeting.

Each non-executive director receives a fee for being a director of the Company. No additional fee is paid for participating in the Audit, Remuneration and Nomination Committees.

Non-executive directors are encouraged by the Board to hold shares in the Company (purchased on market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for directors of a company to have a stake in that company. The non-executive directors of the Company may also participate in the share and option plans as described in this report.



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**Directors' Report (continued)**

**Remuneration Report (audited) (continued)**

As an incentive to employees, Directors, executive officers and consultants, the Company has adopted a scheme called the Parkway Minerals Employee Incentive Scheme ('the Scheme'). The purpose of the Scheme is to give employees, Directors, executive officers and consultants of the Company an opportunity to subscribe for shares and/or options in the Company. The Directors consider that the Scheme will enable the Company to retain and attract skilled and experienced employees, Board members and executive officers and provide them with the motivation to participate in the future growth of the Company and, upon becoming shareholders in the Company, to participate in the Company's profits and development.

Executive director and senior management remuneration

*Objective*

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for Company, business team and individual performance;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

*Structure*

- At this time, the cash component of remuneration paid to the Executive directors, and other senior managers is not dependent upon the satisfaction of performance conditions.
- It is current policy that some executives be engaged by way of consultancy agreements with the Company, under which they receive a contract rate based upon the number of hours of service supplied to the Company. There is provision for yearly review and adjustment based on consumer price indices. Such remuneration is hence not dependent upon the achievement of specific performance conditions. This policy is considered to be appropriate for the Company, having regard to the current state of its development.
- Executive directors are encouraged by the Board to hold shares in the Company (purchased on market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for directors of a company to have a stake in that company. The Executive directors of the Company may also participate in the share and option plans as described in this report.

*Performance table*

The following table details the loss of the Company from continuing operations after income tax, together with the basic loss per share since the incorporation of the company:

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
	\$	\$	\$	\$	\$	\$
Net loss from continuing operations after income tax	(1,784,884)	(184,648)	(2,871,003)	(1,822,505)	(4,193,632)	(3,900,096)
Basic earnings/(loss) per share in cents	(0.43)	(0.07)	(1.33)	(1.72)	(5.85)	(5.76)
Share Price in Cents	1.0	3.2	4.9	3.60	12.0	23.0

The options on issue are not considered dilutive for the purpose of the calculation of diluted earnings/loss per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share. Consequently, diluted earnings/loss per share is the same as basic earnings per share.

**Parkway Minerals NL**  
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**Directors' Report (continued)**

**Remuneration Report (audited) (continued)**

*Agreements with non-executive directors*

The director's fees of \$90,000 per annum inclusive of superannuation requirements were paid, or due and payable to Mr Adrian Griffin. In the event of termination, there is no notice period required.

The director's fees of \$50,000 per annum inclusive of superannuation requirements were paid, or due and payable to Mr Chew Wai Chuen. In the event of termination, there is no notice period required.

The director's fees of \$50,000 per annum inclusive of superannuation requirements were paid, or due and payable to Ms Natalia Streltsova. In the event of termination, there is no notice period required.

Executive director and senior management remuneration

Long-Term Incentive ("LTI") awards to executives are made under the Employee Share Plan ("ESP") and are delivered in the form of shares. There were no LTI awards issued during the current or prior year.

*Agreement with Managing Director*

On the 6 September 2012, the Remuneration Committee recommended to increase Mr Patrick McManus's annual remuneration inclusive of share based payments from \$250,000 inclusive of superannuation requirements to \$275,000 per annum inclusive of superannuation requirement, effective from 1 July 2012.

The agreement can be terminated by either party by giving three months' notice or payment of three months' salary in lieu of notice.

*Agreement with Chief Financial Officer*

Mr Robert Van Der Laan was appointed as Chief Financial Officer, effective on 13 May 2011. On 5 August 2011 the company entered into an agreement containing the terms and conditions under which the services of Chief Financial Officer are provided. In the event of termination, there is no notice period required.

The agreement involves the payment to the Company associated with Robert Van der Laan of an hourly fee of \$120 and reimbursement of expenses. The hourly rate was revised up to \$130 effective from 1 July 2013. Transaction is considered to be on normal commercial terms and conditions no more favourable than those available to other parties.

*Agreement with Exploration Manager – James Guy*

On 22 September 2016, the Company and a company associated with Mr James Guy entered into an agreement containing the terms and conditions under which the services of the Exploration Manager are provided to the Company. In the event of termination, there is no notice period required.

The agreement involves the payment to a company associated with Mr Guy of monthly fee of \$4,000 and he will sacrifice 30% of additional consulting fees in shares. Transaction is considered to be on normal commercial terms and conditions no more favourable than those available to other parties.

*Agreement with former Exploration Manager – Lindsay Cahill*

On 25 August 2011, the Company and a company associated with Mr Lindsay Cahill entered into an agreement containing the terms and conditions under which the services of the Exploration Manager are provided to the Company. In the event of termination, there is no notice period required.

The agreement involves the payment to a company associated with Mr Cahill of an hourly fee of \$140 and reimbursement of expenses. Transaction is considered to be on normal commercial terms and conditions no more favourable than those available to other parties.

Mr Cahill resigned on 22 September 2016.

**Parkway Minerals NL**  
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**Directors' Report (continued)**

**Remuneration Report (audited) (continued)**

Directors' Remuneration 2017

Director	Short-term		Post-employment benefits		Share and Option Based Payments		Total
	Directors' Fees	Salary and Consulting Fees	Superannuation Contribution	Termination Benefits	Shares	Options	
	\$	\$	\$	\$	\$	\$	\$
Adrian Griffin	57,534	-	7,808	-	24,658	-	90,000
Patrick McManus	-	175,799	23,858	-	75,343	-	275,000
Chew Wai Chuen	35,000	-	-	-	15,000	-	50,000
Natalia Streltsova	31,963	-	4,338	-	13,699	-	50,000
<b>Total</b>	<b>124,497</b>	<b>175,799</b>	<b>36,004</b>	<b>-</b>	<b>128,700</b>	<b>-</b>	<b>465,000</b>

Executives' Remuneration 2017

Executive	Short-term		Post-employment benefits		Share and Option Based Payments		Total
	Salary	Consulting Fees	Superannuation Contribution	Termination Benefits	Shares	Options	
	\$	\$	\$	\$	\$	\$	\$
Lindsay Cahill*	-	4,490	-	-	-	-	4,490
James Guy**	-	50,102	-	-	4,751	-	54,853
Robert Van der Laan	-	119,035	-	-	-	-	119,035
<b>Total</b>	<b>-</b>	<b>173,627</b>	<b>-</b>	<b>-</b>	<b>4,751</b>	<b>-</b>	<b>178,378</b>
<b>Total Directors' and Executives' Remuneration</b>	<b>124,497</b>	<b>349,426</b>	<b>36,004</b>	<b>-</b>	<b>133,451</b>	<b>-</b>	<b>643,378</b>

\*Resigned 22 September 2016

\*\*Appointed 22 September 2016

**Parkway Minerals NL**  
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**Directors' Report (continued)**

**Remuneration Report (audited) (continued)**

Directors' Remuneration 2016

Director	Short-term		Post-employment benefits		Share and Option Based Payments		Total
	Directors' Fees	Salary and Consulting Fees	Superannuation Contribution	Termination Benefits	Shares	Options	
	\$	\$	\$	\$	\$	\$	\$
Adrian Griffin	57,535	-	7,808	-	24,657	-	90,000
Patrick McManus	-	164,799	34,858	-	75,343	-	275,000
Chew Wai Chuen	35,000	-	-	-	15,000	-	50,000
Natalia Streltsova	31,963	-	4,338	-	13,699	-	50,000
<b>Total</b>	<b>124,498</b>	<b>164,799</b>	<b>47,004</b>	<b>-</b>	<b>128,699</b>	<b>-</b>	<b>465,000</b>

Executives' Remuneration 2016

Executive	Short-term		Post-employment benefits		Share and Option Based Payments		Total
	Salary	Consulting Fees	Superannuation Contribution	Termination Benefits	Shares	Options	
	\$	\$	\$	\$	\$	\$	\$
Lindsay Cahill	-	37,667	-	-	-	-	37,667
Robert Van der Laan	-	118,950	-	-	-	-	118,950
<b>Total</b>	<b>-</b>	<b>156,617</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,617</b>
<b>Total Directors' and Executives' Remuneration</b>	<b>124,498</b>	<b>321,416</b>	<b>47,004</b>	<b>-</b>	<b>128,699</b>	<b>-</b>	<b>621,617</b>

**Incentive shares and options: Granted and vested during the year**

Shares

There were no shares issued to key management personnel as part of the incentive plan during the year ended 30 June 2017 (2016: nil). The shares issued to key management personnel as disclosed in the table above were in lieu of Directors' fees.

Options

There were no options granted to key management personnel as part of the incentive plan during the year ended 30 June 2017 (2016: nil).

**Parkway Minerals NL**  
A.C.N. 147 346 334  
**Directors' Report (continued)**

**Remuneration Report (audited) (continued)**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel, which including the directors and executives.

**(a) Share holdings of Key Management Personnel**

<u>2017</u>	Balance at 1 July 2016 Ordinary	Granted as remuneration Ordinary	On Exercise of Options Ordinary	Net change other Ordinary	Balance at 30 June 2017 Ordinary
<b>Directors</b>					
Adrian Griffin	6,810,267	1,505,367	-	1,000,000	9,315,634
Patrick McManus	6,061,102	4,599,726	-	200,001	10,860,829
Chew Wai Chuen	1,030,460	915,764	-	26,111	1,972,335
Natalia Streltsova	332,492	836,313	-	-	1,168,805
<b>Total</b>	<b>14,234,321</b>	<b>7,857,170</b>	<b>-</b>	<b>1,226,112</b>	<b>23,317,603</b>
<b>Executives</b>					
Lindsay Cahill*	3,675,082	-	-	(107,025)	3,568,057
James Guy**	-	-	-	275,179	275,179
Robert Van der Laan	7,618,751	-	-	918,000	8,536,751
<b>Total</b>	<b>11,293,833</b>	<b>-</b>	<b>-</b>	<b>1,086,154</b>	<b>12,379,987</b>
<b>Total Directors' and Executives' Share holdings</b>	<b>25,528,154</b>	<b>7,857,170</b>	<b>-</b>	<b>2,312,266</b>	<b>35,697,590</b>

\*Resigned 22 September 2016

\*\*Appointed 22 September 2016

**Parkway Minerals NL**  
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**Directors' Report (continued)**

**Remuneration Report (audited) (continued)**

<u>2016</u>	Balance at 1 July 2015 Ordinary	Granted as remuneration Ordinary	On Exercise of Options Ordinary	Net change other Ordinary	Balance at 30 June 2016 Ordinary
<b>Directors</b>					
Adrian Griffin	6,095,933	714,334	-	-	6,810,267
Patrick McManus	3,878,407	2,182,695	-	-	6,061,102
Chew Wai Chuen	595,904	434,556	-	-	1,030,460
Natalia Streltsova	-	332,492	-	-	332,492
<b>Total</b>	<b>10,570,244</b>	<b>3,664,077</b>	-	-	<b>14,234,321</b>
<b>Executives</b>					
Lindsay Cahill	3,715,082	-	-	(40,000)	3,675,082
Robert Van der Laan	7,476,857	-	-	141,894	7,618,751
<b>Total</b>	<b>11,191,939</b>	-	-	<b>101,894</b>	<b>11,293,833</b>
<b>Total Directors' and Executives' Share holdings</b>	<b>21,762,183</b>	<b>3,664,077</b>	-	<b>101,894</b>	<b>25,528,154</b>

**(b) Partly Paid Contributing Shares of Key Management Personnel**

<u>2017</u>	Balance at 1 July 2016 Partly Paid	Granted as remuneration Partly Paid	On Exercise of Options Partly Paid	Bonus issue received Partly Paid	Balance at 30 June 2017 Partly Paid
<b>Directors</b>					
Adrian Griffin	2,895,317	-	-	2,054,900	4,950,217
Patrick McManus	1,567,323	-	-	1,877,950	3,445,273
Chew Wai Chuen	-	-	-	326,395	326,395
Natalia Streltsova	-	-	-	139,973	139,973
<b>Total</b>	<b>4,462,640</b>	-	-	<b>4,399,218</b>	<b>8,861,858</b>
<b>Executives</b>					
Lindsay Cahill (resigned 22 September 2016)	1,877,542	-	-	771,002	2,648,544
James Guy (appointed 22 September 2016)	-	-	-	-	-
Robert Van der Laan	2,290,010	-	-	888,600	3,178,610
<b>Total</b>	<b>4,167,552</b>	-	-	<b>1,659,602</b>	<b>5,827,154</b>
<b>Total Directors' and Executives' Share holdings</b>	<b>8,630,192</b>	-	-	<b>6,058,820</b>	<b>14,689,012</b>

**Parkway Minerals NL**  
A.C.N. 147 346 334  
**Directors' Report (continued)**

**Remuneration Report (audited) (continued)**

<u>2016</u>	Balance at 1 July 2015 Partly Paid	Granted as remuneration Partly Paid	On Exercise of Options Partly Paid	Net change other Partly Paid	Balance at 30 June 2016 Partly Paid
<b>Directors</b>					
Adrian Griffin	2,895,317	-	-	-	2,895,317
Patrick McManus	1,567,323	-	-	-	1,567,323
Chew Wai Chuen	-	-	-	-	-
Natalia Streltsova	-	-	-	-	-
<b>Total</b>	<b>4,462,640</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,462,640</b>
<b>Executives</b>					
Lindsay Cahill	1,877,542	-	-	-	1,877,542
Robert Van der Laan	3,520,929	-	-	(1,230,919)	2,290,010
<b>Total</b>	<b>5,398,471</b>	<b>-</b>	<b>-</b>	<b>(1,230,919)</b>	<b>4,167,552</b>
<b>Total Directors' and Executives' Share holdings</b>	<b>9,861,111</b>	<b>-</b>	<b>-</b>	<b>(1,230,919)</b>	<b>8,630,192</b>

**(c) Option holdings of Key Management Personnel**

**2017:** There were no Options granted to Key management personnel as part of the incentive plan during the year ended 30 June 2017.

