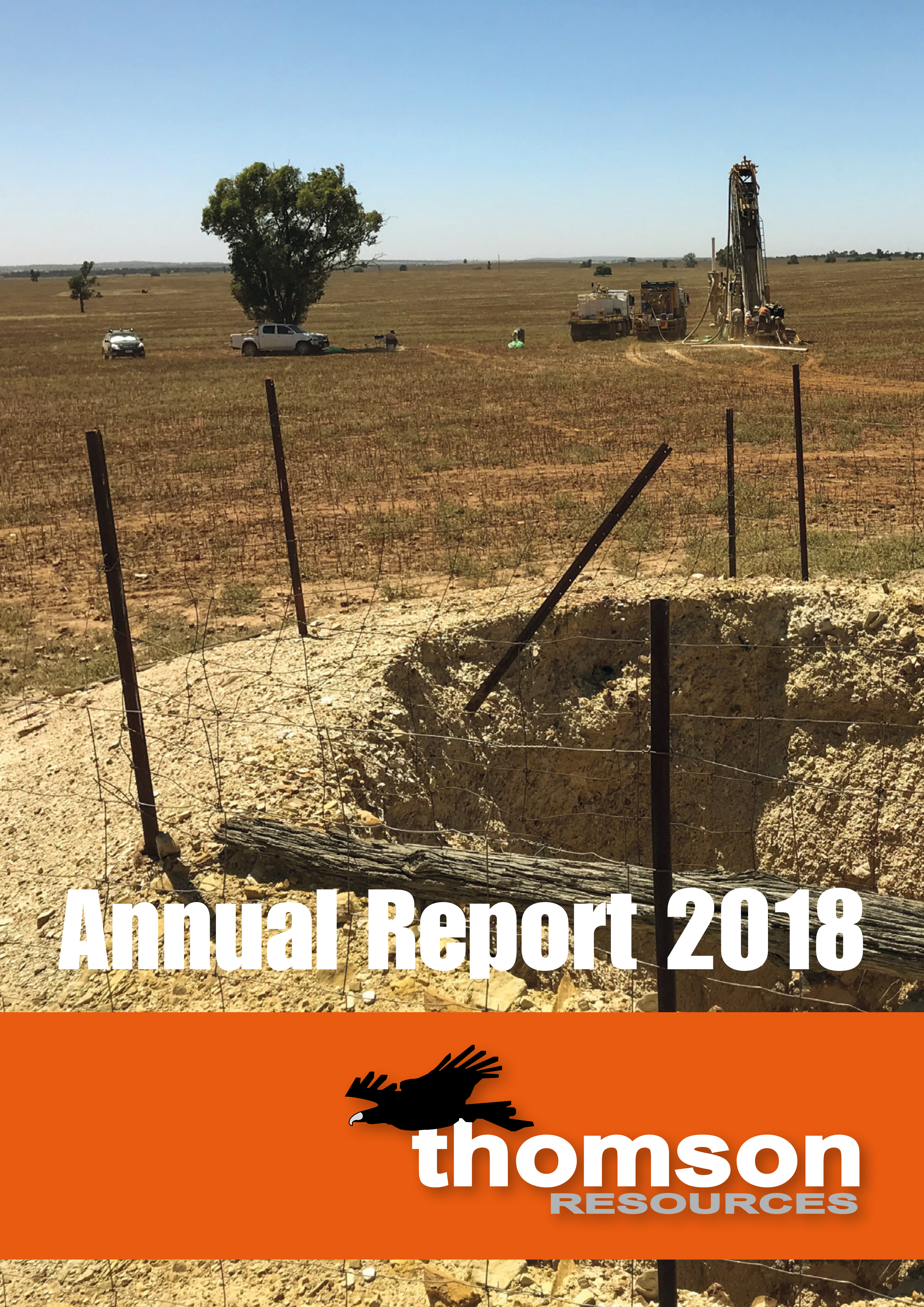


Annual Report 2018

thomson
RESOURCES

Contents

Chairman's Report

Dear Shareholder

On behalf of the directors, I am pleased to present the eighth Annual Report of Thomson Resources Ltd. The Company's principal focus over the year remained the Bygoo tin project, near the old Ardlethan tin mine in southwestern New South Wales. Tin is proving to be a strategically important metal with increasing application in new technologies. Over the year, Thomson completed two rounds of drilling at the Bygoo tin project. Targets were tested at Bygoo North, Bygoo South and beneath intervening historical workings. High-grade tin intersections at shallow depths and of similar tenor to those previously encountered were obtained at both North and South prospects

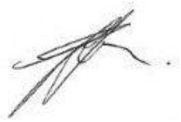
Thomson has also broadened its exploration focus to embrace the Bald Hill tin prospect, 20km south of the Company's Bygoo prospects (also on EL 8260), and the Harry Smith gold prospect. Both prospects were drilled during the year. Three holes were drilled at Bald Hill and all intersected tin mineralisation at shallow depths; the best intersection being 15m at 0.4% Sn from 19m depth. The Harry Smith prospect shows extensive gold-in-soil anomalism defining two 500m long trends coalescing in the area of the small Harry Smith open-cut. This prospect is interpreted as an Intrusion-Related Gold (IRG) deposit related to the Grong Grong Granite. The Company's drilling in March 2018 (ASX release March 26, 2018) was focused on the anomaly trending between the Harry Smith and Golden Spray workings. Drilling was successful with all holes intersecting significant gold mineralisation with the stand-out intersection in HSRC004 of 54m at 1.0 g/t Au from a depth of 8m. This intersection includes two higher grade zones – 12m at 2.1 g/t Au and 6m at 1.6 g/t Au. A similar IRG system exists some five kilometres to the southeast and is defined by two lines of historical workings at the Gladstone and Old Belmore. There is no record of drilling on this prospect.

Follow-up drilling is planned to commence shortly at Bygoo and Harry Smith. The drilling at Bygoo will further test the three tin greisens discovered to date – two at Bygoo North and one at Bygoo South. The Big Bygoo greisen will also be tested in this program. The gold exploration will include drill testing of the Harry Smith-Golden Spray line and the Silver Spray lode.

During the year Kidman Resources (ASX:KDR) and Variscan Mines (ASX:VAR) withdrew from the Browns Reef Project and Achilles Joint Ventures. The tenements involved are now wholly owned by Thomson, although EL7891 was subsequently surrendered. The remaining tenements are at the southern end of the Cobar Basin and are prospective for Cobar-type deposits. Three joint ventures remain in place – Bygoo (ELs 8260 and 8163) with private Canadian investor, BeiSur OstBarat Agency Ltd; Wilga Downs (EL 8136) with Silver City Minerals Limited (ASX:SCI) and Havilah (EL 7391) with Silver Mines Ltd (ASX:SVL). Total cash payments received under the Bygoo JV (see ASX announcement of 5 July 2018) are A$1,500,000 of the $3 million investment required to earn an initial 51%. The option to acquire a further 25% for A$22m remains active. Negotiations with BeiSur OstBarat Agency Ltd towards the end of the financial year resulted in gold targets being excluded from the Bygoo JV agreement, thus allowing Thomson to independently pursue testing of the Harry Smith prospect.

The construction of a tin processing plant at Ardlethan, as planned by EOE (No.75) Pty Ltd, has potential synergies for Thomson's tin projects in the area, however no substantive negotiations have taken place with the proprietors and there is no guarantee that any arrangement would be entered into.

The Company has maintained an active exploration program over the year and has expanded its portfolio to include exciting gold opportunities to complement its suite of excellent tin projects. The Ardlethan area offers an immense opportunity for further discoveries of substantial tin resources and we look forward to expanding the resource base in the Bygoo JV area. The Board very much appreciates the strong shareholder support. Our CEO, Mr Eoin Rothery, must come in for special mention. His technical leadership of the Company's exploration program has been absolutely invaluable.



Lindsay Gilligan PSM

Chairman

Project Activities

Bygoo Project – tin

Thomson Resources continued to progress the Bygoo tin project, with two new greisens discovered, as well as extending the two known greisens at Bygoo North and Bygoo South. The new greisens at Bygoo North and Bald Hill will contribute to the previous Exploration Target of 0.9 to 1.44 million tonnes at a grade of 0.8 – 1.4% tin with 2,400 to 6,700 tonnes of contained tin (see Thomson's ASX release 29 July 2016). It should be noted that the potential quantity and grade is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource, and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. Drilling is planned to test the validity of this Target and to convert it to resource status.

