AURIS MINERALS LIMITED
ANNUAL REPORT
30 JUNE 2018

ABN 77 085 806 284

DIRECTORS

Neville Bassett	Non-Executive Chair
Brian Thomas	Non-Executive Director
Craig Hall	Non-Executive Director
Robert Martin	Non-Executive Director

CHIEF OPERATING OFFICER

Mike Hendriks

COMPANY SECRETARY

Mark Clements

AUSTRALIAN BUSINESS NUMBER

77 085 806 284

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SOLICITORS

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AUSTRALIAN SECURITIES EXCHANGE

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Perth, Western Australia 6000

ASX CODES

Ordinary Shares: AUR

Dear Shareholder,

I am pleased to be presenting to you in my inaugural year as Chair, the Auris Minerals Annual Report for the financial year ended 30 June 2018 ("FY 2018").

The 12 months in focus marked another chapter in the evolution of Auris, and was bookended by the realignment of the Company's corporate and operational objectives which culminated in the restructuring of our Board and management team.

As I am sure our shareholders will be aware, following a General Meeting held on Friday 20th April 2018, I was appointed to the Board as a Non-Executive Director along with Mr Brian Thomas and later appointed as Non-Executive Chairman. On 1 August 2018, Mr Craig Hall was appointed as a Non-Executive Director to represent the interests of Investmet Limited, replacing Ms Bronwyn Barnes.

Shortly after the conclusion of FY 2018, Mr Mike Hendriks was appointed on a strategic consultancy arrangement to oversee the daily operations of the business. I am delighted with the initiatives and corporate insight Mike has provided since joining our management team and I look forward to his ongoing contributions towards driving Auris forward.

I acknowledge and understand that the Company's recent history has been dotted by changes to management and Board personnel, however with the swift implementation of this recent realignment, I am pleased to advise that the foundations are now firmly set for Auris to deliver on our exploration objectives for our shareholders.

Shifting our focus away from the Boardroom, as you will note from recent ASX filings, a key focus over recent months has been on refining the exploration strategy across our ~1,380km^2 copper-gold portfolio in the Bryah Basin of Western Australia.

From a technical perspective, we continue to be encouraged by the positive results received from our ongoing target generation activities, which have provided a very robust foundation from which our follow-up drilling programs can be built.

Auris' 'on-ground' focus for FY 2019:

- narrow our focus towards ramping up exploration across our Bryah Basin tenement holdings;
- significantly improve our regional geological control of the Western Bryah Basin – starting with the near-term release of detailed geological interpretations and updated project maps;
- stronger commitment to systematically drilling our highest priority targets – starting with the respective Cashman and Forrest Projects;
- build upon our relationship with Sandfire Resources NL (ASX: SFR) as we look to progress exploration work across the highly prospective Morck Well East and Doolgunna Projects; and
- assess new strategic opportunities as they arise to expand our asset base.

I am very confident that our portfolio has considerable underlying potential, you only need to look at some of the world-class mining operations that reside in the same neighbourhood as Auris, and so the challenge is now firmly centred on delivering on this potential.

Finally, I would like to take this opportunity to thank all of our shareholders for their ongoing support over the past 12 months. You can be assured that your Board is working hard to repay your commitment, having entered this current financial year with great optimism.

Yours sincerely,

NEVILLE BASSETT

The directors present their report together with the financial report of Auris Minerals Limited (the Company or Auris), for the year ended 30 June 2018 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Name	Period of Directorship
Mr Neville Bassett – Non-Executive Chair	Appointed 20 April 2018
Mr Robert Martin – Non-Executive Director	Appointed 2 November 2016
Mr Brian Thomas – Non-Executive Director	Appointed 20 April 2018
Mr Craig Hall – Non-Executive Director	Appointed 1 August 2018
Ms Bronwyn Barnes – Non-Executive Director	Appointed 25 November 2016, held position of Non-Executive Chair to 20 April 2018, Removed 1 August 2018
Dr Susan Vearncombe – Non-Executive Director	Appointed 11 August 2017, Removed 20 April 2018
Mrs Debbie Fullarton – Executive Director	Appointed 1 September 2016, Resigned 11 August 2017