<u>2016</u>	Balance at 1 July 2015 Number	Granted as remuneration Number	Options exercised Number	Options expired Number	Balance at 30 June 2016 Number	Not exercisable Number	Exercisable Number
<b>Directors</b>							
Adrian Griffin	200,000	-	-	(200,000)	-	-	-
Patrick McManus	750,000	-	-	(750,000)	-	-	-
Chew Wai Chuen	-	-	-	-	-	-	-
Natalia Streltsova	-	-	-	-	-	-	-
<b>Total</b>	<b>950,000</b>	<b>-</b>	<b>-</b>	<b>(950,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Executives</b>							
Lindsay Cahill	-	-	-	-	-	-	-
Robert Van der Laan	250,000	-	-	(250,000)	-	-	-
<b>Total</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>(250,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Directors' and Executives' Share holdings</b>	<b>1,200,000</b>	<b>-</b>	<b>-</b>	<b>(1,200,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Parkway Minerals NL**  
A.C.N. 147 346 334  
**Directors' Report (continued)**

**Remuneration Report (audited) (continued)**

**(d) Other Transactions with Key Management Personnel**

Other transactions with key management personnel are set out below:

	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	<b>\$</b>	<b>\$</b>
Corporate advisory were paid to Precious Capital Pte Ltd, a company of which Chew Wai Chuen is a director and shareholder	9,454	9,708
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder. Fees included investor relations, corporate advisory, office accommodation, accounting staff (excluding fees directly related to Robert Van der Laan), administrative staffs and exploration staffs. Service fees paid are considered to be on normal commercial terms and condition.	148,526	213,100
	<b>157,980</b>	<b>222,808</b>

**End of Remuneration Report.**

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 33 and forms part of this report.

This report is made in accordance with a resolution of directors.



Patrick McManus  
Managing Director  
Perth  
Dated: 29 September 2017



## Auditor's Independence Declaration to the Directors of Parkway Minerals NL

As lead auditor for the audit of Parkway Minerals NL for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Parkway Minerals NL and the entities it controlled during the financial year.



Ernst & Young



V L Hoang  
Partner  
29 September 2017

**Parkway Minerals NL**  
A.C.N. 147 346 334  
**Corporate Governance Statement**

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has considered the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations*.

In line with the above, the Board has set out the way forward for the Company in its implementation of its Principles of Good Corporate Governance and Recommendations. The approach taken by the board was to set a blueprint for the Company to follow as it introduces elements of the governance process. Due to the current size of the Company and the scale of its operations it is neither practical nor economic for the adoption of all of the recommendations approved via the board charter. Where the Company has not adhered to the recommendations it has stated that fact in this Corporate Governance Statement however has set out a mandate for future compliance when the size of the Company and the scale of its operations warrants the introduction of those recommendations. Date of last review and Board approval: 27 September 2017.

<b>Principle / Recommendation</b>	<b>Compliance</b>	<b>Reference</b>	<b>Commentary</b>
<b>Principle 1: Lay solid foundations for management and oversight</b>			
<u>Recommendation 1.1</u> A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and those matters expressly reserved to the board and those delegated to management.	Yes	Board Charter Code of Conduct, Independent Professional Advice Policy – refer to Website	<p>To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment. The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out those delegated duties.</p> <p>In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company. To assist the Board carry its functions, it has developed a Code of Conduct to guide the Directors.</p>

# Parkway Minerals NL

A.C.N. 147 346 334

## Corporate Governance Statement (continued)

			<p>In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.</p> <p>Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.</p> <ul style="list-style-type: none"><li>• Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.</li><li>• Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.</li><li>• Overseeing Planning Activities: the development of the Company's strategic plan.</li><li>• Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company as well as ensuring timely and balanced disclosures of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the entity's securities.</li><li>• Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.</li><li>• Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting along with ensuring the integrity of the</li></ul>
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# Parkway Minerals NL

A.C.N. 147 346 334

## Corporate Governance Statement (continued)

		<ul style="list-style-type: none"><li>• Company's financial and other reporting.</li><li>• Human Resources: reviewing the performance of Executive Officers and monitoring the performance of senior management in their implementation of the Company's strategy.</li><li>• Ensuring the health, safety and well-being of employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.</li><li>• Delegation of Authority: delegating appropriate powers to the Managing Director to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.</li><li>• Monitoring the effectiveness of the Company's corporate governance practices.</li></ul> <p>Full details of the Board's and Company Secretary's roles and responsibilities are contained in the Board Charter. The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, (that limit is currently set at \$2,000), to assist them to carry out their responsibilities.</p>
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# Parkway Minerals NL

A.C.N. 147 346 334

## Corporate Governance Statement (continued)

<p><u>Recommendation 1.2</u> A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Yes, however the full information of new Directors for election was not included in all notices of meeting but will be included in future notices of meeting</p>	<p>Director Selection Procedure – refer to Website</p>	<p>Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's operations. The Company's current Directors all have relevant experience in the operations. In addition, Directors should have the relevant blend of personal experience in:</p> <ul style="list-style-type: none"> <li>• Accounting and financial management; and</li> <li>• Director-level business experience.</li> </ul> <p>Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.</p>
<p><u>Recommendation 1.3</u> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>Yes</p>	<p>Kept at registered office, Independent Professional Advice Policy</p>	<p>The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, (that limit is currently set at \$2,000), to assist them to carry out their responsibilities.</p>

# Parkway Minerals NL

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## Corporate Governance Statement (continued)

<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>Yes</p>	<p>Board Charter Website</p>	<p>Full details of the Board's and Company Secretary's roles and responsibilities are contained in the Board Charter.</p>
<p><u>Recommendation 1.5</u></p> <p>A listed entity should:</p> <p>a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>b) disclose that policy or a summary of it; and</p> <p>c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>Yes</p>	<p>Diversity Policy Website</p>	<p>The Company recognises and respects the value of diversity at all levels of the organisation. The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation.</p> <p>The Diversity Policy was re-adopted during the year and the Company set the following objectives for the employment of women:</p> <ul style="list-style-type: none"> <li>• to the Board – 25% by 2018</li> <li>• to senior management – no target set</li> <li>• to the organisation as a whole – 20% by 2018</li> </ul> <p>As at the date of this report, the Company has the following proportion of women appointed:</p> <ul style="list-style-type: none"> <li>• to the Board – 25%</li> <li>• to senior management (including Company Secretary) – 20%</li> <li>• to the organisation as a whole – 20%</li> </ul> <p>The Company recognises that the mining and exploration industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills will be limited in some instances. The Company recognises that diversity extends to matters of age, disability, ethnicity, marital/family status, religious/cultural background and sexual orientation. Where possible, the Company will seek to identify suitable candidates for positions from a diverse pool. The presence of Chew Wai Chuen on the Board provides a different cultural view to the operations of the Company.</p>

# Parkway Minerals NL

A.C.N. 147 346 334

## Corporate Governance Statement (continued)

<p><b>Recommendation 1.6:</b> A listed entity should:</p> <p>a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p>	<p>Board , Committee &amp; Individuals Performance Evaluation Procedure – refer to Website</p>	<p>It is the policy of the Board to conduct evaluation of its performance. The objective of this evaluation is to provide best practice corporate governance to the Company. During the financial year an evaluation of the performance of the Board and its members was formally carried out. From this evaluation, a few areas for improvement were noted but the important conclusion drawn was that there was no overlapping skillset in the Board.</p>
<p><b>Recommendation 1.7:</b> A listed entity should:</p> <p>a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p>	<p>Board , Committee &amp; Individuals Performance Evaluation Procedure – refer to Website</p>	<p>It is the policy of the Board to conduct evaluation of individuals' performance. The objective of this evaluation is to provide best practice corporate governance to the Company. During the financial year an evaluation of the performance of the individuals was formally carried out. From this evaluation, a few areas for improvement were noted.</p>
<p><b>Principle 2: Structure the board to add value</b></p>			
<p><b>Recommendation 2.1</b> The board of a listed entity should:</p> <p>a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director, and disclose:</li> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol>	<p>Yes</p>	<p>Nomination Committee Charter, Independent Professional Advice Policy – refer to Website</p>	<p>The role of the Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times. The Nomination Committee consists of three Non-Executive directors, being Natalia Streltsova, Adrian Griffin and Chew Wai Chuen and the Company Secretary. The Chair of the Nomination Committee is Natalia Streltsova, an independent director. The Nomination Committee met once during the year and all members at the time were present.</p> <p>The responsibilities of the Nomination Committee include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee also oversees management succession plans</p>

# Parkway Minerals NL

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## Corporate Governance Statement (continued)

<p>b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>			<p>including the Managing Director and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Matters such as remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice are clearly understood by all Directors, who are experienced public company Directors. The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, (that limit is currently set at \$2,000), to assist them to carry out their responsibilities.</p>
<p><u>Recommendation 2.2</u> A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Yes</p>	<p>Internal management document</p>	<p>The Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages. The Company is working towards filling these gaps through professional development initiatives as well as seeking to identify suitable Board candidates for positions from a diverse pool.</p>
<p><u>Recommendation 2.3</u> A listed entity should disclose:</p> <p>a) the names of the directors considered by the board to be independent directors;</p> <p>b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>c) the length of service of each director.</p>	<p>Yes</p>	<p>Board Charter, Independence of Directors Assessment – refer to Website</p>	<p>The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. An Independent Director:</p> <ol style="list-style-type: none"> <li>1. is a Non-Executive Director and;</li> <li>2. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;</li> <li>3. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;</li> <li>4. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;</li> </ol>



**Parkway Minerals NL**  
A.C.N. 147 346 334  
**Corporate Governance Statement (continued)**

		<p>5. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;</p> <p>6. has no material contractual relationship with the Company or other group member other than as a Director of the Company;</p> <p>7. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and</p> <p>8. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.</p> <p>Materiality for the purposes of points 1 to 8 above is determined on the basis of both quantitative and qualitative aspects with regard to the independence of Directors. An amount over 5% of the Company's expenditure or 10% of the particular directors annual gross income is considered to be material. A period of more than six years as a Director would be considered material when assessing independence.</p> <p>Adrian Griffin (appointed 12 November 2010) is a Non-Executive Director and Chairman of the Company and meets the Company's criteria for independence. Although Adrian Griffin has entered into a profit à prendre re mineral interest rights with the Company, he is still considered to be independent as the agreement is not considered to be material as the proportion vended in is insignificant to both parties. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board and in his position as Chairman.</p>
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**Parkway Minerals NL**  
A.C.N. 147 346 334  
**Corporate Governance Statement (continued)**