The better drill intersections through the year were –

Bygoo North (Main Zone)

- **19m at 1.0% Sn** from 49m depth (BNRC40)
- **6m at 0.8% Sn** from 80m and **7m at 0.7% Sn** from 95m (BNRC39)
- **7m at 0.9% Sn** from 124m (BNRC50)

Bygoo North (Dumbrells Zone)

- **8m at 1.2% Sn** from 16m depth (BNRC38)
- **10m at 1.0% Sn** from 22m depth (BNRC51**)**
- **12m at 0.6% Sn** from 26m depth (BNRC44)
- **8m at 0.8% Sn** from 62m (BNRC46)

Bygoo South

- **7m at 1.3% Sn** from 22m depth (BNRC35)

Bald Hill

- **15m at 0.4% Sn** from 19m depth (BHRC01)

For details of drilling see Thomson's ASX releases of 31 August, 2017, 19 March 2018 and 5 April 2018.

The Main Zone at Bygoo North runs east-west, while the newly discovered zone runs north-south through the old Dumbrells pit. Further south the Bygoo South greisen appears to run southeast from the old Smiths historic workings.

The fourth new hard-rock tin discovery is at Bald Hill 25km south of Bygoo. This hard-rock mineralisation may have partly contributed to the historically defined alluvial tin resource estimated to contain 2,501,875 tonnes at 524 ppm Sn (0.05%) with an average thickness of 9.5m over a strike length of 1100m, containing 1,300 tonnes of tin metal (details given in Thomson's ASX release of 30 September 2016). It should be noted that the potential quantity and grade is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource, and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. No more recent work has been done to update this resource. The relevance of this historic resource is that it is a significant deposit of tin thought to be sourced by weathering from an as yet undiscovered hard rock deposit in the Bald Hill area.

These four discoveries are at the first three prospects tested on EL 8260; several compelling prospects are still to be investigated, particularly at the Big Bygoo group of historic workings, to which Thomson has recently gained an access agreement. Drilling is planned to extend the four known greisens and follow up the new potential.

The Bygoo Project comprises two Exploration Licences: EL 8260 surrounding the old Ardlethan Tin Mine and containing the Bygoo prospects and EL 8163 surrounding the historic Gibsonvale alluvial tin workings. The tin mine at Ardlethan was the most productive on the Australian mainland. From its discovery in 1912 until 1986, when mining ceased following a collapse in the price of tin, it processed over 9 million tonnes of ore containing 48,000 tonnes of tin (Paterson, 1990).

The Bygoo Project is funded under a "Farm In" agreement with a private Canadian investor. Funds totalling $A1,280,000 were received under the Farm In during the year, bringing the total contributed to $1.5 million. A further $1.5 million is due by

April 2019 to earn the investor 51% of the project (see Thomson's ASX Release of 5 July 2018). At year end Thomson Resources had $800,000 on hand which will be used to progress towards a JORC statement in early 2019.

Frying Pan Project – gold

Several promising gold occurrences occur on EL 8531 including the historic mines at Mallee Hen and Harry Smith.

Five holes for 558m were drilled on EL 8531 near old workings along the 400m strike length of the known lode (see ASX release of 26 March 2018). The standout intersection of 54m at 1.0 g/t Au from 8m depth in HSRC004 suggests strong shallow potential and the occurrence of multiple gold bearing quartz veins. An amendment to the Bygoo Farm In and Joint Venture Agreement excised this EL 8531 from the JV and accordingly it reverted to 100% ownership by Thomson Resources from 5 April 2018. Follow up drilling is planned.

Mt Paynter Project – tin and tungsten

The Mt Paynter exploration licence (EL 8392) was granted in late 2015. The EL covers a significant tin-tungsten (Sn-W) occurrence at Mt Paynter in southern NSW. Mt. Paynter is within the Lachlan Fold Belt within a similar geological setting to Thomson's Bygoo project.

A small Inferred JORC 2004 Resource was defined on the Main Lode in 2007. This comprises 245,000 tons grading 0.45% tungsten and 0.27% tin (1100 tons of tungsten and 660 tons of tin). This information was prepared and first disclosed under the JORC Code 2004 (details in Thomson Resources release of 30 September 2015). It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. There are prospects for additional mineralisation on the main lode with potential to extend to the east and west as well as down dip. There are also several other veins in the area that have not been drill tested. Access is currently being sought under the rules of exploration on Crown Lands.

Co-operative Drilling Grants

Two grants under the now cancelled New Frontiers Cooperative Drilling program expired during the year. Thomson had been awarded $170,000 direct drilling support for two gold projects - Mt Jacob and Cuttaburra. At Mt Jacob an access arrangement with Crown Lands has not yet been obtained. At Cuttaburra, results from the Southern Thomson Orogen drilling project undertaken by Geoscience Australia and the Geological Survey of NSW on similar magnetic anomalies have not been fully assessed or reported.

Joint Ventures

Thomson Resources has succeeded in forming partnerships with several companies to fund exploration on lower priority holdings. Silver City Minerals Limited (ASX:SCI) continue to explore at the Wilga Downs project (EL 8136) located approximately 80 kilometres north of Cobar, New South Wales. Silver Mines Limited (ASX:SVL) also progressed the Havilah copper-silver joint venture (EL 7391).

During the quarter Kidman Resources (ASX:KDR) and Variscan Mines (ASX:VAR) withdrew from the Browns Reef Project and Achilles Joint Ventures. The tenements involved, now wholly owned by Thomson, are ELs 7746, 7891, 7931 and 8604 (the latter replaced EL 8103). After a review of prospectivity EL7891 was surrendered. The tenement group is prospective for Cobar-type deposits at the southern end of the Cobar Basin. The ELs surround (but do not include) the Browns Reef zinc-lead-copper-silver-gold deposit. The tenement group is prospective for Cobar-type deposits at the southern end of the Cobar Basin. The ELs surround (but do not include) the Browns Reef deposit for which Kidman in December 2014, announced an exploration target consisting of:

27 to 37Mt grading at 1.3-1.4% Zn, 0.6 – 0.7% Pb, 9-10g/t Ag and 0.2-0.3% Cu**

** "The potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource." For details refer to the ASX announcement by Kidman Resources (ticker "KDR") of 29 December, 2014.