The qualifications, experience, interest in shares and options, and other directorships of the directors in office at the date of this report and during the financial year are:

Current Directors

Neville Bassett	**Non-Executive Chair**
Experience and expertise	Mr Bassett is a Chartered Accountant specialising in corporate, financial and management advisory services. He has been involved with numerous public company listings and capital raisings. His involvement in the corporate arena has also taken in mergers and acquisitions and includes significant knowledge and exposure to the Australian financial markets. He has a wealth of experience in matters pertaining to the Corporations Act, ASX listing requirements, corporate taxation and finance. Mr Bassett is a Fellow of Chartered Accountants Australia and New Zealand. He was a Director/Councillor of the Royal Flying Doctor Service in Western Australia for 26 years, serving 8 years as Chairman before his retirement in 2017. He served 6 years as Western Operations representative on the National Board of the Australian Council of the Royal Flying Doctor Service of Australia. Mr Bassett was awarded a Member of the Order of Australia (AM) in the 2015 Australia Day Honours.
Interest in Shares and Options	1,100,000 ordinary shares in Auris Minerals Limited.
Listed company directorships in last three years	Currently a Non-Executive Director of Pointerra Limited (ASX: 3DP) and Metalsearch Ltd (ASX: MSE). Previously a Non-Executive Director of Quantify Technology Holdings Ltd, Longford Resources Ltd, Meteoric Resources NL and Vector Resources Ltd.

Robert Martin	**Non-Executive Director**
Experience and expertise	Mr Martin is a major shareholder in the Company and has extensive experience in ASX listed companies. Mr Martin is also a director and the largest private shareholder (22.8%) of Bulletin Resources Limited (ASX: BNR). Mr Martin played a key role in the BNR joint venture with Pantoro (ASX: PNR) to establish the highly successful Halls Creek gold mine.
Interest in Shares and Options	31,151,486 ordinary shares in Auris Minerals Limited and 2,000,000 performance rights expiring 22 November 2020.
Listed company directorships in last three years	Non-Executive Director of Bulletin Resources Limited (ASX: BNR)
Brian Thomas	**Non-Executive Director**
Experience and expertise	Mr Thomas is the principal of a corporate advisory practice working with small to mid-market capitalisation companies in corporate finance, mergers & acquisitions and investor relations. He has held both Executive and Non-Executive Director roles with numerous ASX listed and unlisted companies after an extensive career in the financial services sector in corporate stockbroking, investment banking, funds management and banking. He has more than 30 years of mining and exploration industry experience in a broad range of commodities from precious and base metals, bulk and industrial minerals, diamonds plus oil and gas. Mr Thomas graduated from the University of Adelaide with a BSc in Geology and Mineral Economics, the University of Western Australia Business School with an MBA and the Securities Institute of Australia (now FinSIA) with a Certificate in Applied Finance and Investment.
Interest in Shares and Options	None
Listed company directorships in last three years	Mr Thomas is currently a Non-Executive Director of Cougar Metals NL (ASX: CGM) and was formerly a Non-Executive Director of Tempo Australia Ltd (ASX: TPP). He was a Non-Executive Director of Orinoco Gold Limited before becoming the, now former, Non-Executive Chairman. He was also previously the Non-Executive Chairman for GO Energy Group Limited and Ensurance Ltd.
Craig Hall	**Non-Executive Director**
Experience and expertise	Mr Craig Hall is an experienced geologist with over 30 years of minerals industry experience in exploration, development and production roles in a range of commodities, principally precious and base metals. He has held a variety of senior positions with mid-tier and junior sector resource companies within Australia and overseas. He has previously consulted to the minerals industry providing high quality exploration outcomes, on-site mining support, expert reporting, project valuations and strategic advice to companies through an association with a well-respected Western Australian resource consultancy. Until 6 August 2018, Mr Hall served as a Non-Executive Director of Eclipse Metals Ltd (ASX: EPM) an Australian exploration company focused on exploring the Northern Territory and Queensland for uranium and manganese mineralisation.
Interest in Shares and Options	None
Listed company directorships in last three years	Mr Hall was a Non-Executive Director of Eclipse Metals Ltd.