			<p>Chew Wai Chuen (appointed 26 November 2014) is a Non-Executive Director of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board and in his position as a Non-Executive Director.</p> <p>Natalia Streltsova (appointed 30 June 2015) is a Non-Executive Director of the Company and meets the Company's criteria for independence. Her experience and knowledge of the Company makes her contribution to the Board such that it is appropriate for her to remain on the Board and in her position as a Non-Executive Director.</p> <p>Patrick McManus (appointed 23 November 2010) is an Executive Director of the Company and does not meet the Company's criteria for independence. However, his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.</p>
<p><b>Recommendation 2.4</b> A majority of the board of a listed entity should be independent directors.</p>	Yes	Independence of Directors Assessment Website	The Board has a majority of Directors who are independent.
<p><b>Recommendation 2.5</b> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	Yes	Independence of Directors Assessment Website	The Chairperson is an independent Director who is not the CEO / Managing Director.
<p><b>Recommendation 2.6</b> A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	Yes	Director Induction Program, Ongoing Education Framework Website	<p>It is the policy of the Company that each new Director undergoes an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:</p> <ul style="list-style-type: none"> <li>• details of the roles and responsibilities of a Director;</li> <li>• formal policies on Director appointment as well as conduct and contribution expectations;</li> </ul>

**Parkway Minerals NL**  
A.C.N. 147 346 334  
**Corporate Governance Statement (continued)**

			<ul style="list-style-type: none"> <li>• a copy of the Corporate Governance Statement, Charters, Policies and Memos and</li> <li>• a copy of the Constitution of the Company.</li> </ul> <p>In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. The Board has implemented an Ongoing Education Framework.</p>
<b>Principle 3: Act ethically and responsibly</b>			
<u>Recommendation 3.1</u> A listed entity should: <ol style="list-style-type: none"> <li>a) have a code of conduct for its directors, senior executives and employees; and</li> <li>b) disclose that code or a summary of it.</li> </ol>	Yes	Code of Conduct Website	As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole.
<b>Principle 4: Safeguard integrity in corporate reporting</b>			
<u>Recommendation 4.1</u> The board of a listed entity should: (a) have an audit committee which: <ol style="list-style-type: none"> <li>a) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>1) is chaired by an independent director, who is not the chair of the board, and disclose: <ol style="list-style-type: none"> <li>2) the charter of the committee;</li> <li>3) the relevant qualifications and</li> <li>4) experience of the members of the committee; and</li> <li>5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> </li> </ol>	Yes	Audit and Risk Committee Charter Website	The Audit and Risk Committee consists of Barry Woodhouse (Chair of the Audit and Risk Committee), Adrian Griffin, Natalia Streltsova and Chew Wai Chuen who are independent Non-Executive Directors with experience relevant to being a member of the Audit and Risk Committee. Natalia Streltsova is a graduate of AICD. She has had experience with audit and financial compliance as part of her responsibilities with various companies. Adrian Griffin's financial experience is limited to practical application as a director of a number of private and public companies over a period of 30 years. Chew Wai Chuen is a Qualified Chartered Financial Planner, holding BBA and MBA qualifications. He has had experience with financial compliance as part of his engagement with various companies. The Audit and Risk Committee met twice during the year and all members at the time were present.

**Parkway Minerals NL**  
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**Corporate Governance Statement (continued)**

b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.			
<b>Recommendation 4.2</b> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	Kept at registered office	The Managing Director and the Chief Financial Officer provide a declaration to the Board in accordance with section 295A of the Corporations Act for each financial report and assure the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
<b>Recommendation 4.3</b> A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	AGM	The external auditor is invited to attend every AGM for the purpose of answering questions from security holders relevant to the audit.
<b>Principle 5: Make timely and balanced disclosure</b>			
<b>Recommendation 5.1</b> A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and disclose that policy or a summary of it.	Yes	Continuous Disclosure Policy Website	The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information: 1. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and 2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

**Parkway Minerals NL**  
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**Corporate Governance Statement (continued)**

<b>Principle 6: Respect the rights of security holders</b>			
<p><u>Recommendation 6.1</u> A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	Website Disclosure Policy Website	<p>The Company's website includes the following:</p> <ul style="list-style-type: none"> <li>• Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks</li> <li>• Names and biographical details of each of its directors and senior executives</li> <li>• Constitution</li> <li>• Copies of annual, half yearly and quarterly reports</li> <li>• ASX announcements</li> <li>• Copies of notices of meetings of security holders</li> <li>• Media releases</li> <li>• Overview of the Company's current business, structure and history</li> <li>• Details of upcoming meetings of security holders</li> <li>• Summary of the terms of the securities on issue</li> <li>• Historical market price information of the securities on issue</li> <li>• Contact details for the share registry and media enquiries</li> <li>• Share registry key security holder forms</li> </ul>
<p><u>Recommendation 6.2</u> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	Shareholder Communication Policy, Social Media Policy Website	<p>The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:</p> <ul style="list-style-type: none"> <li>• communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;</li> <li>• giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;</li> <li>• requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report of future Annual Reports.</li> </ul>

**Parkway Minerals NL**  
A.C.N. 147 346 334  
**Corporate Governance Statement (continued)**

			The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.
<b>Recommendation 6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Shareholder Communication Policy Website	The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to making it easy for shareholders to participate in shareholder meetings of the Company. The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.
<b>Recommendation 6.4</b> A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.	Yes	Shareholder Communication Policy Website	Shareholders are regularly given the opportunity to receive communications electronically.
<b>Principle 7: Recognise and manage risk</b>			
<b>Recommendation 7.1</b> The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	No	Risk Management Policy Website	The Board has not established a separate Risk Committee, rather, risk is addressed through the combined Audit and Risk Committee, and therefore it is not structured in accordance with Recommendation 7.1. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. Items that are usually required to be discussed by a Risk Committee are discussed at a separate meeting when required. When the Board convenes as the Audit and Risk Committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Risk Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.  The Audit and Risk Committee met twice during the year. Risk identification and risk management discussions occurred at several Board meetings throughout the year. To assist the Board to fulfil its function as the Risk Committee, the Company has adopted a Risk Management Policy.

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## Corporate Governance Statement (continued)

<p><u>Recommendation 7.2</u> The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>a) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	<p>Yes</p>	<p>Risk Management Policy – refer to website</p>	<p>The Company's Risk Management Policy states that the Board as a whole is responsible for the oversight of the Company's risk management and control framework. The objectives of the Company's Risk Management Strategy are to:</p> <ul style="list-style-type: none"> <li>• identify risks to the Company;</li> <li>• balance risk to reward;</li> <li>• ensure regulatory compliance is achieved; and</li> <li>• ensure senior executives, the Board and investors understand the risk profile of the Company.</li> </ul> <p>The Board monitors risk through various arrangements including:</p> <ul style="list-style-type: none"> <li>• regular Board meetings;</li> <li>• share price monitoring;</li> <li>• market monitoring; and</li> <li>• regular review of financial position and operations.</li> </ul> <p>The Company has developed a Risk Register in order to assist with the risk management of the Company. The Company's Risk Management Policy is considered a sound strategy for addressing and managing risk. During the year, management regularly reported to the Board on the following categories of risks affecting the Company as part of the Company's systems and processes for managing material business risks: operational, financial reporting, sovereignty and market-related risks. The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director and Chief Financial Officer (or equivalent) having ultimate responsibility to the Board for the risk management and control framework. Arrangements put in place by the Board to monitor risk management include:</p> <ul style="list-style-type: none"> <li>• regular reporting to the Board in respect of operations and the financial position of the Company;</li> </ul>
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**Parkway Minerals NL**  
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**Corporate Governance Statement (continued)**

			<ul style="list-style-type: none"> <li>where appropriate the appointment of appropriately skilled consultants to provide independent assessment of operational results, proposals and activities; and</li> </ul> <p>Use of a risk register to assist with risk management.</p>
<p><b>Recommendation 7.3</b> A listed entity should disclose:</p> <p>a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	No	Audit and Risk Committee Charter Website	When the Audit and Risk Committee convenes it carries out those functions which are delegated to it in the Company's Audit and Risk Committee Charter which include overseeing the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the Company, which includes the Company's internal compliance and control systems. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate.
<p><b>Recommendation 7.4</b> A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	Corporate Governance Statement	The Company has considered its economic, environmental and social sustainability risks by way of internal review and has concluded that it is subject to material economic, environmental and social sustainability risks, and that is recognised and managed by the risk management register.



# Parkway Minerals NL

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## Corporate Governance Statement (continued)

<b>Principle 8: Remunerate fairly and responsibly</b>			
<p><u>Recommendation 8.1</u> The board of a listed entity should:</p> <p>a) have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director, and disclose:</li> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes	Remuneration Committee Charter, Independent Professional Advice Policy Website	<p>The role of the Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees. The Remuneration Committee consists of three Non-Executive Directors, being Natalia Streltsova, Adrian Griffin and Chew Wai Chuen and the Company Secretary. The Chair of the Remuneration Committee is Adrian Griffin, an independent director. The Remuneration Committee met once during the financial year ended and all members at the time were present. The responsibilities of the Remuneration Committee include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors, recommendations for remuneration by gender and making recommendations on any proposed changes and undertaking reviews of the Managing Director's performance, including, setting with the Managing Director goals and reviewing progress in achieving those goals.</p> <p>The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, (that limit is currently set at \$2,000), to assist them to carry out their responsibilities.</p>
<p><u>Recommendation 8.2</u> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	Remuneration Policy Website	<p>Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Managing Director remuneration is set by the Board with the executive director in question not present. Full details regarding the remuneration of Directors has been included in the Remuneration Report within the Annual Report.</p>

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## Corporate Governance Statement (continued)

<p><b>Recommendation 8.3</b> A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"><li>a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</li><li>b) disclose that policy or a summary of it.</li></ul>	Yes	Remuneration Policy Website	Executives and Non-Executive Directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.
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# Parkway Minerals NL

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

		For the year ended 30 June 2017	For the year ended 30 June 2016
	Note	\$	\$
<b>INCOME</b>			
Other income		6,197	-
Gain on deconsolidation of subsidiary	12	3,780,837	-
Gain on disposal of financial assets	13	-	2,834,320
Option and exclusivity fee received	25	151,367	98,649
Interest		15,077	14,762
Government Grant		284,722	179,094
<b>TOTAL INCOME</b>		<b>4,238,200</b>	<b>3,126,825</b>
<b>EXPENSES</b>			
Impairment of financial assets	13	1,064,921	969,773
Impairment of investment in associate	12	1,453,305	-
Loss on sale of financial assets	13	333,017	-
Administration		529,652	574,181
Depreciation	14	14,931	12,241
Share-based payments	19	209,200	151,858
Exploration		597,602	990,853
Legal		71,451	51,096
Occupancy		65,299	60,000
Remuneration (excluding equity based payments)		537,399	501,471
Share of net losses of associate	12	760,436	-
<b>LOSS BEFORE INCOME TAX</b>		<b>(1,399,013)</b>	<b>(184,648)</b>
INCOME TAX EXPENSE	4	(385,871)	-
<b>NET LOSS FOR THE YEAR</b>		<b>(1,784,884)</b>	<b>(184,648)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Available for sale financial assets			
- Current year losses		(1,064,921)	(969,773)
- Reclassified to profit or loss		1,064,921	969,773
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(1,784,884)</b>	<b>(184,648)</b>
<b>PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:</b>			
Members of the controlling entity		(1,832,994)	(181,904)
Non controlling interest		48,110	(2,744)
		<b>(1,784,884)</b>	<b>(184,648)</b>
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:</b>			
Members of the controlling entity		(1,832,994)	(181,904)
Non controlling interest		48,110	(2,744)
		<b>(1,784,884)</b>	<b>(184,648)</b>
Basic and diluted loss per share (cents per share)	7	(0.43)	(0.07)

*The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

# Parkway Minerals NL

A.C.N. 147 346 334

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	As at 30 June 2017 \$	As at 30 June 2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	1,881,039	487,547
Trade and other receivables	9	23,898	32,486
Other assets	10	12,310	-
Assets included in disposal group classified as held for sale	25	-	152,290
<b>Total Current Assets</b>		<b>1,917,247</b>	<b>672,323</b>
<b>NON CURRENT ASSETS</b>			
Exploration and evaluation	11	2,590,000	2,500,000
Investment in associate	12	1,636,243	-
Available-for-sale financial assets	13	541,609	1,939,547
Plant and equipment	14	44,045	41,272
<b>Total Non Current Assets</b>		<b>4,811,897</b>	<b>4,480,819</b>
<b>TOTAL ASSETS</b>		<b>6,729,144</b>	<b>5,153,142</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	186,294	429,447
Liabilities included in disposal group classified as held for sale	25	-	151,351
Provisions	16	63,107	69,870
<b>Total Current Liabilities</b>		<b>249,401</b>	<b>650,668</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions	16	22,619	-
Deferred tax liabilities	4	385,871	-
<b>Total Non Current Liabilities</b>		<b>408,490</b>	-
<b>TOTAL LIABILITIES</b>		<b>657,891</b>	<b>650,668</b>
<b>NET ASSETS</b>		<b>6,071,253</b>	<b>4,502,474</b>
<b>EQUITY</b>			
Issued capital	17	20,981,821	17,634,147
Reserves	18	688,643	648,934
Accumulated losses		(15,599,211)	(13,766,217)
		6,071,253	4,516,864
Non-controlling interest		-	(14,390)
<b>TOTAL EQUITY</b>		<b>6,071,253</b>	<b>4,502,474</b>