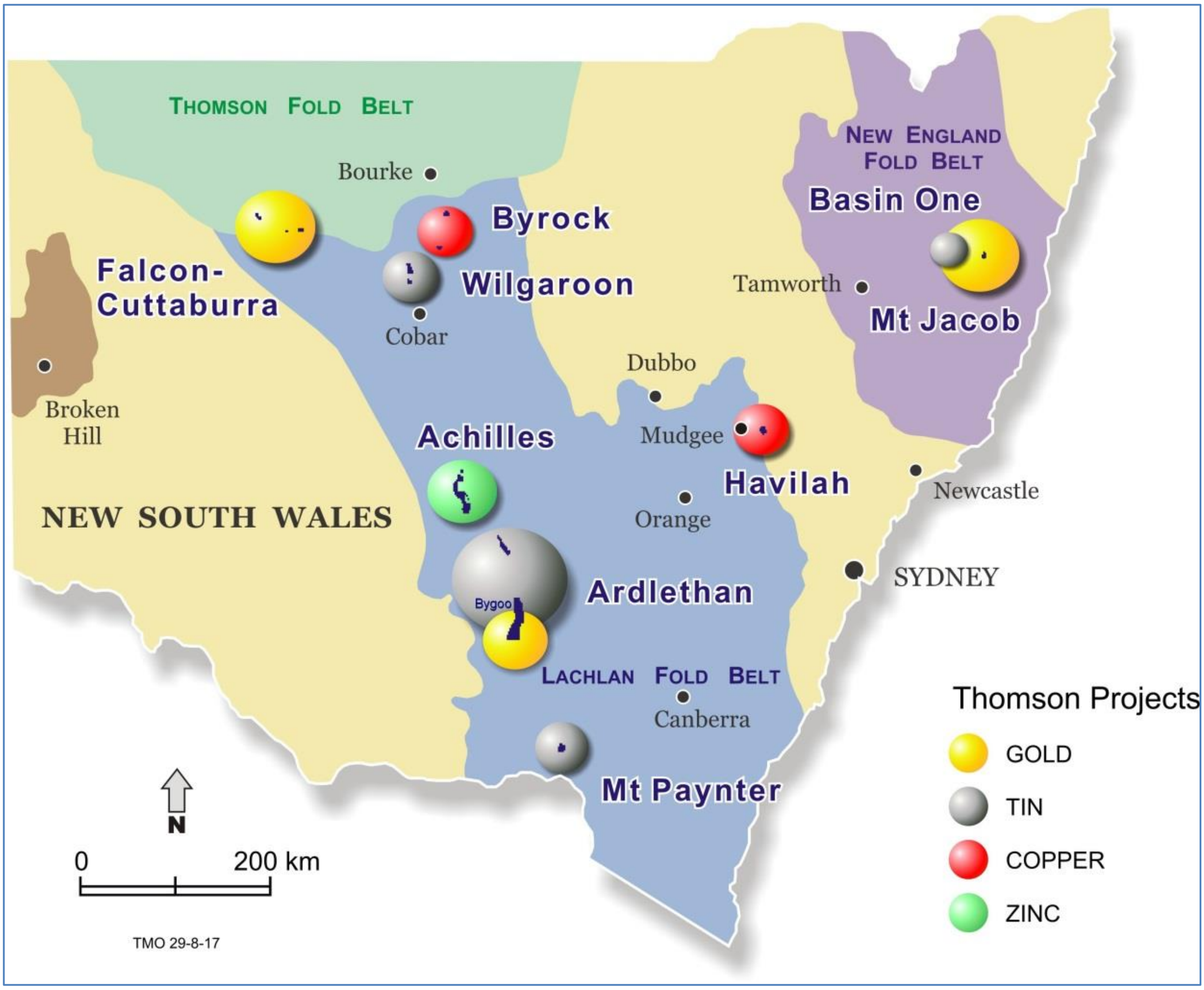


Figure 3: Thomson Resources Projects

Competent Person

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Eoin Rothery, (MSc), who is a member of the Australian Institute of Geoscientists. Mr Rothery is a part-time employee of Thomson Resources Ltd. Mr Rothery has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rothery consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This announcement contains information extracted from the following reports: Thomson Resources ASX Releases 30 September 2015, 29 July 2016, 30 September 2016, 31 August 2017, 28 June 2017, 26 March 2018, 5 April 2018, 19 June 2018 and 5 July 2018 and are available to view on the website www.thomsonresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Schedule of Tenements

As at 6 September 2018

Tenement	Tenement No.	Interest	Joint Venture Details
New South Wales			
Cuttaburra	EL 6224	100%	
Havilah	EL 7391	100%	Silver Mines Limited can earn 80%
Achillles	EL 7746	100%	
Chiron	EL 7931	100%	
Toburra	EL 8011	100%	
Wilga Downs	EL 8136	100%	Silver City Minerals can earn 80%
Gibsonvale	EL 8163	100%	Note 1, a private investor can earn up to 75%
Mt Jacob	EL 8256	100%	
Bygoo	EL 8260	100%	Note 1, a private investor can earn up to 75%
Mt Paynter	EL 8392	100%	
Frying Pan	EL 8531	100%	A private investor can earn up to 75%
Whooey	EL 8604	100%	

EL = Exploration Licence

Note 1: ELs 8163 and 8260 are held by Riverston Tin Pty Ltd which became a wholly owned subsidiary of Thomson Resources on 26 March 2015.

Your Directors submit their report for the year ended 30 June 2018.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless stated.

Lindsay Gilligan, PSM, BSc (Hons), MAppSc, MBA, FAIG, FSEG

Non-executive chairman

Director since 16 December 2009

Lindsay was formerly the Director of the Geological Survey of New South Wales. Lindsay's career has focused on the geology of mineral resources and fostering mineral exploration and discovery in the state and has over 40 years' experience as a geologist. Lindsay has extensive experience in government geoscience. He has published widely on aspects of mineral deposits. Whilst Director, he led the NSW State Government's highly successful New Frontiers exploration initiative. He has actively promoted mineral exploration investment in New South Wales both nationally and internationally.

Lindsay has a broad network across the exploration industry, government, and research organisations, as well as internationally in both government and industry and has a high public profile in the minerals industry. He is currently a director on the governing board of Deep Exploration Technologies Cooperative Research Centre Ltd. He also consults to Commonwealth and state agencies on government geoscience issues.

Lindsay was awarded the Public Service Medal in the 2008 Queen's Birthday Honours and, in the same year, was also awarded the Australian Mining magazine's "Most Outstanding Contribution to Australian Mining" Award.

During the past three years Lindsay has not served as a director of any other listed companies.

Eoin Rothery, MSc MAIG, RPGeo

Chief executive officer, Executive director

Director since 8 July 2010

Eoin was educated at Trinity College, Dublin, Ireland and spent 10 years in the resources industry there exploring for copper, zinc, uranium, gold and silver, before emigrating to Australia in 1989. Near-mine exploration followed at the major base metal deposits of Broken Hill and Macarthur River.

Moving to WA in 1997, Eoin supervised the drill out and resource estimation of the first million ounce underground gold resource at Jundee Gold Mine. At Consolidated Minerals from 2001 Eoin was in charge of the successful manganese exploration at Woodie Woodie, that discovered 15 million tons of ore, increasing both the mine life and resource base 4-fold, as well as managing successful iron ore, chromite and nickel exploration. Eoin was Managing Director of ASX listed India Resources Limited (IRL) for three years from start up in October 2006. IRL's Surda copper mine broke a 50 year production record in its first full year of production. Eoin has led Thomson Resources since 2009, through the initial IPO and to the Bygoo discovery.

During the past three years Eoin has not served as a director of any other listed companies.

Gregory Jones, BSc (Hons), MAusIMM, MAIG

Non-executive director

Director since 17 July 2009

Greg is a geologist with over 30 years of exploration and operational experience gained in a broad range of metalliferous commodities within Australia and overseas. Greg has held senior positions in a number of resource companies including Western Mining Corporation and Sino Gold Mining Limited. His experience spans the spectrum of exploration activity from grass-roots exploration through to resource definition and new project generation, as well as mine geology, ore resource/reserve generation and new mine development.

Greg was awarded the Institute Medal for academic excellence whilst at university and is credited with several economic discoveries including the Blair nickel and the Orion gold deposits in Western Australia.

During the past three years Greg has also served as a director of the following listed companies:

- Variscan Mines Limited – appointed 20 April 2009
- Eastern Iron Limited – appointed 24 April 2009, resigned 27 November 2017
- Silver City Minerals Limited – appointed 30 April 2009
- Moly Mines Limited – appointed August 2014, resigned 17 April 2018

Antonio Belperio, PhD, BSc (Hons)

Non-executive director

Director since 17 July 2009

Tony is a geologist with over 35 years' experience in a broad range of geological disciplines including environmental, marine and exploration geology.

He has held research positions at the Universities of Adelaide and Queensland, and was Chief Geologist with the South Australian Department of Mines and Energy prior to joining the Minotaur Group.

He held the positions of Chief Geologist and Exploration Manager with Minotaur Gold, Minotaur Resources and Minotaur Exploration from 1996 to 2007.

Tony is currently Director of Business Development at Minotaur Exploration Ltd. He has been awarded the University of Adelaide's Tate Memorial Medal, the Geological Society of Australia's Stillwell Award, Bruce Webb Medal, and AMEC's Prospector of the Year (jointly) in 2003.

During the past three years Tony has also served as a director of the following listed company:

- Minotaur Exploration Limited – appointed 22 August 2007

Directors' interests in shares and options

As at the date of this report, the interests of the Directors in the shares and options of the Company were:

	Shares directly and indirectly held	Options
L Gilligan	110,000	1,000,000
E Rothery	2,110,000	3,500,000
G Jones	310,000	1,000,000
T Belperio	1,500,000	1,000,000

Company Secretary

Ivo Polovineo, FIPA

Ivo was appointed Company Secretary of Thomson Resources on 16 February 2010. Ivo has over 30 years' experience in corporate accounting, finance and company secretarial work for a diverse range of companies. He has spent the past 20 years in senior management roles in the resources sector including 7 years as company secretary (and 5 years as CFO) of Sino Gold Mining Limited (a former ASX 100 company) until December 2009.

Ivo is currently also Company Secretary of Silver City Minerals Limited and Lynas Corporation Ltd.

Principal activities

The principal activity of the consolidated entity is exploration for the discovery and delineation of high grade base and precious metal deposits particularly within NSW and the development of those resources into cash flow generating businesses.