Former Directors

Bronwyn Barnes	**Non-Executive Director – Removed 1 August 2018**
Experience and expertise	Ms Barnes is a mining industry executive and consultant with over 23 years' experience that includes, investor relations, stakeholder relations (including Government relations), heritage and native title, corporate development and strategic planning. Most recently she was Executive Chair of Windward Resources Ltd where she oversaw the successful on market takeover of Windward by Independence Group NL and before this spent 4 years as deputy CEO of AMC Bauxite Ltd and 2 years as Managing Director of Graynic Metals Pty Ltd. Ms Barnes has held positions both in the minerals and energy sectors of the mining industry including, WMC, BHPB Nickel West, Anaconda Nickel, Methanex Australia and Philips Petroleum Australia.
Interest in Shares and Options	1,004,349 ordinary shares in Auris Minerals Limited.
Listed company directorships in last three years	Ms Barnes is the Non-Executive Chair of Indiana Resources Limited (ASX: IDA), MOD Resources Ltd (ASX: MOD) and was formerly the Executive Chair of Windward Resources Ltd and Non-Executive Director of JC International Ltd.
Susan Vearncombe	**Non-Executive Director – Removed 20 April 2018**
Experience and expertise	Dr Vearncombe is a geologist with over 25 years' experience in the exploration and mining sectors. Susan has a very strong technical background that spans projects across Australasia, North and South America, Asia, Africa and Europe. She also has a broad range of boardroom and managerial experience that includes public listing, capital raisings, project acquisitions and initiatives, geology audits, operational practices for best outcomes and establishment of offshore subsidiaries. Dr Vearncombe was a former MD of Silver Swan Group, Non-Executive Director of Straits Resources and General Manager-Geology for Mercator Gold. Currently, in conjunction with a Sydney-based Fund, Susan identifies mining and exploration opportunities in the Iberian Peninsula, carries out negotiations, due diligence, acquisition and placement into appropriate vehicles.
Interest in Shares and Options	None
Listed company directorships in last three years	None
Debbie Fullarton	**Executive Director – Resigned 11 August 2017**
Experience and expertise	Mrs Fullarton is a Chartered Accountant with over 25 years' experience in the resources industry. She served as the Company's Chief Financial Officer from 2012 until her resignation in August 2017. She has provided corporate, financial management, administration and secretarial services for a number of listed and unlisted companies with a specific focus on exploration. Mrs Fullarton formerly held the position of Financial Manager for De Beers Australia Exploration Limited and has also consulted to Gold Road Resources Limited, Base Resources Limited and North Australian Diamonds Limited. Mrs Fullarton currently holds director roles in a number of unlisted companies and is a member of the Institute of Chartered Accountants Australia and a member of the Governance Institute of Australia.

Interest in Shares and Options	1,950,833 ordinary shares in Auris Minerals Limited and options to acquire a further 400,000 ordinary shares.
Listed company directorships in last three years	None

2. Company Secretary

Mr Mark Clements holds the position of Company Secretary, being appointed on 2 July 2012. Mr Clements gained a Bachelor of Commerce degree from the University of Western Australia. He is a Fellow of the Institute of Chartered Accountants and a member of the Australian Institute of Company Directors and an affiliated member of the Institute of Chartered Secretaries in Australia. Mr Clements currently holds the position of Company Secretary for a number of publically listed companies and has experience in corporate finance, accounting and administration, capital raisings and ASX compliance and regulatory requirements.