*The consolidated statement of financial position should be read in conjunction with the accompanying notes.*

# Parkway Minerals NL

A.C.N. 147 346 334

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

	Issued Capital	Accum- ulated Losses	Share Based Payment Reserve	AFS Reserve	Non- controlling interest	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	<b>16,776,781</b>	<b>(13,584,313)</b>	<b>628,908</b>	-	<b>(11,646)</b>	<b>3,809,730</b>
Loss for the year	-	(181,904)	-	-	(2,744)	(184,648)
<b>Other comprehensive income:</b>						
Available for sale financial asset losses	-	-	-	(969,773)	-	(969,773)
Reclassification to profit or loss	-	-	-	969,773	-	969,773
<b>Total comprehensive loss for the year</b>	-	<b>(181,904)</b>	-	-	<b>(2,744)</b>	<b>(184,648)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Shares issued	761,000	-	-	-	-	761,000
Share issued transaction costs	(96,866)	-	-	-	-	(96,866)
Share based payments	193,232	-	20,026	-	-	213,258
<b>Balance as at 30 June 2016</b>	<b>17,634,147</b>	<b>(13,766,217)</b>	<b>648,934</b>	-	<b>(14,390)</b>	<b>4,502,474</b>

*The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

# Parkway Minerals NL

A.C.N. 147 346 334

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

	Issued Capital	Accum- ulated Losses	Share Based Payment Reserve	AFS Reserve	Non- controlling interest	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	<b>17,634,147</b>	<b>(13,766,217)</b>	<b>648,934</b>	-	<b>(14,390)</b>	<b>4,502,474</b>
Loss for the year	-	(1,832,994)	-	-	48,110	(1,784,884)
<b>Other comprehensive income:</b>						
Available for sale financial asset losses	-	-	-	(1,064,921)		(1,064,921)
Reclassification to profit or loss	-	-	-	1,064,921	-	1,064,921
<b>Total comprehensive loss for the year</b>	-	<b>(1,832,994)</b>	-	-	<b>48,110</b>	<b>(1,784,884)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Shares issued	3,305,239	-	-	-	-	3,305,239
Share issued transaction costs	(236,515)	-	-	-	-	(236,515)
Share based payments	278,950	-	39,709	-	-	318,659
Deconsolidation of subsidiary	-	-	-	-	(33,720)	(33,720)
<b>Balance as at 30 June 2017</b>	<b>20,981,821</b>	<b>(15,599,211)</b>	<b>688,643</b>	-	-	<b>6,071,253</b>

*The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

# Parkway Minerals NL

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## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	For the year ended 30 June 2017	For the year ended 30 June 2016
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Other Receipts		6,197	-
Payments to suppliers and employees		(1,982,623)	(2,011,346)
Government grant received		284,722	179,094
Interest received		15,077	14,762
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	23	<b>(1,676,627)</b>	<b>(1,817,490)</b>
<b>INVESTING ACTIVITIES</b>			
Cash transferred on divestment of Subsidiary		(102,865)	-
Option and exclusivity fees received		-	250,000
Payments for plant and equipment		(17,702)	-
Payments for exploration expenditure		(75,000)	-
<b>NET CASH FLOWS (USED IN)/PROVIDED BY INVESTING ACTIVITIES</b>		<b>(195,567)</b>	<b>250,000</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		3,305,239	761,000
Share issue costs		(190,907)	(96,865)
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		<b>3,114,332</b>	<b>664,135</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,242,138	(903,355)
Cash and cash equivalents at the beginning of the year		638,901	1,542,256
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	8	<b>1,881,039</b>	<b>638,901</b>

*The consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

# Parkway Minerals NL

A.C.N. 147 346 334

## Notes to Financial Statements

### Note 1: Corporate information

The financial report of Parkway Minerals NL for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of directors on 29 September 2017.

Parkway Minerals NL is a company limited by shares incorporated in Australia whose share are publicly traded on the Australian Securities Exchange (ASX), OTC Pink and the Frankfurt Stock Exchange.

The nature of operations and principal activities of the Consolidated Entity are described in the directors' report.

### Note 2: Statement of significant accounting policies

#### (a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. Parkway Minerals NL is a for-profit entity for the purpose of preparing the financial statements.

The accounting policies detailed below have been consistently throughout the year presented unless otherwise stated.

The financial report has also been prepared on a historical cost basis with the exception of available-for-sale financial assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activities are mineral exploration.

#### (b) Adoption of new and revised standards

The Group applied all new and amended Australian Accounting Standards and Interpretations, which are effective for annual periods beginning on 1 July 2016. Although these new standards and amendments applied for the first time in 2017, they did not have a material impact on the annual consolidated financial statements of the Group.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2017 are outlined in the table below. The Company has decided not to early adopt any of the new and amended pronouncement.



**Parkway Minerals NL**  
A.C.N. 147 346 334  
**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
AASB 9	Financial Instruments	<p>AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>The Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.</p>	1 January 2018	1 July 2018	The Group has determined that the only impact of this standard is expected to be the reclassification of available-for-sale financial assets as either fair value through profit and loss or fair value through
		<p>Classification and measurement</p> <p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <p>Financial assets</p> <ol style="list-style-type: none"> <li>a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</li> <li>b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</li> <li>c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</li> </ol> <p>Financial liabilities</p> <p>Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> <li>▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</li> <li>▶ The remaining change is presented in profit or loss</li> </ul>			other comprehensive income. The group have not yet made a decision what classification will be applied
		<p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.</p>			

**Parkway Minerals NL**  
**A.C.N. 147 346 334**  
**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
		<p>Impairment</p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p>Hedge accounting</p> <p>Amendments to AASB 9 (December 2009 &amp; 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.</p> <p>AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.</p>			
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue—Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry).</p> <p>AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB).</p>	1 January 2018	1 July 2018	<p>The Group is in the process of evaluating the impact of the standard.</p> <p>The impact on the Group is not expected to be material given that no material revenue is currently being generated.</p> <p>The decision on the transition method to be adopted is yet to be made.</p>

**Parkway Minerals NL**  
**A.C.N. 147 346 334**  
**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
		<p>AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <p>(a) Step 1: Identify the contract(s) with a customer  (b) Step 2: Identify the performance obligations in the contract  (c) Step 3: Determine the transaction price  (d) Step 4: Allocate the transaction price to the performance obligations in the contract  (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p> <p>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15.</p>			

**Parkway Minerals NL**  
A.C.N. 147 346 334  
**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
AASB 16	Leases	<p>The key features of AASB 16 are as follows:</p> <p>Lessee accounting</p> <ul style="list-style-type: none"> <li>• Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</li> <li>• A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.</li> <li>• Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.</li> <li>• AASB 16 contains disclosure requirements for lessees.</li> </ul> <p>Lessor accounting</p> <ul style="list-style-type: none"> <li>• AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.</li> <li>• AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.</li> </ul> <p>AASB 16 supersedes:</p> <p>(a) AASB 117 Leases (b) Interpretation 4 Determining whether an Arrangement contains a Lease (c) SIC-15 Operating Leases—Incentives (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease</p> <p>The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.</p>	1 January 2019	1 July 2019	The Group does not expect any material impact from this standard since there are no current operating lease commitments in place.

**(c) Statement of compliance**

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

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**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

**(d) Critical accounting estimates and judgements**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

*Share-based payment transactions*

The Company measures the share-based payment transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 19.

*Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

*Impairment of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

*Investment in an associate*

The Group's investment in an an associate is accounted for using the equity method. Significant judgement is also used to determine if there is considered to be significant influence exerted over the investment. Impairment is reviewed by considering the higher of the value in use or fair value less cost of disposal of the investment. For the current year it was determined that the fair value less cost of disposal (determined by the share price of the investment at 30 June 2017) was below the carrying value of the investment at 30 June 2017. Accordingly an impairment charge of \$1,453,305 was recorded. Refer to note 12 for details of the investment in an associate.

**(d) Share-based payment transactions**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in equity based payments expense (Note 19).

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting are conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

**(e) Share-based payment transactions (continued)**

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 7).

**(f) Going concern**

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Consolidated entity has incurred a net loss after tax for the year ended 30 June 2017 of \$1,784,884 (2016: \$184,648) and experienced net cash outflows from operating activities of \$1,676,627 (2016: \$1,817,490). At the end of the reporting year, the Directors recognise the need to raise additional funds via equity raising to fund future planned exploration activities.

The Directors have reviewed the Consolidated entity's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Consolidated entity will be successful in securing additional funds through equity issues.

Should the Consolidated entity not achieve the matters set out above, there is significant uncertainty whether the Consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Consolidated entity not be able to continue as a going concern.

**Parkway Minerals NL**  
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**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

**(g) Exploration and evaluation expenditure**

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

**(h) Plant & equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 2 to 15 years

*Impairment*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication exists of impairment and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

*Derecognition*

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

**(i) Income tax**

Current tax assets and liabilities for the current year and prior periods are measured at amounts expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used for computations are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

**Parkway Minerals NL**  
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**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

**(i) Income tax (continued)**

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**(j) GST**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

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

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

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



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**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

**(k) Provisions and employee benefits**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

*Employee leave benefits*

i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries including non-monetary benefits, annual leave and accumulating sick leave due to be settled within 12 months of the reporting date are recognised in provisions 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. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

ii. Long service leave

The liability for long service leave is recognised and 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(l) Cash and cash equivalents**

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**(m) Receivables**

Receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any uncollectible amounts.

Collectability of receivables are reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt.

**Parkway Minerals NL**  
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**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

**(n) Prepayments**

Prepayment for goods and services which are to be provided in future years are recognised as prepayments. Prepayments are recorded in the other assets in the statement of financial position.

**(o) Revenue recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*Interest Income*

Income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

*Fee Income*

Revenue from geological services provided is recognised as the services are rendered, the revenue and the costs incurred or to be incurred in respect of the transactions can be measured reliably and the economic benefits associated with the transaction will flow to the Company.

*Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

**(p) 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.

**(q) Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

**Parkway Minerals NL**  
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**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

**(r) Earnings per share**

Basic earnings per share is calculated as net profit attributable to members of the Company adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Company adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**(s) Investments and other financial assets**

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

*(i) Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit and loss when the investment are derecognised or impaired, as well as through the amortisation process.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

*(iii) Available for sale (AFS) financial assets*

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets relate to listed securities. AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Reversals of impairment losses for AFS debt securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in profit loss and any subsequent increase in fair value is recognised in other comprehensive income.

**Parkway Minerals NL**  
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**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

**(t) Impairment of financial assets**

The Company assesses at each balance date whether a financial asset or group of financial assets is impaired.

*Available-for-sale investments*

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in profit and loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit and loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

**(u) Leases**

Operating Lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and the reduction of the liability.

**(v) Investment in associate**

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of comprehensive income.

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**Notes to Financial Statements (continued)**

**Note 2: Statement of significant accounting policies (continued)**

**(w) Comparative Figures**

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

**Note 3: Segment information**

The Company has based its operating segment on the internal reports that are reviewed and used by the executive management team ("Chief Operating Decision Makers") in assessing performance and in determining the allocation of resources.

The Company currently does not have production and is only involved in exploration. As a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis.

Based on these criteria the Company has only one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in Note 2 for the computation of the Company's results presented in this set of financial statements.