Results

The net result of operations of the consolidated entity after applicable income tax expense was a profit of $665,909 (2017: loss $148,685).

Dividends

No dividends were paid or proposed during the period.

Review of operations

A review of the operations of the Company during the financial period and the results of those operations commence on page 2 in this report.

Significant changes in the state of affairs

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial period, other than as disclosed in this report.

Significant events after the balance date

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2018 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years, other than:

- The Company issued 7,200,000 ordinary shares at $0.05 per share in July 2018 in a placement.
- The Company issued 1,000,000 ordinary shares at $0.034 per share in August 2018 in lieu of a creditor payment.

Likely developments and expected results

As the Company's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Company is hoping to establish resources from some of its current prospects and to identify further base and precious metal targets.

Shares under option or issued on exercise of options

Details of unissued shares or interests under option for Thomson Resources Ltd as at the date of this report are:

No. shares under option	Class of share	Exercise price of option	Expiry date of options
1,500,000	Ordinary	$0.06	26 Nov 18
5,500,000	Ordinary	$0.06	24 Nov 19
203,077	Ordinary	$0.065	29 May 20
100,000	Ordinary	$0.06	27 Aug 20
480,000	Ordinary	$0.0525	13 Oct 20
97,879	Ordinary	$0.0613	20 Dec 20
280,000	Ordinary	$0.075	29 Mar 21
8,160,956			

The holders of these options do not have the right, by virtue of the option, to participate in any share issue of the Company or of any other body corporate or registered scheme.

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

Indemnification and insurance of directors and officers

Indemnification

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Insurance premiums

During the financial period the Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

Environmental performance

Thomson Resources holds exploration licences issued by New South Wales Department of Industry – Resources and Energy, which specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the Department's guidelines and standards. There have been no significant known breaches of the licence conditions.

Remuneration report (audited)

This remuneration report for the year ended 30 June 2018 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of key management personnel (KMP)

Details of KMP including the top five remunerated executives of the Group are set out below.

Directors	
L Gilligan	Chairman
E Rothery	Executive Director/CEO
G Jones	Non-Executive Director
A Belperio	Non-Executive Director
Key management personnel	
I Polovineo	Company Secretary

Remuneration philosophy

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- Competitiveness and reasonableness.
- Acceptability to shareholders.
- Performance linkage/alignment of executive compensation.
- Transparency.
- Capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's limited financial resources.

Fees and payments to the Company's Non-Executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-Executive Directors, Senior Executives and Officers are entitled to receive options under the Company's Employee Share Option Scheme.

Non-executive director (NED) remuneration arrangements

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-Executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the Non-Executive Directors has been fixed at a maximum of $250,000 per annum to be apportioned among the Non-Executive Directors in such a manner as the Board determines. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

The Chairman's fee is set at $50,000 p.a. and NED fees at $36,000 p.a. At present, no Committee fees are paid to Directors.

On 1 October 2014 the Directors temporarily reduced their fees by $10,000 per annum with a further reduction from 1 January 2015 to 50% of their fees.

On 1 April 2016 the Directors temporarily stopped receiving Directors fees.

On 1 April 2018 the Directors commenced receiving fees at a reduced rate, being Chairman's fee of $15,000 p.a. and NED fees at $10,000 p.a.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in employment contracts and contractors agreements. Details of these agreements are set out below.

Executive Director/CEO – Eoin Rothery

- Contract term: Commenced 8 July 2010. No fixed term. Either party may terminate the letter of employment with 2 months' notice.
- Remuneration: $249,138 p.a. (full time rate) as at 31 March 2016 to be reviewed annually. From 1 April 2016 Eoin changed to part time employment working 50% of a week reducing his salary to $124,569 p.a. at 30 June 2018.
- Termination payments: A 3 month severance pay with an additional 3 months after more than five years employment.

Company Secretary – Ivo Polovineo

- Contract term: 12 month rolling contract. Either party may terminate the contract with 30 days' notice.
- Remuneration: $1,350 per day plus GST as at 30 June 2018 (2017: $1,250 per day).
- Termination payments: Nil.

Directors and key management personnel remuneration for the year ended 30 June 2018

	Short-term benefits	Post employment	Share-based payments		
	Cash salary and fees $	Superannuation $	Options $	Total $	Consisting of options %
Directors					
L Gilligan	3,425	325	-	3,750	-
E Rothery	113,762	10,807	-	124,569	-
G Jones	2,283	217	-	2,500	-
T Belperio	2,283	217	-	2,500	-
	121,753	11,566	-	133,319	
Other key management personnel					
I Polovineo	30,400	-	-	30,400	-
	152,153	11,566	-	163,719	

No performance based remuneration was paid in the 2018 and 2017 financial period.

Directors and key management personnel remuneration for the year ended 30 June 2017

	Short-term benefits	Post employment	Share-based payments		
	Cash salary and fees $	Superannuation $	Options $	Total $	Consisting of options %
Directors					
L Gilligan	-	-	21,900	21,900	100%
E Rothery	113,762	10,807	43,800	168,369	26%
G Jones	-	-	21,900	21,900	100%
T Belperio	-	-	21,900	21,900	100%
	113,762	10,807	109,500	234,069	
Other key management personnel					
I Polovineo	30,000	-	10,950	40,950	27%
	143,762	10,807	120,450	275,019	

Share-based compensation

Employee share option plan

The Company has adopted an Employee Share Option Plan in order to assist in the attraction, retention and motivation of employees and key consultants to the Company. At the date of this report there are 500,000 options on issue pursuant to the Employee Option Plan.

Compensation options: granted and vested during the year

There were no share based payments granted to Directors and Key Management personal during the financial year.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period.

Meetings of directors

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each director:

	Board of directors		Audit committee		Remuneration committee	
	Held	Attended	Held	Attended	Held	Attended
Directors						
L Gilligan	5	5	2	2	1	1
E Rothery	5	5	-	-	-	-
G Jones	5	4	2	1	1	0
T Belperio	5	5	2	2	1	1

Auditor's independence

bdjpartners
CHARTERED ACCOUNTANTS

partners
A J Dowell CA
M Galouzis CA
A N Fraser CA
G W Cliffe CA
B Kolevski CPA (Affiliate ICAA)

associate
M A Nakkan CA

consultant
C H Barnes FCA

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North Sydney NSW 2060

all correspondence
PO Box 1664
North Sydney NSW 2059

t 02 9956 8500

f 02 9929 7428

e bdj@bdj.com.au

www.bdj.com.au

Auditor's Independence Declaration

To the directors of Thomson Resources Ltd

As engagement partner for the audit of Thomson Resources Ltd for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

BDJ Partners
Chartered Accountants

…………………………………….
Anthony J Dowell
Partner

25 September 2018

Non-audit services

The Company's auditor, BDJ Partners did not provide non-audit services during the year ended 30 June 2018 (2017: nil). The Directors are satisfied that the provision of any non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Signed at Sydney this 26th day of September 2018 in accordance with a resolution of the Directors.

Lindsay Gilligan PSM
Chairman

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2018

	Note	2018 $	2017 $
Revenue	3	1,166,089	207,131
ASX and ASIC fees		(25,065)	(25,705)
Audit fees	17	(24,800)	(25,000)
Contract administration services		(67,937)	(64,547)
Depreciation expense		(1,026)	(1,047)
Employee costs (net of costs recharged to exploration projects)		(26,872)	(8,426)
Exploration expenditure expensed	8	(291,864)	(48,513)
Insurance		(12,781)	(12,356)
Rent		(21,600)	(21,600)
Share based payments	13	-	(120,450)
Other expenses from ordinary activities		(28,235)	(28,172)
Profit/(loss) before income tax expense		665,909	(148,685)
Income tax expense	4	-	-
Profit/(loss) after income tax expense	12	665,909	(148,685)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Other comprehensive income		-	-
Total comprehensive income/(loss) attributable to members of Thomson Resources Ltd		665,909	(148,685)
Basic earnings/(loss) per share (cents per share)	14	0.65	(0.15)
Diluted earnings/(loss) per share (cents per share)	14	0.65	(0.15)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2018