3. Directors' Meetings

Formal meetings of the directors of the Company during the financial year are tabled as follows:

Director	Meetings eligible to attend	Meetings attended
Neville Bassett	2	2
Brian Thomas	2	2
Bronwyn Barnes	6	4
Susan Vearncombe	4	4
Robert Martin	6	6
Debbie Fullarton	-	-

4. Principal Activities and Review of Operations

Review of Financial Condition

The Group recorded a loss of $1,317,036 for the year ended 30 June 2018 (2017: loss of $884,710). The loss includes an impairment adjustment for exploration and evaluation expenditure of $364,813 (2017: $254,115).

As at 30 June 2018, the Group had net working capital of $3,971,818 (2017: $2,567,845). The Group's net asset position was $20,914,119 (2017: $17,651,481).

Exploration Highlights

Auris is primarily exploring for high-grade copper-gold deposits in the highly prospective Bryah Basin region of Western Australia.

Significant activities during the 2018 financial year included the following:

- Phase 2 RC drilling at Wodger (1,251m);
- Follow-up diamond drilling at Wodger (2 holes, 1,170m) and Forrest (1 hole, 580m) Prospects;
- First sulphides intercepted at Wodger Prospect (in WDRC005);
- DHEM surveys of three holes at Wodger and one hole at Forrest – new conductor defined from WRDD003;
- Reprocessed ground-based MLEM survey at Forrest – new conductor defined.
- Gravity surveys completed on four tenements (three on Horseshoe Project and one on Forrest Project) – completes gravity coverage of the entire tenement portfolio in the Bryah Basin;

- Regional (1:100,000 scale) and detailed (1:25,000 scale) geological interpretations of all available historical data, including magnetics, radiometrics, gravity, EM, geochemistry, published maps, etc., commissioned – 75% completed, with some significant outcomes (e.g.,. recognition of previously unmapped prospective stratigraphy);
- VTEM survey over areas of interest on the Cashman, Forrest and Horseshoe Project areas (total 1,802 line km) – multiple anomalies/targets defined, which require follow-up and/or drill testing;
- Revised geological interpretation of the Wodger and Forrest Prospects – nearing completion, further drilling planned;
- Farm-out of the Doolgunna and Morck Well East tenements (4 in total) to Sandfire Resources NL;
- VTEM survey over the Morck Well JV area – several robust anomalies defined;
- Massive sulphide identified in 3 aircore holes at the far northeast of the Morck Well JV – followed up by RC and diamond core holes, DHEM and ground-based MLEM;
- Follow-up aircore drilling at Feather Cap Prospect, Morck Well West Project;
- Regional soil sampling programme initiated over the prospective Karalundi Formation on Cashman Project (nearing completion);
- Establishment of a new Exploration Database, with Expedio data management consultants;
- Compilation of a Technical Library of historical reports, with catalogue.

In addition to the above, a comprehensive review and assessment of the entire exploration portfolio has been undertaken, the Projects have been ranked and prioritised, and a new exploration strategy has been developed.

Exploration Portfolio

Auris has consolidated a 1,380km² copper-gold exploration portfolio in the Bryah Basin divided into five well-defined project areas – Forrest, Cashman, Horseshoe, Morck Well and Doolgunna. In February 2018, Auris entered into a farm-in JV agreement with Sandfire Resources NL with respect to the Morck Well East and Doolgunna Projects (which cover 442km²).

In addition, the Company owns three Mining Leases, one Exploration License and one Prospecting License in the Chunderloo area, just over 15km southwest of Meekatharra.

The projects are currently ranked as follows:

1. Cashman
2. Forrest
3. Morck Well East
4. Doolgunna
5. Horseshoe Well
6. Chunderloo

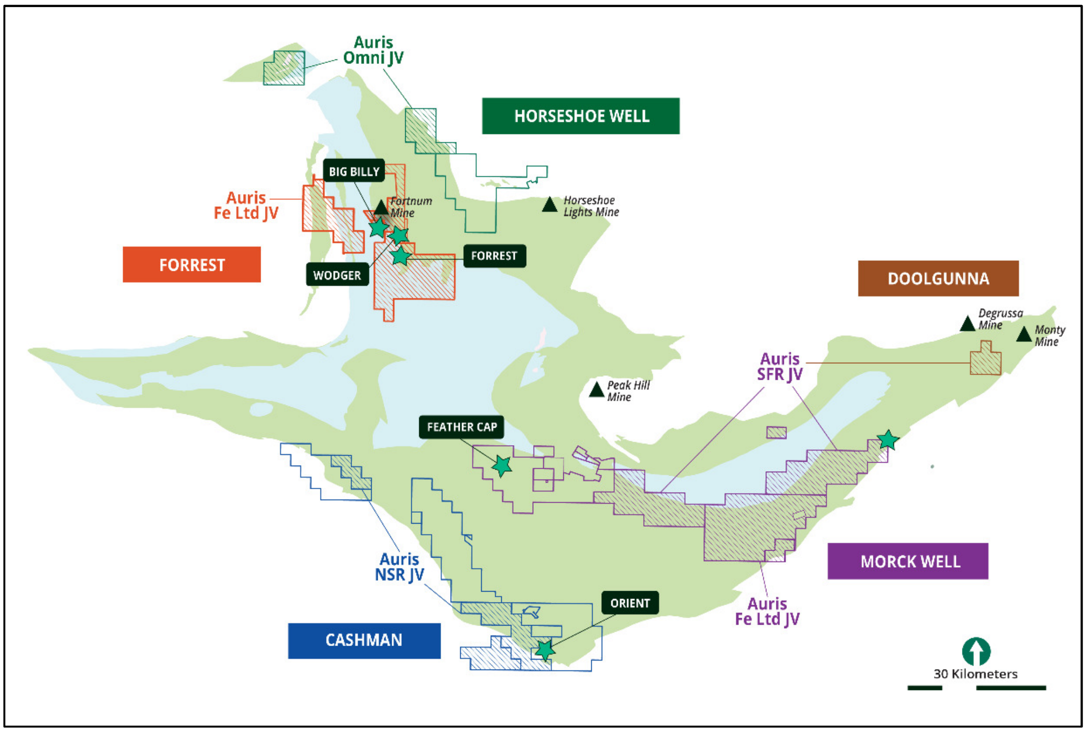

Figure 1: Auris Exploration Tenement Portfolio in the Bryah Basin (Sandfire, Northern Star & Omni JVs indicated)

Notes:

1. The Forrest Project tenements (Figure 1) have the following outside interests:
   - Auris 80%; Fe Ltd 20% ((Fe Ltd (ASX:FEL) interest is free carried until a Decision to Mine)
   - Westgold Resources Ltd (ASX:WGX) own the gold rights over the Auris interest
2. Doolgunna Project tenement E52/2438 – Subject to Farm-in Agreement with Sandfire Resources NL (ASX:SFR) (Figure 1)
3. The Morck Well East JV Project tenements E52/1613, E51/1033, E52/1672 (Figures 1) (Auris 80%; Fe Ltd 20%)
   - Subject to Farm-in Agreement with Sandfire Resources NL (ASX:SFR)
4. The Cashman Project tenements E51/1391, E51/1837-38, E52/2509 (Figure 1) have the following outside interests:
   - Auris 51%; Northern Star 49% (ASX:NST) with Auris earning 70%
5. The Horseshoe Project tenements E52/3248, E52/3291, E52/2509 (Figure 1) have the following outside interests:
   - Auris 85%; OMNI Projects Pty Ltd 15% (OMNI interest is free carried until a Decision to Mine)

Exploration Strategy

Auris' exploration strategy is summarised as follows:

- Focus attention on unlocking the value of the current tenement package in the Bryah Basin;
- Assess new strategic project opportunities as they arise;
- Target multiple Cu-Au deposits – including but not limited to only VMS model deposits;
- Develop the best regional geological control possible (to provide context), by means of published maps, airborne geophysics (magnetics, radiometrics & EM), ground gravity and field mapping;
- Commitment to drill exploration targets as soon as possible after definition;
- Adhere to the highest technical standards in all activities.