**Note 4: Income tax**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Income tax expense</b>		
Current tax	-	-
Deferred tax	385,871	-
Total tax expense	385,871	-
 <b>(b) Numerical reconciliation of loss for the year to prima facie tax payable</b>		
Loss from continuing operations before income tax expense	(1,399,013)	(184,648)
Prima facie tax benefit at the Australian tax rate of 27.5% (2016: 30%)	(384,729)	(55,394)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payment	59,868	45,557
Non-deductible expenses	2,517	2,266
Non-assessable income	(78,299)	(53,728)
Gain on sale of shares	155,891	-
Deferred tax assets not brought to account	630,623	61,299
Income tax expense	385,871	-

**Parkway Minerals NL**  
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**Notes to Financial Statements (continued)**

**Note 4: Income tax (continued)**

**(c) Deferred tax assets**

Capitalised Expenditure	65,580	71,542
Accrued expenses	27,808	21,788
Business related deduction	124,652	111,613
Employee entitlement provisions	24,419	26,136
Tax losses	3,606,189	3,847,776
	<u>3,848,648</u>	<u>4,078,855</u>
Deferred tax asset not recognised	(3,032,830)	(2,769,491)
	815,818	1,309,364
Offset from deferred tax liabilities	(815,818)	(1,309,364)
Net deferred tax assets	<u>-</u>	<u>-</u>

**(d) Deferred tax liabilities**

Investment in associate	385,871	-
Exploration tenement	687,500	750,000
Financial assets	128,318	559,364
	<u>1,201,689</u>	<u>1,309,364</u>
Offset against deferred tax assets	(815,818)	(1,309,364)
Net deferred tax liabilities	<u>385,871</u>	<u>-</u>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The taxation benefits of certain tax losses and temporary differences have not been brought to account since it is not probable whether future assessable income would be derived of a nature and of an amount sufficient to enable the benefits from the deductions to be realised. The tax losses not brought to account is \$13,113,414 (2016: \$12,825,920).

**Note 5: Key management personnel remuneration**

	2017	2016
	\$	\$
Short-term employee benefits	473,923	445,914
Post-employment benefits	36,004	47,004
Share-based payments	133,451	128,699
<b>Total compensation</b>	<u><b>643,378</b></u>	<u><b>621,617</b></u>

**Note 6: Auditor's remuneration**

	2017	2016
	\$	\$
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial report	32,315	32,445
- research & development tax concession	15,169	13,303
- tax compliance	4,635	4,635
	<u><b>52,119</b></u>	<u><b>50,383</b></u>

# Parkway Minerals NL

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## Notes to Financial Statements (continued)

### Note 7: Loss per share

	2017 \$	2016 \$
Basic loss per share (cents per share)	0.43	0.07
Diluted loss per share (cents per share)	0.43	0.07
Net loss	(1,832,994)	(181,904)
Loss used in calculating basic and diluted loss per share	(1,832,994)	(181,904)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	431,254,790	267,582,650

During the year there were no listed or key management personnel options exercised.

The options issued under Employee Option Plan (EOP) are not considered dilutive for the purpose of the calculation of diluted earnings/loss per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share. Consequently, diluted earnings/loss per share is the same as basic loss per share. As of 30 June 2017, a total of 146,097,012 potential ordinary shares had been issued, this is including 22,796,691 options and 123,300,321 partly paid shares respectively.

Subsequent to the reporting date, the Company undertook a capital raising, raising a total of \$850,000 before costs at \$0.01 per share. A total of 85,000,000 ordinary shares have been issued as a result of the capital raising and the Company has announced share purchase plan, expect to raise additional \$1million, This would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

### Note 8: Cash and cash equivalents

	30-Jun-17 \$	30-Jun-16 \$
Cash at bank and on hand	1,881,039	487,547
	1,881,039	487,547

Reconciliation of cash and cash equivalents

Cash at the end of financial period is shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:

Included in assets held for sale (Note 25)	-	151,354
Cash and cash equivalents	1,881,039	487,547
	1,881,039	638,901

### Note 9: Trade and other receivables

	30-Jun-17 \$	30-Jun-16 \$
Trade debtors	1,618	262
GST Receivables	22,280	32,224
	23,898	32,486

- (i) Non-trade debtors are non-interest bearing and are generally on 30-90 days terms. The carrying amounts of these receivables represent fair value and are not considered to be impaired.

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**Notes to Financial Statements (continued)**

**Note 10: Other assets**

	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	<b>\$</b>	<b>\$</b>
Prepayments	12,310	-
	<b>12,310</b>	<b>-</b>

**Note 11: Exploration expenditure**

	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	<b>\$</b>	<b>\$</b>
Acquisition of mineral rights - Dandaragan Trough tenements	2,575,000	2,500,000
Acquisition of mineral rights – Lake Barlee	15,000	-
	<b>2,590,000</b>	<b>2,500,000</b>

The ultimate recoupment of acquisition costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation.

**Note 12: Investment in associate**

On 19 January 2017, the Group disposed of its 55% interest in East Exploration Pty Ltd in exchange for 19,249,922 ordinary shares (being a 26% interest) in Davenport Resources Limited (“Davenport”), a potash exploration group incorporated in Australia and listed on ASX following its successful IPO on the same date. In addition to the ordinary shares, the Group was also issued:

- 17,874,928 “milestone one” shares which will be convertible into ordinary shares in Davenport Resources Limited if within four years after completion (or such lesser period as is satisfactory to ASX) of the first JORC code compliant inferred resources exceeds of one of the following:
  - a) 250 million tonnes of potash at or above 11% K2O by content, or
  - b) 150 million tonnes of potash at or above 12% K2O by content, or
  - c) 100 million tonnes of potash at or above 13% K2O by content, or
  - d) 75 million tonnes of potash at or above 15% K2O by content, or
  - e) 50 million tonnes of potash at or above 18% K2O by content.
- 17,874,928 “milestone two” shares which will be convertible into ordinary shares in Davenport Resources Limited if within six years after completion (or such lesser period as is satisfactory to ASX) of all mining approvals and utility contracts required to construct and operate a minimum 500,000 tonnes per annum potash mine on the South Harz Project (including all government approvals, water and energy contracts necessary to operate the mine).

The fair value of the consideration was estimated to be \$3,849,984 being the fair value of the 19,249,922 ordinary shares at their IPO price. The fair value of milestone shares were estimated to be zero at the disposal date due to uncertainties surrounding the achievement of these milestones. A gain on deconsolidation of the subsidiary \$3,780,837 was recognised as a result, which is calculated as follows:

	<b>\$</b>	
Fair value of shares in Davenport received	3,849,984	
Less: carrying value of net assets disposed	(69,147)	
<b>Gain on disposal</b>	<b>3,780,837</b>	

The Group’s interest in Davenport is accounted for using the equity method in the consolidated financial statements on the basis that it was concluded Parkway has significant influence due to the 26% interest that it has in the entity, and due to a Director of Parkway being the non-executive chairman of Davenport. The following table sets out the summarised financial information of the Group’s investment in Davenport:



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**Notes to Financial Statements (continued)**

**Note 12: Investment in associate (continued)**

	\$
Carrying value at the initial recognition on 19 January 2017	3,849,984
Add: share of movement in the net assets of the Davenport from initial recognition to 30 June 2017	(760,436)
Impairment*	(1,453,305)
<b>Carrying value at 30 June 2017</b>	<u><b>1,636,243</b></u>

\* As at 30 June 2017 the consolidated entity undertook an assessment for impairment as the fair value less cost of disposal of the investment was below its carrying value. Accordingly an impairment charge of \$1,453,305 was recorded to bring the carrying value to its fair value less cost of disposal.

The following is summarised financial information for Davenport at 30 June 2017 and for the period from 19 January 2017 to 30 June 2017 based on its consolidated financial statements modified for differences in the Group's accounting policies:

	<b>30-Jun-17</b>
	\$
Current assets	4,426,841
Non-current assets	146,367
Current liabilities	(380,567)
Non-current liabilities	-
<b>Equity</b>	<u><b>4,192,641</b></u>
	 <b>For the period 19 January 2017 to 30 June 2017</b>
	\$
Revenue (100%)	<u>55,420</u>
<b>Loss from continuing operations (100%)</b>	<u><b>(2,924,753)</b></u>
Other comprehensive income	-
<b>Total comprehensive loss for the period</b>	<u><b>(2,924,753)</b></u>
<b>Group's share of loss for the period</b>	<u><b>(760,436)</b></u>

**Contingent liabilities**

The associate has guaranteed a rental bond for the operating premises. At 30 June 2017 the extent of possible exposure is \$104,212 (2016: nil)

**Commitments**

The associate has the following commitments (100%). Operating lease commitments are a non-cancellable lease of office premises for a three year term entered into in August 2015 and a lease of a business centre for a one year term entered into in September 2016.

	<b>2017</b>
	\$
<b>Exploration expenditure</b>	
Payable within one year	<u>217,022</u>
	<u><b>217,022</b></u>
 <b>Operating leases</b>	
Payable within one year	159,512
Payable in one to five years	15,796
	<u><b>175,308</b></u>

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## Notes to Financial Statements (continued)

### Note 13: Financial assets

	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	\$	\$
Investment – available for sale financial assets	541,609	1,939,547
	<b>541,609</b>	<b>1,939,547</b>

### Reconciliation of movement for the year:

Opening Balance	1,939,547	75,000
Gain on conversion of shares in Lepidico Ltd to shares in Platypus Minerals Ltd	-	2,834,320
Loss on conversion of shares in Lepidico Ltd to shares in Lithium Australia NL	(333,017)	
Impairment of financial assets	(1,064,921)	(969,773)
	<b>541,609</b>	<b>1,939,547</b>

During the 2015 financial year, the Consolidated entity subscribed to shares in Lepidico Ltd, a technology developer who have developed a process of extracting Lithium from Lithium bearing micas. Lepidico Ltd was acquired by Platypus Minerals Ltd on 8 June 2016. The Consolidated entity received 96,977,330 Platypus shares in consideration of their interest in Lepidico and recognised a gain on disposal of Lepidico shares amounting to \$2,834,320. As at 30 June 2016, the Consolidated entity recognised impairment loss of \$969,773 for the financial assets due to the decline in value between the acquisition and 30 June 2016.

On 28 November 2016, Platypus Minerals Ltd changed its name to Lepidico Ltd. On 28 March 2017 the Consolidated entity accepted Lithium Australia NL's offer of 1 Lithium Australia share for 13.25 Lepidico shares held. On 28 March 2017, the Consolidated entity has recognised an impairment loss on the Lepidico shares amounting to \$581,864 and has received 7,319,044 Lithium Australia NL shares in consideration of Lepidico Ltd shares held. The Consolidated entity has recognised a loss on disposal of Lepidico shares amounting to \$333,017 on the transaction date. As at 30 June 2017, the Consolidated entity recognised a further impairment loss of \$483,057 for the financial assets due to the significant decline in value between the acquisition and 30 June 2017.

Fair value of the financial assets at 30 June 2017 and 30 June 2016 has been determined by reference to quoted bid prices in active markets at the reporting date and are categorised within Level 1 of the fair value hierarchy.

### Note 14: Plant and equipment

	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	\$	\$
Office equipment at cost	15,743	17,695
Less accumulated depreciation	(8,633)	(12,621)
	<b>7,110</b>	<b>5,074</b>
Plant and equipment at cost	69,366	72,835
Less accumulated depreciation	(49,349)	(48,463)
	<b>20,017</b>	<b>24,372</b>
Computer software at cost	40,340	42,452
Less accumulated depreciation	(31,888)	(30,626)
	<b>8,452</b>	<b>11,826</b>
Furniture fixtures at cost	8,644	-
Less accumulated depreciation	(178)	-
	<b>8,466</b>	-
Total plant and equipment	<b>44,045</b>	<b>41,272</b>

**Parkway Minerals NL**  
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**Notes to Financial Statements (continued)**

**Note 14: Plant and equipment(continued)**

	Office Equipment \$	Plant and Equipment \$	Computer Software \$	Furniture Fixtures \$	Total \$
<b>Year ended 30 June 2016</b>					
Opening net carrying value	7,271	30,475	15,767	-	53,513
Depreciation charge for the year	(2,197)	(6,103)	(3,941)	-	(12,241)
<b>Closing net carrying value</b>	<b>5,074</b>	<b>24,372</b>	<b>11,826</b>	<b>-</b>	<b>41,272</b>
<b>Year ended 30 June 2017</b>					
Opening net carrying value	5,074	24,372	11,826	-	41,272
Additions	6,654	2,406	-	8,644	17,704
Depreciation charge for the year	(4,618)	(6,761)	(3,374)	(178)	(14,931)
<b>Closing net carrying value</b>	<b>7,110</b>	<b>20,017</b>	<b>8,452</b>	<b>8,466</b>	<b>44,045</b>

**Note 15: Trade and other payables**

	30-Jun-17 \$	30-Jun-16 \$
Trade payables	186,294	261,922
Stamp duty payable	-	167,525
	<b>186,294</b>	<b>429,447</b>

Due to short term nature of these payables, their carrying value is assumed to approximate their fair value.