	Note	2018 $	2017 $
Current assets			
Cash and cash equivalents	5	802,650	146,345
Receivables	6	12,366	10,361
Tenement security deposits	7	10,000	-
Total current assets		825,016	156,706
Non-current assets			
Tenement security deposits	7	120,000	110,000
Property, plant and equipment		3,484	1,492
Deferred exploration and evaluation expenditure	8	2,441,127	2,053,144
Total non-current assets		2,564,611	2,164,636
Total assets		3,389,627	2,321,342
Liabilities			
Payables	9	93,386	78,693
Provisions	10	42,451	37,084
Total current liabilities		135,837	115,777
Non-current liabilities			
Provisions	10	32,135	29,668
Total non-current liabilities		32,135	29,668
Total liabilities		167,972	145,445
Net assets		3,221,655	2,175,897
Equity			
Contributed equity	11	8,460,208	8,138,559
Accumulated losses	12	(5,466,553)	(6,174,657)
Reserves	13	228,000	211,995
Total equity		3,221,655	2,175,897

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
Payment to suppliers and employees		(315,907)	(123,738)
Consulting fees		-	2,500
Joint venture income		1,280,000	220,000
R&D tax concession offset		-	4,081
Interest received		1,818	550
Net cash flows (used in) operating activities	24	965,911	103,393
Cash flows from investing activities			
Expenditure on mining interests (exploration)		(547,537)	(321,473)
Purchase of plant and equipment		(3,018)	(1,167)
Tenement security deposits		(20,000)	-
Net cash flows (used in) investing activities		(570,555)	(322,640)
Cash flows from financing activities			
Proceeds from issue of shares/share applications		310,949	163,583
Proceeds from borrowings		-	80,000
Repayment of borrowings		(50,000)	(30,000)
Equity raising expenses		-	-
Net cash flows from financing activities		260,949	213,583
Net increase/(decrease) in cash held		656,305	(5,664)
Add opening cash brought forward		146,345	152,009
Closing cash carried forward	24	802,650	146,345

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2018

	Note	Issued capital $	Accumulated losses $	Reserves $	Total equity $
At 1 July 2016		7,974,976	(6,119,107)	171,480	2,027,349
Profit/(loss) for the period		-	(148,685)	-	(148,685)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		-	(148,685)	-	(148,685)
Transactions with owners in their capacity as owners:					
Share based payments	13	-	-	120,450	120,450
Issue of share capital, net of transaction costs	11	163,583	-	-	163,583
Issue of unlisted options	13	-	-	13,200	13,200
Expired/exercised option value transferred to Accumulated Losses	13	-	93,135	(93,135)	-
At 30 June 2017		8,138,559	(6,174,657)	211,995	2,175,897
At 1 July 2017		8,138,559	(6,174,657)	211,995	2,175,897
Profit/(loss) for the period		-	665,909	-	665,909
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		-	665,909	-	665,909
Transactions with owners in their capacity as owners:					
Issue of share capital, net of transaction costs		321,649	-	-	321,649
Issue of unlisted options		-	-	58,200	58,200
Expired/exercised option value transferred to Accumulated Losses		-	42,195	(42,195)	-
At 30 June 2018		8,460,208	(5,466,553)	228,000	3,221,655

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

1. Corporate information

The financial report of Thomson Resources Ltd (the Company) for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 26 September 2018.

Thomson Resources Ltd (the parent) is a company limited by shares, incorporated on 17 July 2009 and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd using the ASX code TMZ.

The consolidated financial statements comprise the financial statements of Thomson Resources Ltd and its subsidiaries (the Group or Consolidated Entity).

The nature of the operations and principal activities of the Company are described in the Directors' Report.

2. Summary of significant accounting policies

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 and Australian Accounting Standards. The financial report has been prepared on a historical cost basis. All amounts are presented in Australian dollars.

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

Basis of consolidation

The consolidated financial statements comprise the financial statements of Thomson Resources Ltd (Thomson or the Company) and its subsidiaries (collectively, the Group) as at 30 June each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Non-controlling interests are allocated their share of profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributable to the non-controlling interest even if that results in a deficit balance.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. At this date, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate.

Property, plant and equipment

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

- Plant and equipment – 5 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.

An item of plant and equipment is derecognised upon disposal. 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 income statement in the period the item is derecognised.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Interest in jointly controlled operations – joint ventures

The Group has an interest in exploration joint ventures that are jointly controlled. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in the jointly controlled operations by recognising the assets that it controls and the liabilities that it incurs. The Group also recognises the expenses that it incurs and its share of any income that it earns from the sale of goods or services by the jointly controlled operations.

Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. After initial recognition, investments, which are classified as held-for-trading and available-for-sale, are measured at fair value. Gains or losses on investments held-for-trading are recognised in the income statement. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group 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. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. For investments that are actively traded in organised financial markets, fair value is determined by reference to Securities Exchange quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, being the date that the Group commits to purchase he asset.

Exploration, evaluation, development and restoration costs

Exploration and evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale.
- Exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration and evaluation – impairment

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry-forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Income Statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis, provisions would be reviewed and if appropriate, written back.

Development

Development expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration

Provisions for restoration costs are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and 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.

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Trade and other receivables

Trade receivables, which generally have 7-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of one year or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

Trade and other payables and provisions

Provisions are recognised when the Group 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.

Where the Group 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 income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee entitlements

Liabilities for wages and salaries are recognised and are measured as an amount unpaid at the reporting date at current pay rates in respect of an employee's services up to that date. Current employee contracts do not entitle them to annual leave and long service leave. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date.

Share-based payments

In addition to salaries, the Group provides benefits to certain employees (including Directors and Key Management personnel) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Binomial option pricing model. In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately.

However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and the new award are treated as if there was a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Revenue 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.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet 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 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.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets 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.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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.

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

Other taxes

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.
- 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 balance sheet.

Cash flows are included in the Cash Flow Statement 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.

Currency

Both the functional and presentation currency is Australian dollars (A$).

Investment in controlled entities

The Company’s investment in its controlled entities is accounted for under the equity method of accounting in the Company’s financial statements.

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Binomial formula taking into account the terms and conditions upon which the instruments were granted, as detailed in Note 13.

Capitalisation and write-off of capitalised exploration costs

The determination of when to capitalise and write-off exploration expenditure requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions.

Issued capital

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.

Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Group, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

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

- Costs of servicing equity.
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses.
- 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.

Accounting standards issued but not yet effective

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2018. The Consolidated Entity plans to adopt these standards at their application dates as detailed below.

AASB 16 Leases (effective 1 January 2019)

AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice. The Directors are yet to assess the full impact of AASB 16 and will apply the new standard from 1 January 2019.

It is anticipated that the application of these standards will not have a material effect on the Group's results or financial reports in future periods.

The Director's assessment of the impact of all other new standards and interpretations is that they will not have a material impact on the financial report of the Company.

3. Revenue from ordinary activities

	2018 $	2017 $
Interest received – other persons/corporation	2,452	550
R&D tax concession offset	-	4,081
Consulting and joint venture income	1,163,637	202,500
	1,166,089	207,131

4. Income tax

	2018 $	2017 $
Prima facie income tax (credit) on operating profit/(loss) at 27.5% (2017: 30%)	183,125	(44,606)
Future income tax benefit in respect of timing differences – not recognised	-	44,606
Deferred income tax liability in respect of carried forward tax losses – not recognised	(183,125)	-
Income tax expense	-	-

No provision for income tax is considered necessary in respect of the Company for the period 30 June 2018.

The Group has a deferred income tax liability of Nil (2017: Nil) associated with exploration costs deferred for accounting purposes but expensed for tax purposes. This liability has been brought to account and offset by deferred tax assets attributed to available tax losses. No recognition has been given to any deferred income tax asset which may arise from available tax losses, except to the extent offset against deferred tax liabilities. The Group has estimated its losses at $5,414,314 (2017: $5,707,118) as at 30 June 2018.

A benefit of 27.5% (2017: 30%) of approximately $1,488,936 (2017: $1,712,135) associated with the tax losses carried forward will only be obtained if:

- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.
- The Company continues to comply with the conditions for deductibility imposed by the law.
- No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

5. Cash and cash equivalents

	2018 $	2017 $
Cash at bank	284,963	146,345
Money market securities – bank deposits	517,687	-
	802,650	146,345

Bank negotiable certificates of deposit, which are normally invested between 7 and 365 days were used during the period and are used as part of the cash management function.

6. Receivables – current

	2018 $	2017 $
GST receivables	1,338	1,250
Prepayments	10,392	9,109
Interest receivable	634	-
Other debtors	2	2
	12,366	10,361

7. Tenement security deposits

	2018 $	2017 $
Cash at bank – bank deposits	130,000	110,000

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 20). The bank deposits are interest bearing.

8. Deferred exploration and evaluation expenditure

	2018 $	2017 $
Costs brought forward	2,053,144	1,781,236
Costs incurred during the period	679,847	320,421
Expenditure written off during period	(291,864)	(48,513)
Costs carried forward	2,441,127	2,053,144
Exploration expenditure costs carried forward are made up of:		
Expenditure on joint venture areas	1,410,502	264,774
Expenditure on non joint venture areas	1,030,625	1,788,370
Costs carried forward	2,441,127	2,053,144

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 2. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

9. Current liabilities – payables

	2018 $	2017 $
Trade creditors	20,506	14,812
Accrued expenses	69,881	11,212
Loan payable	-	50,000
PAYG payable	2,999	2,669
	93,386	78,693

10. Liabilities - provisions

	2018 $	2017 $
Current		
Annual leave	42,451	37,084
Non-current		
Long Service Leave	32,135	29,669

11. Contributed equity

	2018 $	2017 $
Share capital		
103,728,149 fully paid ordinary shares (2017: 102,115,751)	8,958,966	8,877,317
Fully paid ordinary shares carry one vote per share and carry the right to dividends.		
Share capital applications	240,000	-
Share issue costs	(738,758)	(738,758)
	8,460,208	8,138,559

		Number	$
Movements in ordinary shares on issue			
At 30 June 2016		99,005,156	8,713,734
Shares issued	(i)	100,000	5,000
Shares issued	(ii)	200,000	10,000
Shares issued	(iii)	1,200,000	60,000
Shares issued	(iv)	1,610,595	88,583
At 30 June 2017		102,115,751	8,877,317
Shares issued	(v)	909,090	50,000
Shares issued	(vi)	703,308	31,649
At 30 June 2018		103,728,149	8,958,966

(i) The Company issued 100,000 shares in December 2016 on the exercise of 100,000 options at $0.05 with an expiry date of 12 December 2017.

(ii) The Company issued 200,000 shares at $0.05 in a share placement in February 2016.

(iii) The Company issued 1,200,000 shares in May 2017 on the exercise of 1,200,000 options at $0.05 with an expiry date of 12 December 2017.

(iv) In May 2017 the Company issued 1,065,140 shares at $0.55 in a share placement and 545,455 shares at $0.055 as part repayment for a Loan Agreement.

(v) In July 2017 the Company issued 909,090 shares at $0.055 as part repayment for a Loan Agreement.

(vi) In March 2018 the Company issued 703,308 shares at $0.045 in a share placement and in lieu of creditor payments.

Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Options

Options do not carry voting rights or rights to dividends until options are exercised.

12. Accumulated losses

	2018 $	2017 $
Balance at the beginning of period	(6,174,657)	(6,119,107)
Expired option value transferred to Accumulated Losses	42,195	93,135
Operating gain/(loss) after income tax expense	665,909	(148,685)
Balance at 30 June	(5,466,553)	(6,174,657)

13. Reserves/share-based payments

Reserves

	2018 $	2017 $
Balance at 1 July	211,995	171,480
Expired/exercised option value transferred to Accumulated Losses	(42,195)	(93,135)
Share-based payment expense during the financial year	-	120,450
Issue of unlisted options	58,200	13,200
Balance at 30 June	228,000	211,995

Share-based payments

The Company has established the Thomson Resources Ltd Employee Share Option Plan ("ESOP") to assist in the attraction, retention and motivation of employees of the Company. There have been no cancellations or modifications to any of the plans during 2018. At the date of this report there were 500,000 options issued under this ESOP.

Summary of options granted

	2018 $	2017 $
Outstanding at the beginning of the year	11,850,000	8,400,000
Granted during the year	-	5,500,000
Issued on exercise of options ($0.05 options, expiry 12 Dec 17)	-	(1,300,000)
Forfeited/cancelled during the year	-	-
Expired during the year	(4,850,000)	(750,000)
Outstanding at the end of the year	7,000,000	11,850,000

The outstanding balance as at 30 June 2018 is represented by:

- 1,500,000 options exercisable at $0.06, expiry 26 November 2018
- 5,500,000 options exercisable at $0.06, expiry 24 November 2019

Option pricing model and terms of options

The following table lists the inputs to the options model and the terms of options granted:

Grant date	Number of options granted	Exercise price	Expiry date	Expected volatility	Risk-free rate	Expected life years	Estimated fair value	Model used	
Nov 15	1,500,000	$0.06	26 Nov 18	80%	1.93%	3	$0.0241	Binomial	(a)
Nov 16	5,500,000	$0.06	24 Nov 19	59.74%	1.89%	3	$0.0219	Binomial	(b)
TOTAL	7,000,000								

(a) 1,500,000 options were issued to the CEO of the Company as a performance incentive. The options vested on grant date.

(b) 5,000,000 options were issued to Directors of the Company and approved by shareholders at the Company's AGM held on 24 November 2016. 500,000 options were issued to an employee under the Company's ESOP. The options vested on grant date.

Weighted average disclosures on options

	2018	2017
Weighted average exercise price of options at 1 July	$0.06	$0.07
Weighted average exercise price of options granted during period	-	$0.06
Weighted average exercise price of options exercised during period	-	$0.05
Weighted average exercise price of options outstanding at 30 June	$0.06	$0.06
Weighted average exercise price of options exercisable at 30 June	$0.06	$0.06
Weighted average contractual life	1.19 years	1.48 years
Range of exercise price	$0.06 - $0.06	$0.05 - $0.06

Unlisted options issued

		Number	$
Movements in unlisted options on issue			
At 30 June 2016		-	-
Shares issued	(i)	203,077	13,200
At 30 June 2017		203,077	13,200
Shares issued	(ii)	100,000	6,000
Shares issued	(iii)	480,000	25,200
Shares issued	(iv)	97,879	6,000
Shares issued	(v)	280,000	21,000
At 30 June 2018		1,160,956	71,400

(i) The Company issued 203,077 unlisted options in June 2017 with an exercise price of $0.065 per option and expiry date of 29 May 2020, as consideration for corporate advisory services.

(ii) 100,000 options were issued with an exercise price of $0.06 per option and an expiry date of 27 August 2020, as consideration for corporate advisory services.

(iii) 480,000 options were issued with an exercise price of $0.525 per option and an expiry date of 13 October 2020, as consideration for corporate advisory services.

(iv) 97,879 options were issued with an exercise price of $0.0613 per option and an expiry date of 6 December 2020, as consideration for corporate advisory services.

(v) 280,000 options were issued with and exercise price of $0.075 per option and an expiry date of 29 March 2021, as consideration for corporate advisory services.

14. Earnings per share

	2018	2017
Net profit/(loss) used in calculating basic and diluted gain/(loss) per share	665,909	(148,685)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	103,203,526	99,548,583
	Cents per share	**Cents per share**
Basic earnings (loss) per share	0.65	(0.15)
Diluted earnings (loss) per share	0.65	(0.15)

15. Key management personnel

Key management personnel compensation

The aggregate compensation made to key management personnel of the Group is set out below:

	2018 $	2017 $
Short-term employee benefits	152,153	143,762
Post-employment benefits	11,566	10,807
Share-based payments	-	120,450
	163,719	275,019

Shareholdings of key management personnel

Fully paid ordinary shares held in Thomson Resources Ltd

	Balance at 1 July no.	Granted as compen-sation no.	Issued in Share Purchase Plan no.	Issued on exercise of Options No.	Net other change (Purchased/ Sold On Market) no.	Balance at 30 June no.
2018						
L Gilligan	110,000	-	-	-	-	110,000
E Rothery	2,110,000	-	-	-	-	2,110,000
G Jones	310,000	-	-	-	-	310,000
T Belperio	1,360,000	-	-	-	140,000	1,500,000
I Polovineo	125,000	-	-	-	-	125,000
	4,015,000	-	-	-	140,000	4,155,000
2017						
L Gilligan	110,000	-	-	-	-	110,000
E Rothery	1,815,000	-	-	300,000	(5,000)	2,110,000
G Jones	310,000	-	-	-	-	310,000
T Belperio	360,000	-	-	1,000,000	-	1,360,000
I Polovineo	125,000	-	-	-	-	125,000
	2,720,000	-	-	1,300,000	(5,000)	4,015,000