**Note 16: Provisions**

	30-Jun-17 \$	30-Jun-16 \$
Employee benefits – current liability	63,107	69,870
	<b>63,107</b>	<b>69,870</b>

	30-Jun-17 \$	30-Jun-16 \$
Employee benefits - non-current liability	22,619	-
	<b>22,619</b>	<b>-</b>

**Note 17: Contributed equity**

	30-Jun-17		30-Jun-16	
	No.	\$	No.	\$
Ordinary shares - fully paid	359,144,634	20,981,821	234,513,572	17,634,147
Contributing Shares - partly paid	123,300,321	-	35,960,024	-
	<b>482,444,955</b>	<b>20,981,821</b>	<b>270,473,596</b>	<b>17,634,147</b>

# **Parkway Minerals NL**

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## **Notes to Financial Statements (continued)**

### **Note 17: Contributed equity(continued)**

Effective 1 July 1998, the corporation legislation abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares. Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

When managing capital (which is defined as the Company's total equity amounting to \$6,071,253 (2016: \$4,502,474), the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available for future exploration and development activity. The Company is not subject to any externally imposed capital requirements.

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**Notes to Financial Statements (continued)**

**Note 17: Contributed equity (continued)**

**Movements in ordinary shares on issue of the legal parent are:**

	<b>Note</b>	<b>2017 Number 235,575,005</b>	<b>2016 Number 211,005,055</b>
At the beginning of reporting year			
Issue of 250,000 shares to consultant in lieu of services provided	17.1	-	250,000
Issue of 600,000 shares to consultant in lieu of services provided	17.2	-	600,000
Issue of 100,000 shares to consultant in lieu of services provided	17.3	-	100,000
Issue of 300,000 shares to consultant in lieu of services provided	17.4	-	300,000
Issue of 19,025,000 shares via private share placement	17.5	-	19,025,000
Issue of 935,278 shares to directors & senior management via remuneration	17.6	-	935,278
Issue of 110,903 shares to directors & senior management via remuneration	17.7	-	110,903
Issue of 105,517 shares to consultant via employees share plan	17.8	-	105,517
Issue of 2,081,819 shares to directors & senior management via remuneration sacrifice share plan	17.9	-	2,081,819
Shares to be issued under the consultant in lieu of services provided	17.10	-	1,061,433
Issue of 57,127,998 shares via private share placement	17.11	57,127,998	-
Issue of 37,700,063 shares via share purchase plan	17.12	37,700,063	-
Issue of 15,280,667 shares via private share placement	17.13	15,280,667	-
Issue of 425,652 shares to consultant in lieu of services provided	17.14	425,652	-
Issue of 196,640 shares to consultant for capital raising services	17.15	196,640	-
Issue of 1,643,218 shares to consultant in lieu of services provided	17.16	1,643,218	-
Issue of 1,074,974 shares to directors and senior management via remuneration sacrifice share plan	17.17	1,074,974	-
Issue of 254,128 shares to consultant in lieu of services provided	17.18	254,128	-
Issue of 203,664 shares to consultant in lieu of services provided	17.19	203,664	-
Issue of 40,779 shares for the conversion of partly paid shares	17.20	40,779	-
Issue of 1,818,167 shares to directors and senior management via remuneration sacrifice share plan	17.21	1,818,167	-
Issue of 423,819 shares to consultant in lieu of services provided	17.22	423,819	-
Issue of 508,583 shares to consultant in lieu of services provided	17.23	508,583	-
Issue of 692,151 shares for the acquisition of exploration licence	17.24	692,151	-
Issue of 3,902,596 shares to directors and senior management via remuneration sacrifice share plan	17.25	3,902,596	-
Issue of 2,001,351 shares to consultants in lieu of services provided	17.26	2,001,351	-
Issue of 275,179 shares to consultant in lieu of services provided	17.27	275,179	-
Shares to be issued under the consultant in lieu of services provided	17.28	93,340	-
		<u>359,237,974</u>	<u>235,575,005</u>
Reserved shares		<u>(3,150,000)</u>	<u>(3,150,000)</u>
At the end of the reporting year		<u><b>356,087,974</b></u>	<u><b>232,425,005</b></u>

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**Notes to Financial Statements (continued)**

**Note 17: Contributed equity (continued)**

**Movements in ordinary shares on issue of the legal parent are:**

	Note	2017 \$	2016 \$
At the beginning of reporting year		17,969,172	17,111,806
Issue of 250,000 shares to consultant in lieu of services provided	17.1	-	12,000
Issue of 600,000 shares to consultant in lieu of services provided	17.2	-	30,000
Issue of 100,000 shares to consultant in lieu of services provided	17.3	-	5,000
Issue of 300,000 shares to consultant in lieu of services provided	17.4	-	14,400
Issue of 19,025,000 shares via private share placement	17.5	-	761,000
Issue of 935,278 shares to directors and senior management via remuneration	17.6	-	28,619
Issue of 110,903 shares to directors and senior management via remuneration	17.7	-	3,438
Issue of 105,517 shares to consultant via employees share plan	17.8	-	3,271
Issue of 2,081,819 shares to directors and senior management via remuneration sacrifice share plan	17.9	-	64,328
Issue of 1,061,433 shares to directors and senior management via remuneration sacrifice share plan	17.10	-	32,175
Issue of 57,127,998 shares via private share placement	17.11	1,713,840	-
Issue of 37,700,063 shares via share purchase plan	17.12	1,130,982	-
Issue of 15,280,667 shares via private share placement	17.13	458,420	-
Issue of 425,652 shares to consultant in lieu of services provided	17.14	13,000	-
Issue of 196,640 shares to consultant for capital raising services	17.15	5,899	-
Issue of 1,643,218 shares to consultant in lieu of services provided	17.16	48,600	-
Issue of 1,074,974 shares to directors and senior management via remuneration sacrifice share plan	17.17	32,175	-
Issue of 254,128 shares to consultant in lieu of services provided	17.18	7,500	-
Issue of 203,664 shares to consultant in lieu of services provided	17.19	6,000	-
Issue of 40,779 shares for the conversion of partly paid shares	17.20	1,998	-
Issue of 1,818,167 shares to directors and senior management via remuneration sacrifice share plan	17.21	42,900	-
Issue of 423,819 shares to consultant in lieu of services provided	17.22	10,000	-
Issue of 508,583 shares to consultant in lieu of services provided	17.23	12,000	-
Issue of 692,151 shares for the acquisition of exploration licence	17.24	15,000	-
Issue of 3,902,596 shares to directors and senior management via remuneration sacrifice share plan	17.25	53,624	-
Issue of 2,001,351 shares to consultants in lieu of services provided	17.26	27,500	-
Issue of 275,179 shares to consultant in lieu of services provided	17.27	3,846	-
Shares to be issued under the consultant in lieu of services provided	17.28	905	-
Equity raising costs	17.29	(236,515)	(96,865)
		<u>21,316,846</u>	<u>17,969,172</u>
Reserved shares		<u>(335,025)</u>	<u>(335,025)</u>
At the end of the reporting year		<u>20,981,821</u>	<u>17,634,147</u>

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**Notes to Financial Statements (continued)**

**Note 17: Contributed equity (continued)**

**Movements in partly paid contributing shares on issue of the legal parent are:**

	Note	2017 Number	2016 Number
At the beginning of reporting year		35,960,024	35,960,024
Conversion of partly paid contributing shares to fully paid ordinary shares	17.20	(40,779)	-
Issue of 87,381,076 partly paid contributing shares pursuant to non-renounceable entitlement issue	17.30	87,381,076	-
At the end of the reporting year		123,300,321	35,960,024

Outstanding amount per partly paid contributing share at 30 June 2017 is \$0.049 (2016: \$0.049).

The partly paid contributing share are issued with outstanding calls of 4.9 cents each. The partly paid contributing share carry a right to a dividend on the same basis as holders of Ordinary Shares. Partly paid contributing shares carry the right to vote in proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). The company has the power to forfeit any shares where the call remains unpaid 14 days after the call was payable. The company must then offer the shares forfeited for public auction within six weeks of the call becoming payable.

- 17.1 The issue of 250,000 shares to General Resources GmbH at \$0.048 per share in lieu of services provided.
- 17.2 The issue of 600,000 shares to SConsortium at \$0.05 per share in lieu of services provided.
- 17.3 The issue of 100,000 shares to Francois Dumas Consulting at \$0.05 per share in lieu of services provided.
- 17.4 The issue of 300,000 shares to Horn Resources C/- Rymill at \$0.048 per share in lieu of services provided.
- 17.5 The issue of 19,025,000 shares at \$0.04 per share via private share placement.
- 17.6 The issue of 935,278 shares to directors and senior management via director fee and remuneration sacrifice share plan at \$0.039 per share.
- 17.7 The issue of 110,903 shares to directors and senior management via director fee and remuneration sacrifice share plan at \$0.031 per share.
- 17.8 The issue of 105,517 shares to consultant at \$0.031 per share.
- 17.9 The issue of 2,081,819 shares to directors and senior management via director fee and remuneration sacrifice share plan at \$0.0309 per share.
- 17.10 The issue of 1,061,433 shares to directors and senior management via director fee and remuneration sacrifice share plan at \$0.0301 per share.
- 17.11 The issue of 57,127,998 shares at \$0.03 per share via private share placement.
- 17.12 The issue of 37,700,063 shares at \$0.03 per share via share purchase plan.
- 17.13 The issue of 15,280,667 shares at \$0.03 per share via private share placement.
- 17.14 The issue of 425,652 shares to consultant at \$0.031 per share in lieu of services provided. \$3,250 of these shares were issued to settle amounts payable at 30 June 2016.
- 17.15 The issue of 196,640 shares to consultant at \$0.03 per share in lieu of services provided.
- 17.16 The issue of 1,643,218 shares to Horn Resources C/- Rymill at \$0.03 per share in lieu of services provided. \$45,600 of these shares were issued to settle amounts payable at 30 June 2016.
- 17.17 The issue of 1,074,974 shares to directors and senior management via director fee and remuneration sacrifice share plan at \$0.0301 per share.
- 17.18 The issue of 254,128 shares to consultant at \$0.0295 per share in lieu of services provided.
- 17.19 The issue of 203,664 shares to Horn Resources C/- Rymill at \$0.0295 per share in lieu of services provided.

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**Notes to Financial Statements (continued)**

**Note 17: Contributed equity (continued)**

- 17.20 The issue of 40,779 shares for the conversion of partly paid shares at \$0.049 per share.
- 17.21 The issue of 1,818,167 shares to directors and senior management via director fee and remuneration sacrifice share plan at \$0.0236 per share.
- 17.22 The issue of 423,819 shares to consultant at \$0.0236 per share in lieu of services provided.
- 17.23 The issue of 508,583 shares to Horn Resources C/- Rymill at \$0.0236 per share in lieu of services provided.
- 17.24 The issue of 692,151 shares to Dakota Minerals at \$0.0217 for acquisition of exploration licence.
- 17.25 The issue of 3,902,596 shares to directors and senior management via director fee and remuneration sacrifice share plan at \$0.0137 per share.
- 17.26 The issue of 2,001,351 shares to consultant and Horn Resources C/- Rymill at \$0.0137 per share in lieu of services provided.
- 17.27 The issue of 275,179 shares to James Guy and associates at \$0.0140 per share in lieu of services provided.
- 17.28 Shares to be issued to consultant in lieu of services. Shares have not yet been issued, with the number of shares to be determined at issue date, dependent on the market share price.
- 17.29 For the year 2017, the payment of costs incurred by the company in relation to equity raising and listing of the company's shares and of \$236,515 (2016: \$96,866).  
The issue of 87,381,076 partly paid contributing shares (deemed to be paid to \$0.001, unpaid \$0.049) pursuant to non-renounceable entitlement issue. There was no cash consideration upon the issue of these shares. The Company will not make any call in respect of the unpaid amount within the first 6 months of issue. After the date the Company will not call more than \$0.02 in any 6 month period.

**Note 18: Share based payment reserve**

**Reconciliation of total options on issue:**

	Options issued as share-based payments	Other options issued	Reserved shares issued	Total options on issue
<b>As at 1 July 2015</b>	<b>4,042,188</b>	<b>1,000,000</b>	<b>3,150,000</b>	<b>8,192,188</b>
Issued during the year	3,500,000	14,250,000	-	17,750,000
Expired during the year	(2,050,000)	(300,000)	-	(2,350,000)
<b>As at 30 June 2016</b>	<b>5,492,188</b>	<b>14,950,000</b>	<b>3,150,000</b>	<b>23,592,188</b>
Issued during the year	3,054,503	-	-	3,054,503
Expired during the year	-	(700,000)	-	(700,000)
<b>As at 30 June 2017</b>	<b>8,546,691</b>	<b>14,250,000</b>	<b>3,150,000</b>	<b>25,946,691</b>



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**Note 18: Share based payment reserve (continued)**

<u>Option-based payments</u>	2017	2017	2016	2016
	Number	WAEP	Number	WAEP
Outstanding at 1 July	20,442,188	\$0.0778	5,042,188	\$0.1899
Granted during the year	3,054,503	\$0.0375	17,750,000	\$0.0700
Forfeited during the year	-	-	-	-
Exercised during the year			-	-
Expired during the year	(700,000)	\$0.2500	(2,350,000)	\$0.2593
Outstanding at 30 June	<u>22,796,691</u>	<u>\$0.0671</u>	<u>20,442,188</u>	<u>\$0.0778</u>
Exercisable at 30 June	<u>22,796,691</u>	<u>\$0.0671</u>	<u>20,442,188</u>	<u>\$0.0778</u>

The weighted average remaining contractual life of share options outstanding as at 30 June 2017 was 1.26 years (2016: 1.14 years).