Option holdings of key management personnel

Share options held in Thomson Resources Ltd

	Balance at 1 July no.	Granted as compe-nsation no.	Exercised no.	Net other change no.	Balance at 30 June no.	Balance vested at 30 June no.	Vested but not exerc-isable no.	Vested and exercise-able no.	Options vested during year no.
2018									
L Gilligan	2,000,000	-	-	(1,000,000)	1,000,000	1,000,000	-	1,000,000	-
E Rothery	5,200,000	-	-	(1,700,000)	3,500,000	3,500,000	-	3,500,000	-
G Jones	2,000,000	-	-	(1,000,000)	1,000,000	1,000,000	-	1,000,000	-
T Belperio	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000	-
I Polovineo	1,000,000	-	-	(500,000)	500,000	500,000	-	500,000	-
	11,200,00	-	-	(4,200,000)	7,000,000	7,000,000	-	7,000,000	-
2017									
L Gilligan	1,000,000	1,000,000	-	-	2,000,000	2,000,000	-	2,000,000	1,000,000
E Rothery	4,250,000	2,000,000	(300,000)	(750,000)	5,200,000	5,200,000	-	5,200,000	2,000,000
G Jones	1,000,000	1,000,000	-	-	2,000,000	2,000,000	-	2,000,000	1,000,000
T Belperio	1,000,000	1,000,000	(1,000,000)	-	1,000,000	1,000,000	-	1,000,000	1,000,000
I Polovineo	500,000	500,000	-	-	1,000,000	1,000,000	-	1,000,000	500,000
	7,750,000	5,500,000	(1,300,000)	(750,000)	11,200,000	11,200,000	-	11,200,000	5,500,000

16. Related party disclosures

Subsidiaries

The consolidated financial statements include the financial statements of Thomson Resources Ltd (the Parent Entity) and the following subsidiaries:

		% Equity interest	
Name	**Country of incorporation**	**2017**	**2016**
Lassiter Resources Pty Ltd	Australia	100	100
Riverston Tin Pty Ltd	Australia	100	100

17. Auditors' remuneration

	2018 $	2017 $
Total amounts receivable by the current auditors of the Company for:		
Audit of the Company's accounts	24,800	25,000
Other services	-	-
	24,800	25,000

18. Joint ventures

Joint venture agreements

The Company is a party to a number of exploration joint venture agreements to explore for copper, gold, zinc, tin and lead. Under the terms of the agreements, other companies are required to contribute towards exploration and other costs if they wish to maintain or increase their percentage holdings. The joint ventures are not separate legal entities. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to the Company at the balance date resulting from these joint ventures other than exploration expenditure costs carried forward as detailed in Note 8 and a contingent liability under the Bohuon Success Fee Agreement as detailed in Note 20.

Costs are accounted for in accordance with the terms of joint venture agreements and in accordance with Note 2. Percentage equity interests in joint ventures at 30 June 2017 were as follows:

	Percentage interest 2018	Percentage interest 2017
Joint Ventures		
Cuttaburra EL 6224	100	100
Bohuon Success Fee Agreement EL 6224	0	0
Achilles and Chiron ELs 7746 and 7931	100	24
Tooronga EL 7891	0	49
Whooey EL 8604	100	49

19. Segment information

The operating segments identified by management are as follows:

Exploration projects funded directly by Thomson Resources Ltd ("Exploration")

Regarding the Exploration segment, the Chief Operating Decision Maker (the Board of directors) receives information on the exploration expenditure incurred. This information is disclosed in Note 8 of this financial report. No segment revenues are disclosed as each exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off which is disclosed in Note 8.

Financial information about each of these tenements is reported to the Chief Executive Officer on an ongoing basis.

Corporate office activities are not allocated to operating segments as they are not considered part of the core operations of any segment and comprise of the following:

- Interest revenue.
- Corporate costs.
- Depreciation and amortisation of non-project specific property, plant and equipment.

The Company's accounting policy for reporting segments is consistent with that disclosed in Note 2.

20. Contingent liabilities

The Group has provided guarantees totalling $130,000 (2017: $110,000) in respect of exploration tenements in NSW as at 30 June 2018. These guarantees in respect of exploration tenements are secured against term deposits with a banking institution and cash held by the NSW Department of Planning and Environment – Resources and Energy. The Company does not expect to incur any material liability in respect of the guarantees.

21. Financial instruments

The Board as a whole is responsible for reviewing the Company's policies on risk oversight and management and satisfying itself that Senior Management have developed and implemented a sound system of risk management and internal control. The Company's risk management policy has been designed to identify, assess, monitor and manage material business risks to ensure effective management of risk. These policies are reviewed regularly to reflect material changes in market conditions and the Company's risk profile.

The main risks identified in the Company's financial instruments are capital risk, credit risk, liquidity risk, interest rate risk and commodity price risk. Summarised below is information about the Company's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, the management of capital and financial instruments.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company. In order to achieve this objective, the Company seeks to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs.

The Board ensures costs are not incurred in excess of available funds and will seek to raise additional funding through the issue of shares for the continuation of the Company's operations when required.

The Company considers its capital to comprise of its ordinary share capital, option reserve and accumulated losses. There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

Financial risk management objectives

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

During the period there have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Company's risk management policies and objectives are designed to minimise the potential impacts of these risks on the results of the Company where such impacts may be material. The Board receives regular reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. These risks include credit risk, liquidity risk, interest rate risk and commodity price risk. The Company does not use derivative financial instruments to hedge these risk exposures.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these risks are set out below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company mitigates credit risk on cash and cash equivalents by dealing with banks that have high credit-ratings assigned by Standard and Poors. There are two counterparties for Cash and Cash equivalents which are Commonwealth Bank of Australia and Bank of Western Australia Limited. Credit risk of receivables is low as it consists predominantly of GST recoverable from the Australian Taxation Office and interest receivable from deposits held with regulated banks.

The maximum exposure to credit risk at balance date is as follows:

	2018 $	2017 $
Cash and cash equivalents	802,650	146,345
Receivables	12,366	10,361
Deposit with bank	130,000	110,000
	945,016	266,706

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity risk rests with the Board of Directors, who have built an appropriate risk management framework for the management of the Company's short, medium and long-term funding and liquidity requirements. The Company manages liquidity by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's contractual maturities of financial liabilities:

Financial liabilities	Carrying amount $	<12 months $	1-3 years $	>3 years $
2018				
Payables	93,386	93,386	-	-
	93,386	93,386	-	-
2017				
Payables	78,693	78,693	-	-
	78,693	78,693	-	-

The following table details the Company's expected maturity for financial assets:

Financial assets	Carrying amount $	<12 months $	1-3 years $	>3 years $
2018				
Cash at bank and term deposits	802,650	802,650	-	-
Receivables	12,366	12,366	-	-
Deposit with bank	130,000	10,000	-	120,000
	945,016	825,016	-	120,000
2017				
Cash at bank and term deposits	146,345	146,345	-	-
Receivables	10,361	10,361	-	-
Deposit with bank	110,000	-	-	110,000
	266,706	156,706	-	110,000

Interest rate risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's cash holdings and short term deposits. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

At balance date, the Company was exposed to floating weighted average interest rates as follows:

	2018 $	2017 $
Weighted average rate of cash balances	0.08%	0.28%
Cash balances	284,963	146,345
Weighted average rate of term deposits	2.08%	-
Term deposits	517,687	-

The Company invests surplus cash in interest-bearing term deposits with financial institutions and in doing so it exposes itself to the fluctuations in interest rates that are inherent in such a market. Term deposits are normally invested between 7 to 90 days and other cash at bank balances are at call.

The Company's exposure to interest rate risk is set out in the table below:

		+1.0% of AUD IR		-1.0% of AUD IR	
Sensitivity analysis	Carrying amount $	Profit $	Other equity $	Profit $	Other equity $
2018					
Cash and cash equivalents	802,650	8,027	-	(8,027)	-
Tax charge of 30%	-	(2,408)	-	2,408	-
After tax profit increase/(decrease)	802,650	5,619	-	(5,619)	-
2017					
Cash and cash equivalents	146,345	1,463	-	(1,463)	-
Tax charge of 30%	-	(439)	-	439	-
After tax profit increase/(decrease)	146,345	1,024	-	(1,024)	-

The above analysis assumes all other variables remain constant.

Commodity price risk

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Company does not hedge its exposures.

Net fair value of financial assets and liabilities

The carrying amount of financial assets and liabilities of the Company approximate their net fair values, given the short time frames to maturity and or variable interest rates.

22. Commitments

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence. Exploration licences renewed or granted in NSW after 1 July 2017 have no exploration expenditure commitment. These commitments are not binding as exploration tenements can be reduced or relinquished at any time.

	2018 $	2017 $
Payable not later than one year	0	49,702
Payable later than one year but not later than two years	0	0
	0	49,702

It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Company from time to time.

23. Events after the balance sheet date

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2018 that have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years, other than:

- The Company issued 7,200,000 ordinary shares at $0.05 per share in July 2018 in a placement.
- The Company issued 1,000,000 ordinary shares at $0.034 per share in August 2018 in lieu of a creditor payment.

24. Statement of cash flows

	2018 $	2017 $
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
(a) Operating profit/(loss) after income tax	665,909	(148,685)
Depreciation	1,026	1,047
Share based payments	-	120,450
Share options expensed	-	13,200
Exploration costs expensed	291,863	48,513
Exploration expensed in creditors and accrual balances	-	1,051
Annual and long service leave expensed	7,834	(6,178)
Change in assets and liabilities:		
(Increase)/decrease in receivables (excluding bad debts & GST)	(2,005)	77,766
(Decrease)/increase in trade and other creditors (excluding exploration costs in creditors)	1,284	(3,771)
Net cash outflow from operating activities	965,911	103,393

(b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.

	2018 $	2017 $
The balance at 30 June comprised:		
Cash assets	284,963	146,345
Bank deposits (Note: 5)	517,687	-
Cash on hand	802,650	146,345

25. Parent entity information

	2018 $	2017 $
Current assets	825,014	156,704
Total assets	2,121,451	2,134,870
Current liabilities	135,838	115,777
Total liabilities	167,973	145,445
Issued capital	8,460,208	8,138,559
Accumulated losses	(6,734,730)	(6,361,129)
Reserves	228,000	211,995
Total shareholders' equity	1,953,478	1,989,425
Profit/(loss) of the parent entity	(415,797)	(347,827)
Total comprehensive income/(loss) of the parent entity	(415,797)	(347,827)

Directors' Declaration

In accordance with a resolution of the directors of Thomson Resources Ltd, I state that:

In the opinion of the directors:

(a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

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

  (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and

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

(d) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2018.

On behalf of the Board

Lindsay Gilligan PSM
Chairman
Sydney, 26 September 2018

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Independent Auditor's Report

To the members of Thomson Resources Ltd

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Thomson Resources Ltd (the company and its subsidiaries) (the Group), which comprises the consolidated statements of financial position as at 30 June 2018, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Capitalised Deferred Exploration and Evaluation Expenditure $2.4m Refer to Note 8	
The consolidated entity owns the rights to several exploration licences in New South Wales. Expenditure relating to these areas is capitalised and carried forward to the extent they are expected to be recovered through the successful development of the respective area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. This area is a key audit matter due to: • The significance of the balance; • The inherent uncertainty of the recoverability of the amount involved; and • The substantial amount of audit work performed.	Our audit procedures included amongst others: • Assessing whether any facts or circumstances exist that may indicate impairment of the capitalised assets; • Performing detailed testing of source documents to ensure capitalised expenditure was allocated to the correct area of interest; • Performing detailed testing of source documents to ensure expenditure was capitalised in accordance with Australian Accounting Standards; • Obtaining external confirmations to ensure the exploration licences are current and accurate; and • Assessing the reasonableness of the capitalisation of the employee's salary.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Directors' Responsibility for the Financial Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- 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.

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

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

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

Report on the Remuneration Report

Opinion

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

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

Responsibilities

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

BDJ Partners
Chartered Accountants

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Anthony J Dowell
Partner

26 September 2018

Additional Information

Information relating to shareholders

Information relating to shareholders at 10 September 2018.

Ordinary fully paid shares

There was a total of 111,928,149 fully paid ordinary shares on issue.

Options

There was a total of 8,160,956 unlisted options on issue.

Substantial shareholders	Shareholding
MINOTAUR RESOURCES INVESTMENTS PTY LTD	14,700,000
VARISCAN MINES LIMITED	18,100,000
BNP PARIBAS NOMS PTY LTD <DRP>	10,000,000
AUSTRALIAN MINERAL & WATERWELL DRILLING PTY LTD	8,885,732

At the prevailing market price of $0.035 per share, there were 118 shareholders with less than a marketable parcel of $500.

Top 20 shareholders of ordinary shares	Number	%
MINOTAUR RESOURCES INVESTMENTS PTY LTD	14,700,000	13.13
VARISCAN MINES LIMITED	10,600,000	9.47
BNP PARIBAS NOMS PTY LTD <DRP>	10,000,000	8.93
AUSTRALIAN MINERAL & WATERWELL DRILLING PTY LTD	8,885,732	7.94
BLUESTONE 23 PTY LIMITED	7,500,000	6.70
VOLVERA GLOBAL ENTERPRISES LTD	4,800,000	4.29
MR DAVID ANTHONY WARD & MS JENNIFER ANN NASH <PEEL TOUT A/C>	4,000,000	3.57
SPRING CREEK EQUITIES PTY LTD <RIVERSDALE SPRING CRK FAM AC>	4,000,000	3.57
OPEKA DALE PTY LTD <OPEKA DALE P/L S/F NO 2 A/C>	3,780,577	3.38
LEE KIM YEW	3,750,000	3.35
DBS VICKERS SECURITIES (SINGAPORE) PTE LTD <CLIENT ACCOUNT>	2,225,000	1.99
CURRACLOE PTY LTD <ROTHERY SUPER FUND A/C>	2,110,000	1.89
WANG JIN	2,000,000	1.79
MR GEORGE DAVID BUTKERAITIS	1,443,500	1.29
MACT INVESTMENTS PTY LTD <BEL KIR SUPER FUND A/C>	1,115,000	1.00
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,076,797	0.96
MR GEORGE EVAN LOUIZIDIS	1,000,000	0.89
MR NICHOLAS JEFFREY MOSS & MS GERMEEN KALDAS	867,975	0.78
CARLISLE INVESTMENTS PTY LTD	711,590	0.64
CODE NOMINEES PTY LTD <CLIENT A/C 20381>	685,000	0.61
Total of top 20 holdings	**85,251,171**	**76.166**
Other holdings	26,676,978	23.83
Total fully paid shares issued	**111,928,149**	**100.00**

Additional Information

Distribution of shareholders		
Range	**No of shareholders**	**Ordinary shares**
1 – 1,000	12	3,287
1,001 – 5,000	5	17,375
5,001 – 10,000	93	921,650
10,001 – 100,000	163	6,998,288
100,001 – and over	86	103,987,549
	359	**111,928,149**

Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof.

Optionholders have no voting rights until the options are exercised.

There is no current on-market buy-back.

Distribution of holders of unlisted options		
Range	**No of optionholders**	**Options**
1 – 1,000	0	0
1,001 – 5,000	0	0
5,001 – 10,000	0	0
10,001 – 100,000	0	0
100,001 – and over	6	8,160,956
	6	**8,160,956**

Corporate governance statement

Thomson Resources is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board had adopted a comprehensive framework of Corporate Governance Guidelines.

The Group's Corporate Governance Statement can be viewed at: www.thomsonresources.com.au/company-profile/corporate-governance

Corporate Directory

Board of Directors	Lindsay Gilligan Non-Executive Chairman Eoin Rothery Chief Executive Officer Gregory Jones Non-Executive Director Antonio Belperio Non-Executive Director
Company Secretary	Ivo Polovineo
Registered Office	Level 1, 80 Chandos Street St Leonards, NSW 2065 PO Box 956, Crows Nest, NSW 1585 Telephone: +61 (0)2 9906 6225 Email: info@thomsonresources.com.au Website: www.thomsonresources.com.au
Share Registry	Boardroom Pty Limited GPO Box 3993 Sydney, NSW 2001 Telephone: +61 (0)2 9290 9600 Website: www.boardroomlimited.com.au
Auditors	BDJ Partners Level 13, 122 Arthur Street North Sydney, NSW 2060
Bankers	Macquarie Bank Commonwealth Bank Bankwest
Securities Exchange Listing	Australian Securities Exchange ASX code: TMZ
ACN	138 358 728

THOMSON RESOURCES
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St Leonards, NSW 2065 Australia
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