The exercise price of options granted during the year was \$0.0375 (2016: \$0.07).

The range of exercise prices for options outstanding at the end of the year was \$0.0375 to \$0.087 (2016: \$0.07 to \$0.60).

<b>Reconciliation of value of share-based payment reserve</b>	<b>Note</b>	<b>30-Jun-17</b>	<b>30-Jun-16</b>
		<b>\$</b>	<b>\$</b>
At the beginning of reporting year		648,934	628,908
Amount expensed for options issued to consultant. 3,500,000 options with exercise price of \$0.07	18.1	-	20,026
Amount expensed for options issued to consultant. 3,054,503 options with exercise price of \$0.0375	18.2	39,709	-
At the end of the reporting year		<u>688,643</u>	<u>648,934</u>

18.1 The issue of 3,500,000 \$0.07 options exercisable on or before 30 November 2018 to consultant. Please refer to Note 19 for further explanation.

18.2 The issue of 3,054,503 \$0.0375 options exercisable on or before 30 June 2019 to consultant. Please refer to Note 19 for further explanation.

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**Notes to Financial Statements (continued)**

**Note 19: Equity based payments**

**Expenses arising from share-based payment and option-based payment transactions**

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	<b>30-Jun-17</b>	<b>30-Jun-16</b>
Options issued in consideration for services. Refer to note 18.2 and note 19.1.	-	20,026
Shares issued under the director and senior management fee and remuneration sacrifice share plan. Refer to notes 17.17, 17.21 & 17.25.	128,699	128,560
Shares issued in consideration of services to consultants. Refer to notes 17.14, 17.16, 17.18, 17.19, 17.22, 17.23, 17.26, 17.27 & 17.28.	80,501	3,272
	<b>209,200</b>	<b>151,858</b>
Options issued to consultants recognised as share issue costs in equity. Refer to note 18.2 and note 19.1	39,709	-
Shares issued to consultant for capital raising services recognised as share issue costs in equity. Refer to note 17.15	5,899	-
	<b>45,608</b>	<b>-</b>

**Note 19.1**

During the 2017 financial year, in total 3,054,503 options were issued to consultants for equity raising services, which was recognised as part of issued capital. These options had a fair value of \$39,709 calculated using a black scholes model.

During the 2016 financial year, in total 3,500,000 options were issued to consultants for consulting services. These options had a fair value of \$20,026 calculated using a black scholes model.

The fair value of the options granted for the year ended 30 June 2017 and 30 June 2016 was estimated on the date of grant using the following assumptions and valuing using a black scholes model, the fair value of the services provided was consider to equal the fair value determined using the black scholes model:

	<b>30-Jun-17</b>	<b>30-Jun-16</b>
Number of options issued	3,054,503	3,500,000
Dividend yield (%)	Nil	Nil
Expected volatility* (%)	75	75
Risk-free interest rate (%)	1.5	2.0
Expected life (years)	3	3
Share price	\$0.0300	\$0.024
Exercise price (\$)	\$0.0375	\$0.070
Value per option	\$0.013	\$0.006

In addition to the above, the company issued 692,151 shares for the acquisition of exploration licence. See note 17.24 for further details.

All shares issued as equity-based payments were issued for nil cash consideration and were valued at market fair value which was considered to approximate the fair value of the services provided.

**Parkway Minerals NL**  
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**Notes to Financial Statements (continued)**

**Note 20: Commitments**

- (i) The Company has certain obligations with respect to tenements and minimum expenditure requirements on areas, as follows:

	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	<b>\$</b>	<b>\$</b>
Within 1 year	618,000	1,206,000
1 to 2 years	618,000	1,206,000
Total	<u>1,236,000</u>	<u>2,412,000</u>

The commitments may vary depending upon additions or relinquishments of the tenements, as well as farm-out agreements. The above figures are based on the mines department Emits reports as at 30 June 2017. These figures are adjusted at the anniversary date of each tenement and therefore the total can change on a monthly basis.

- (ii) Mr Patrick McManus was appointed as Managing Director on 23 November 2010. Pursuant to a revised agreement dated 23 November 2010, his reviewed salary is set at \$275,000 per annum inclusive of compulsory superannuation effective from 1 July 2013. The agreement can be terminated by either party by giving three months' notice or payment of three months' salary in lieu of notice being \$68,750.

**Note 21: Contingent liabilities**

There are no contingent liabilities as at 30 June 2017 (2016: Nil).

**Note 22: Related party transactions**

	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	<b>\$</b>	<b>\$</b>
Corporate advisory were paid to Precious Capital Pte Ltd, a company of which Chew Wai Chuen is a director and shareholder	9,454	9,708
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder. Fees included investor relations, corporate advisory, office accommodation, accounting staffs (excluding fees directly related to Robert Van der Laan), administrative staffs and exploration staffs. Fees are considered to be on normal commercial terms and conditions.	<u>148,526</u>	<u>213,100</u>
	<b><u>157,980</u></b>	<b><u>222,808</u></b>

**Parkway Minerals NL**  
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**Notes to Financial Statements (continued)**

**Note 23: Cash flow information**

	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of cash flow from operations with loss from ordinary activities after income tax		
Loss from ordinary activities after income tax	(1,784,884)	(184,648)
Share of net losses of associate	760,436	-
Depreciation and amortisation	14,931	12,241
Expenses settled via equity issues	209,200	151,858
Option and exclusivity fee received	(151,367)	(98,649)
Gain on deconsolidation of subsidiary	(3,780,837)	-
Loss (gain) on disposal of financial assets	333,017	(2,834,320)
Impairment of financial assets	1,064,921	969,773
Impairment of investment in associate	1,453,305	-
Changes in assets and liabilities		
Increase/(decrease) in deferred tax liabilities	385,871	-
(Increase)/decrease in receivables	7,920	42,216
(Increase)/decrease in other assets	38,155	13,860
Increase/(decrease) in payables	(75,628)	100,519
Increase/(decrease) in provisions	(151,667)	9,660
<b>Net cash flows used in operating activities</b>	<b>(1,676,627)</b>	<b>(1,817,490)</b>

**Note 24: Financial risk management objectives and policies**

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to finance the Company's operations. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, credit risk and equity price risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The Group has not entered into any hedging activities to manage interest rate risk. In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate \$	Non Interest Bearing \$	Total \$	Interest Rate Risk Sensitivity			
						-10% Profit \$	Equity \$	10% Profit \$	Equity \$
<b>2017</b>									
<b>Financial Assets</b>									
Cash	1.25	1,881,039	-	-	1,881,039	-1,975	-1,975	1,975	1,975
Receivables		-	-	23,898	23,898				
<b>Total Financial Assets</b>		1,881,039	-	23,898	1,904,937				
<b>Financial Liabilities</b>									
Trade creditors		-	-	186,294	186,294				
<b>Total Financial Liabilities</b>		-	-	186,294	186,294				

# Parkway Minerals NL

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## Notes to Financial Statements (continued)

### Note 24: Financial risk management objectives and policies (continued)

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate \$	Non Interest Bearing \$	Total \$	Interest Rate Risk Sensitivity			
						-10% Profit \$	Equity \$	10% Profit \$	Equity \$
<b>2016</b>									
<b>Financial Assets</b>									
Cash	1.25	444,185	-	194,715	638,901	-466	-466	466	466
Receivables		-	-	33,422	33,422				
<b>Total Financial Assets</b>		<b>444,185</b>	<b>-</b>	<b>228,137</b>	<b>672,323</b>				
<b>Financial Liabilities</b>									
Trade creditors		-	-	429,447	429,447				
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>429,447</b>	<b>429,447</b>				

A sensitivity of 10% (2016: 10%) has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A -10% sensitivity would move short term interest rates at 30 June 2017 from around 1.25% to 1.13% (2016: 1.25% to 1.13%) representing a 12.0 basis points (2016: 12.0 basis points), which is 8.5 basis points (2016: 8.5 basis points) net of tax.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

#### (a) Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities required to meet the current exploration and administration commitments, through the continuous monitoring of actual cash flows.

All payables are due within 30 days, which is consistent with the prior year.

#### (b) Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form except for available for sale financial assets which are valued at market value as traded on the ASX and are considered to be level 1 in the fair value hierarchy.

#### (c) Credit Risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Consolidated entity is exposed to credit risk from its operating activities, financing activities including deposits with banks. The credit risk control procedures adopted by the Consolidated entity is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

The maximum exposure to credit risk on financial assets of the Consolidated entity which have been recognised on the statement of financial position is generally limited to the carrying amount.

Cash is maintained with National Australia Bank.

**Parkway Minerals NL**  
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**Notes to Financial Statements (continued)**

**Note 24: Financial risk management objectives and policies (continued)**

(d) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through the Group's Board of Directors reviewing and approving all equity investment decisions. At the reporting date, the exposure to listed equity securities recognised as available-for-sale financial assets was \$541,609.

A decrease of 10% on the ASX market index could have an impact of approximately \$54,161 on the income or equity attributable to the Group, depending on whether the decline is significant or prolonged. An increase of 10% in the value of the listed securities would only impact equity, but would not have an effect on profit or loss.

**Note 25: Controlled entities**

Parkway Minerals NL is the ultimate parent entity of the consolidated group.

The following are controlled entities at the reporting date and have been included in the consolidated financial statements. All shares held are ordinary shares.

Name	Country of Incorporation	Percentage Interest Held %		Principal activities
		2017	2016	
Dandaragan Trough Holdings Pty Ltd	Australia	100%	100%	Dormant
K- Max Pty Ltd	Australia	100%	100%	Dormant
East Exploration Holdings Pty Ltd	Australia	100%	100%	Dormant
East Exploration Pty Ltd	Australia	0%	55%	Mineral exploration
East Exploration GmbH	Germany	0%	55%	Mineral exploration

During the previous financial year Davenport paid to East Exploration the option and exclusivity fee amounting to \$250,000. This fee is non-refundable. For the this period, the portion of the fee relating to the expenditure has been recognised as income in East Exploration, amounting to \$151,367 (2016: \$98,649). The sale was completed on 19 January 2017 and the Company has received 19,249,922 Davenport Resources Limited shares as the consideration for its interest in East Exploration Pty Ltd. Refer to note 12 for more details. In the prior year the consolidated entity recognised \$152,290 as assets included in disposal group held for sale and \$151,351 as liabilities included in disposal group held for sale as follows:

	\$
Cash and cash equivalents	151,354
Other assets	<u>936</u>
<b>Total assets</b>	<b><u>152,290</u></b>
Deferred income	<u>151,351</u>
<b>Total liabilities</b>	<b><u>151,351</u></b>

As at 30 June 2017, there are no commitment or contingent liabilities in respect of the controlled entities.

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**Notes to Financial Statements (continued)**

**Note 26: Parent entity disclosure**

	<b>Parent 30-Jun-17</b>	<b>Parent 30-Jun-16</b>
<b>Assets</b>		
Current assets	1,917,247	520,032
Non current assets	3,175,654	4,480,819
<b>Total Assets</b>	<u>5,092,901</u>	<u>5,000,851</u>
<b>Liabilities</b>		
Current liabilities	249,401	499,316
Non current liabilities	22,619	
<b>Total Liabilities</b>	<u>272,020</u>	<u>499,316</u>
<b>Net Assets</b>	<u>4,820,881</u>	<u>4,501,535</u>
<b>Equity</b>		
Issued capital	20,981,821	17,634,147
Reserves	688,643	648,934
Accumulated losses	(16,849,583)	(13,781,546)
<b>Total Equity</b>	<u>4,820,881</u>	<u>4,501,353</u>
Loss for the year	(3,068,037)	(178,550)
Other comprehensive income	-	-
<b>Total comprehensive loss for the financial year</b>	<u>(3,068,037)</u>	<u>(178,550)</u>

**Note 27: Subsequent events**

Subsequent to the reporting date, the Company undertook a capital raising, raising a total of \$850,000 before costs at \$0.01 per share. A total of 85,000,000 ordinary shares have been issued as a result of the capital raising. The Company has also announced share purchase plan, expected to raise an additional \$1 million.

There have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than disclosed elsewhere in this annual report.

# Parkway Minerals NL

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## Directors' Declaration

In the opinion of the directors of Parkway Minerals NL:

- (a) the financial statements and notes set out on pages 51 to 87 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2017 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(c); and
- (c) subject to the matters discussed in Note 2(f), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the year ending 30 June 2017. This declaration is made in accordance with a resolution of the directors.



Patrick McManus  
Managing Director  
Perth

Dated: 29 September 2017



# Independent Auditor's Report to the Members of Parkway Minerals NL

## Report on the audit of the financial report

### Opinion

We have audited the financial report of Parkway Minerals NL (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

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

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

### Material uncertainty related to going concern

We draw attention to Note 2(f) of the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

## 1. Carrying value of exploration and evaluation assets

### Why significant

The assessment of the carrying value of exploration and evaluation assets for impairment is subjective, as it is based on the Group's ability and intention to continue to explore the asset. The carrying value may also be adversely affected by the results of exploration work indicating that the mineral reserves may not be commercially viable for extraction. This creates a risk that the amounts stated in the financial report may not be recoverable.

Refer to Note 11 - Exploration expenditure to the financial report for the amounts held by the Group as at 30 June 2017 and related disclosure.

### How our audit addressed the key audit matter

We evaluated the Group's assessment of the carrying value of exploration and evaluation assets. In obtaining sufficient audit evidence, we:

- ▶ considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements;
- ▶ considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included assessment of the Group's cash-flow forecast models, enquiries with senior management and Directors as to the intentions and strategy of the Group;
- ▶ evaluated the Group's assessment of the commercial viability of results relating to exploration and evaluation activities carried out in the relevant licensed area; and
- ▶ assessed the ability to finance any planned future exploration and evaluation activity.

## 2. Investment in Davenport Resources Limited

### Why significant

During the year the Group disposed of its 55% interest in East Exploration Pty Ltd in exchange for a 26% interest in Davenport Resources Limited. The accounting treatment and disclosure of this transaction involved significant judgements in determining the classification of the investment as an associate in accordance with AASB 128: Investments in associates and joint ventures and the assessment of whether the investment was impaired as at 30 June 2017.

Refer to note 12 for further details of this transaction.

### How our audit addressed the key audit matter

We evaluated the Group's accounting for the investment in Davenport Resources Limited as follows:

- ▶ considered the calculation of the loss on disposal of East Exploration Pty Ltd, and the determination of the initial value of the investment in Davenport Resources Limited;
- ▶ considered the appropriateness of the Group's assessment that the investment in Davenport Resources Limited meets the criteria of an investment in an associate in accordance with AASB 128: Investments in associates and joint ventures;
- ▶ evaluated the Group's assessment of impairment of the investment in Davenport Resources Limited as at 30 June 2017. This included comparing the carrying value of the investment to the market value of Davenport Resources Limited shares as at 30 June 2017, in order to assess whether the fair value less cost of disposal was higher than the carrying value of the investment as at that date.

## Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2017 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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

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

## Report on the audit of the remuneration report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 32 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Parkway Minerals NL for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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



Ernst & Young



V L Hoang  
Partner  
Perth  
29 September 2017

# Parkway Minerals NL

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## Shareholder Information

Distribution schedules of shareholders and statements of voting rights are set out in Table 1, whilst the Company's top twenty shareholders and option holders are shown in Tables 2, 3 and 4. Substantial shareholder notices that have been received by the Company are set out in Table 5.

**Table 1**  
**Shareholder spread as at 20 September 2017**

**Ordinary shares, with right to attend meetings and vote personally or by proxy, through show of hands and, if required, by ballot (one vote for each share)**

<u>Spread of Holdings</u>	<u>No. Holders</u> <u>PWN</u>	<u>No. Holders</u> <u>PWNCA</u>
1-1,000	109	228
1,001-5,000	190	437
5,001-10,000	148	226
10,001-100,000	766	646
100,001 - and over	436	177
Total number of holders of securities	1,649	1,714
Total number of securities	444,144,634	123,300,321

**Table 2**  
**Top twenty shareholders as at 20 September 2017**

<u>Shareholder</u>	<u>No. Shares</u>	<u>Percentage</u>
1 Citicorp Nominees Pty Limited	51,915,476	11.689
2 Wah Len Enterprise SDN BHD	16,666,666	3.753
3 HSBC Custody Nominees	14,402,023	3.243
4 Querion Pty Ltd	13,000,000	2.927
5 Mr Philip Anthony Feitelson	12,415,000	2.795
6 Yap Thai Choy	12,000,000	2.702
7 Flourish Super Pty Ltd<Flourish S/F A/C>	11,787,628	2.654
8 PAGONDAS PTY LTD	10,000,000	2.252
9 LIM EE TATT	10,000,000	2.252
10 Mr Patrick Bernard Mc Manus & Mrs Vivienne Edwina Mc Manus <Mc Manus Super Fund <A/C>	8,992,357	2.025
11 Mr Adrian Christopher Griffin	7,027,991	1.582
12 Mr Xuan Khoa Pham	6,900,000	1.554
13 TINNIPLEX PTY LTD	6,000,000	1.351
14 PHILIP ANTHONY FEITELSON	5,085,000	1.145
15 MR ROBERT VANDERLAAN & MR ADRIAN GRIFFIN & MR RINIAN RUTHERFORD <THE GFR INDUSTRIES S/F A/C>	5,000,000	1.126
16 BNP Paribas Noms Pty Ltd <DRP>	4,415,020	0.994
17 Buzz Monty Pty Ltd<The Savage A/C>	4,250,000	0.957
18 MR BRETT JAMES SMITH & MRS LYNNE SMITH <B & L SUPER FUND A/C>	4,062,822	0.915
19 MR JOHN STEPHEN BLADON	3,607,814	0.812
20 TORBINUP RESOURCES PTY LTD	3,478,057	0.783
	<b>211,005,854</b>	<b>47.508</b>

# Parkway Minerals NL

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## Shareholder Information (continued)

**Table 3**

**Top twenty partly paid shareholders as at 20 September 2017**

	<u>Shareholder</u>	<u>No. Shares</u>	<u>Percentage</u>
1	Citicorp Nominees Pty Limited	11,938,101	9.682
2	HSBC Custody Nominees (Australia) Limited	5,505,412	4.465
3	Wah Len Enterprise SDN BHD	4,166,667	3.379
4	MRS ANJANA NANDHA	3,500,000	2.839
5	QUERION PTY LTD	3,125,000	2.534
6	MR PHILIP ANTHONY FEITELSON	3,000,000	2.433
7	YAP THAI CHOY	3,000,000	2.433
8	MR ADRIAN CHRISTOPHER GRIFFIN	2,719,635	2.206
9	MR JOHN STEPHEN BLADON MILLWARD	2,665,861	2.162
10	TORBINUP RESOURCES PTY LTD	2,648,544	2.148
11	MR STEVEN VARGA	2,500,000	2.028
12	MR ROBERT PETER VAN DER LAAN	1,800,045	1.460
13	MR ADRIAN CHRISTOPHER GRIFFIN	1,767,998	1.434
14	ROBERIN PTY LTD <MCMANUS FAMILY A/C>	1,553,615	1.260
15	Mr Patrick Bernard Mc Manus & Mrs Vivienne Edwina Mc Manus <Mc Manus Super Fund <A/C>	1,410,831	1.144
16	SEPT ROGUES LTD	1,370,837	1.112
17	POTASH WEST NL <EMPLOYEE SHARE LOAN A/C>	1,362,500	1.105
18	MR GREGORY JOHN MILLER	1,204,114	0.977
19	SUPER MSJ PTY LTD <MSJ SUPER FUND A/C>	1,200,000	0.973
20	BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	1,103,755	0.895
		<b>57,542,915</b>	<b>46.669</b>

# Parkway Minerals NL

A.C.N. 147 346 334

## Shareholder Information (continued)

**Table 4**

**Top twenty option holders as at 20 September 2017**

<u>Optionholder</u>	<u>No. Options</u>	<u>Percentage</u>
1 M & K Korkidas Pty Ltd <M&K Korkidas P/L S/FUND A/C>	3,150,000	17.746
2 Bellaire Capital Pty Ltd <Bellaire Capital Invest A/C> David Greenblatt	1,500,000	8.451
3 MR KONSTANDINOS TSAMASIROS	1,000,000	5.634
4 Nutsville Pty Ltd <Indust Electric Co S/F A/C>	750,000	4.225
5 Ms Merle Smith & Ms Kathryn Smith <The Mini Pension Fund A/C>	750,000	4.225
6 MR ANDREW JOHN MEEK & MS SASKIA ELLE MEEK <ANDREW MEEK SUPERFUND A/C>	727,487	4.099
7 MR JAMES ROBERT DENNISON	650,000	3.662
8 BUZZ MONTY PTY LTD <THE SAVAGE A/C>	625,000	3.521
9 BUZZ MONTY PTY LTD <BUZZ MONTY SUPER FUND A/C>	625,000	3.521
10 MR DENNIS BELL>	625,000	3.521
11 DAVSMS INVESTMENTS PTY LTD <D & A KOUTSANTONIS S/F A/C>	517,834	2.917
12 MR BRETT JAMES RUDD	500,000	2.817
13 MR CHRISTOPHER WILLIAMS	500,000	2.817
14 CITICORP NOMINEES PTY LTD	500,000	2.817
15 MR MARK RICHARD JONES & MS MARGARET TAI <TAI-JONES S/F A/C>	400,000	2.254
16 Magna Equities II LLC	312,500	1.761
17 Demasiado Pty Ltd < Demasiado Family A/C>	290,240	1.635
18 Dropmill Pty Ltd <Russell Glenn Super A/C>	250,000	1.408
19 MR BRENDON MOSEL	221,036	1.245
20 JANAFIELD PTY LTD <SUPERANNUATION FUND A/C>	200,000	1.127
	<b>14,094,097</b>	<b>79.403</b>

**Table 5**

**Substantial shareholders as at 20 September 2017**

<u>Shareholder</u>	<u>No. of shares</u>	<u>Percentage</u>
Citicorp Nominees Pty Limited	51,915,476	11.689%

### Voting Rights

The voting rights attached to each class of equity securities are set out below.

#### (a) 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.



# Parkway Minerals NL

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## Shareholder Information (continued)

### Unlisted options as at 30 June 2017

Details of unlisted option holders are as follow:

<b>Class of unlisted options</b>	<b>No. Options</b>
Options exercisable at \$0.087 on or before 6 November 2017	1,992,188
Holders of more than 20% of this class	2
Options exercisable at \$0.0375 on or before 30 June 2019	3,054,503
Holders of more than 20% of this class	1

**Parkway Minerals NL**  
A.C.N. 147 346 334  
**Tenement Register**

**Tenements (Australia) as at 20 September 2017**

<b>Tenements Name</b>	<b>Project</b>	<b>Holder</b>	<b>Details</b>
Dinner Hill	E70/3987	Richmond Resources Pty Ltd	100% Mineral Rights for Potash
Jam Hill	E70/4137	Parkway Minerals NL	100% Mineral Rights for Potash
Bald Hill	E70/4138	Parkway Minerals NL	100% Mineral Rights for Potash
Watheroo	E70/4471	Parkway Minerals NL	100% Mineral Rights for Potash
Dandaragan	E70/4609	Parkway Minerals NL	100% Mineral Rights for Potash
Dandaragan	E70/4687	Parkway Minerals NL	100% Mineral Rights for Potash
Lake Barlee	E77/2347	Parkway Minerals NL	100% Mineral Rights for Potash
Lake Barlee	E29/985	Parkway Minerals NL	100% Mineral Rights for Potash
Lake Barlee	E77/2409	Parkway Minerals NL	100% Mineral Rights for Potash
Lake Barlee	E57/1051	Parkway Minerals NL	100% Mineral Rights for Potash
Lake Barlee	E29/1003	Parkway Minerals NL	Pending
Lake Barlee	E29/1015	Parkway Minerals NL	Pending
Lake Barlee	E29/1027	Parkway Minerals NL	Pending
Lake Barlee	E77/2450	Parkway Minerals NL	Pending
Lake Barlee	E77/2451	Parkway Minerals NL	Pending
Lake Barlee	E77/2452	Parkway Minerals NL	Pending
Lake Barlee	E77/2445	Parkway Minerals NL	Pending
Lake Barlee	E77/2446	Parkway Minerals NL	Pending
Lake Barlee	E77/2447	Parkway Minerals NL	Pending