Review of Operations

Drilling at Wodger and Forrest

The first phase of RC drilling was completed on the Wodger Prospect in July 2017 (total 999m), to test the anomalous copper and gold intersected in previous aircore drilling. The following significant intercepts were reported (ASX announcement, dated 21 August 2017), along a strike length of approximately 150m.

- **WDRC002** **14m @ 1.48% Cu, from 118m,** including
  5m @ 3.61% Cu, from 123m
  9m @ 2.01g/t Au, from 123m, including
  3m @ 5.19g/t Au;
- **WDRC003** **61m @ 0.49% Cu, from 122m,** including
  5m @ 0.98% Cu from 128m
  3m @ 1.07% Cu from 156m
  4m @ 1.31% Cu from 171m
  9m @ 0.94g/t Au, from 171m
- **WDRC004** **27m @ 0.37% Cu, from 96m,** including
  1m @ 3.89% Cu, from 96m;
- **WDRC005** **50m @ 1.55% Cu, from 175m,** including
  31m @ 2.39% Cu, from 187m, including
  17m @ 3.41% Cu, from 200m

A second phase of RC drilling, in September 2017 (total 1,251m), yielded more encouraging results (ASX announcement, dated 17 October 2017):

- **WDRC006** **78m @ 0.35% Cu,** including
  15m @ 1.17% Cu, from 138m;
- **WDRC007** **6m @ 1.14% Cu, from 235m;**
- **WDRC008** **28m @ 0.75% Cu, from 155m;**
- **WDRC010** **66m @ 0.59% Cu, from 290m,** including
  3m @ 2.20% Cu, from 307m
  11m @ 1.22% Cu, from 317m
  5m @ 2.38% Cu, from 346m

Two diamond core holes (WRDD003 & 004, for 560m & 610m, respectively) were drilled at Wodger in the reporting period, to follow up the two drilled in the first half of 2017. The deepest hole was partly paid for with a $200,000 Exploration Incentive government grant (ASX announcement, dated 05 September 2017). A broad anomalous intercept was reported from WRDD003 (ASX announcement, dated 10 November 2017):

- **WRDD003** **71.0m @ 0.21% Cu, from 365m,** including
  5.5m @ 0.49% Cu, from 396m
  2.5m @ 2.53% Cu, from 419m
  5.0m @ 0.5% Cu, from 431m
  2.5m @ 0.32g/t Au, from 419m
  0.5m @ 0.55g/t Au, from 434m

Two zones of anomalous copper were reported from WRDD004 (ASX announcement, dated 24 January 2018), with thinner zones of higher-grade copper and gold included, as follows:

- **WRDD004** **6.8m @ 0.35% Cu, from 272m,** including

  10.8m @ 0.34g/t Au

  72.0m @ 0.21% Cu, from 344m, including

  16.7m @ 0.44% Cu

  6.8m @ 0.37g/t Au

  3.0m @ 0.40g/t Au

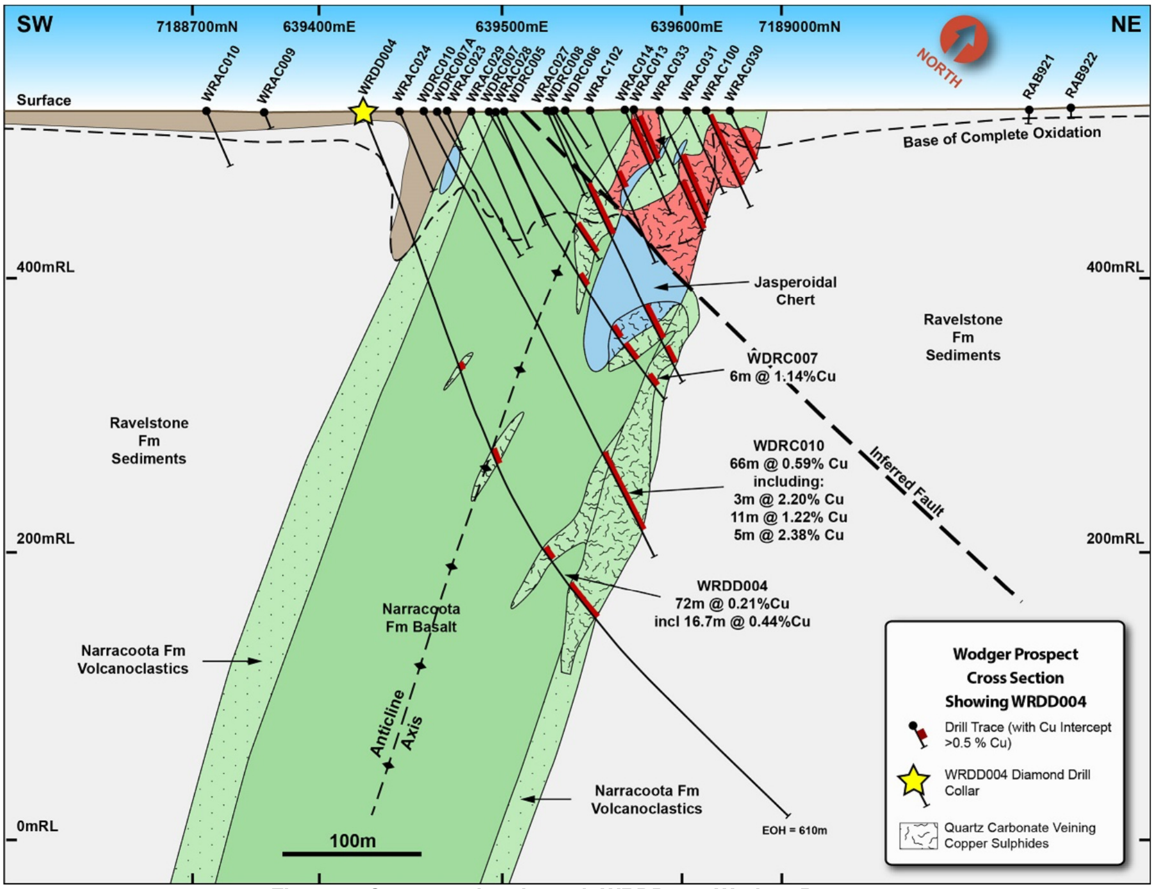

Figure 2: Cross section through WRDD004, Wodger Prospect

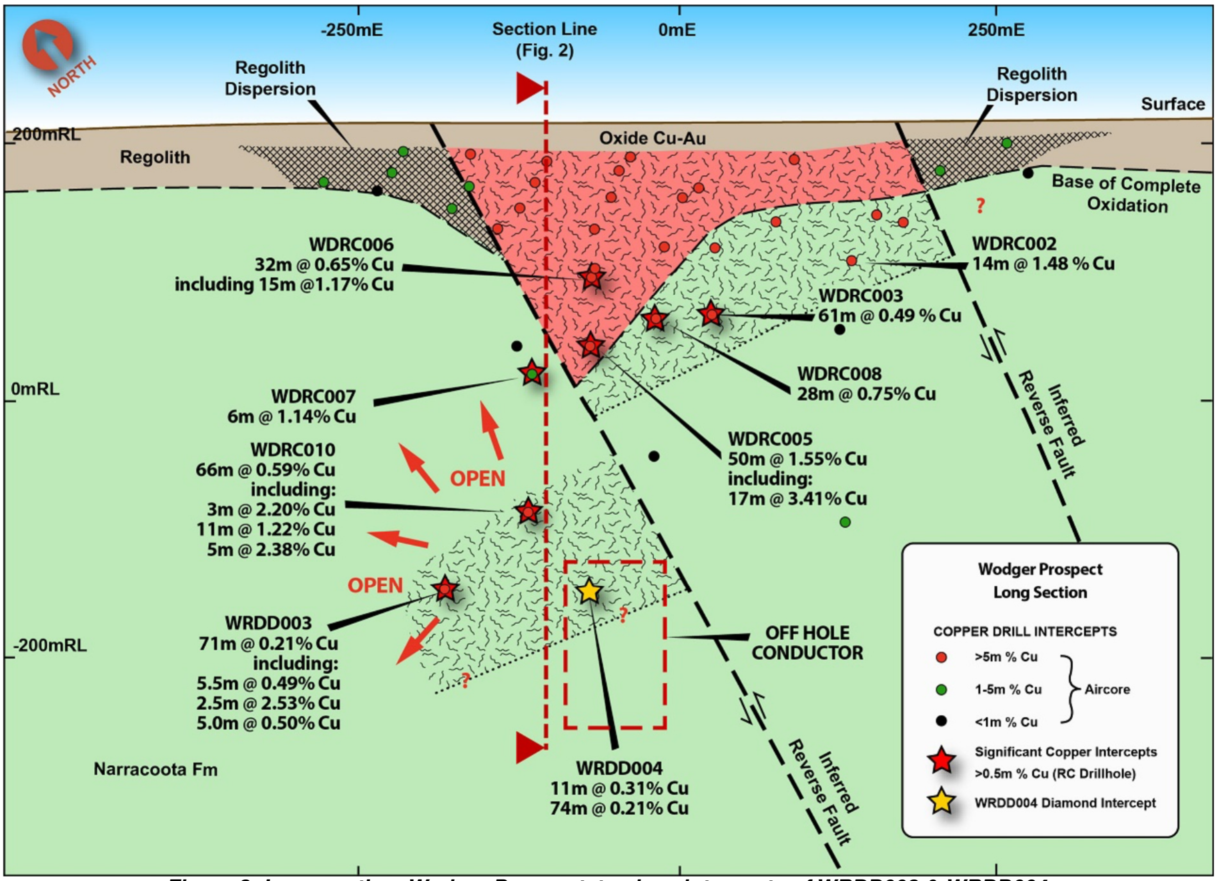

Figure 3: Long section, Wodger Prospect, to show intercepts of WRDD003 & WRDD004.

Three down-hole electromagnetic (DHEM) surveys were completed at Wodger. Only one off-hole conductor was identified, from WRDD003, and this was tested by WRDD004. The EM response is now interpreted to have been due to conductive regolith in a zone of preferential weathering.

One diamond core hole (FGDD007, for 580m) was drilled at the Forrest Prospect at the end of 2017, to test a remodelled ground EM anomaly, which was thought to be coincident with a blind anticline (analogous to the interpretation for Wodger). Two thin zones of anomalous copper were reported from FGDD007 (ASX announcement, dated 24 January 2018):

- **FGDD007 2.0m @ 0.10% Cu, from 474m**

  2.0m @ 0.11% Cu, from 335m

A DHEM survey in FGDD007 had to be abandoned before completion, but no conductor was recognised in the part of the hole that was surveyed (350-580m). The weak ground EM anomaly at Forrest is not properly explained but, given that the DHEM response in FGDD007 is similar to others at Wodger, it is possible that deep weathering and/or conductive cover may be the cause.

Both Wodger diamond core holes were originally interpreted to have drilled across the Wodger Anticline, starting in Ravelstone Formation sediments, through Narracoota Formation volcanics, and ending back in Ravelstone Formation. However, consistent up-hole younging directions at Wodger suggest that the stratigraphy at the prospect is not folded, as previously thought. The lower/north-eastern Narracoota Formation contact is interpreted to be structural in nature, which is consistent with the quartz-carbonate veining associated with the broad, anomalous intercepts of copper and gold. Copper sulphides, including bornite, minor chalcopyrite and chalcocite. The mineralised structure may be a back-thrust.

Another possibility is that the sediments that occur beneath the Narracoota Formation at Wodger are Karalundi Formation (ASX announcement, dated 17 July 2018). Further work (including more drilling) will probably be required to resolve the interpretation.

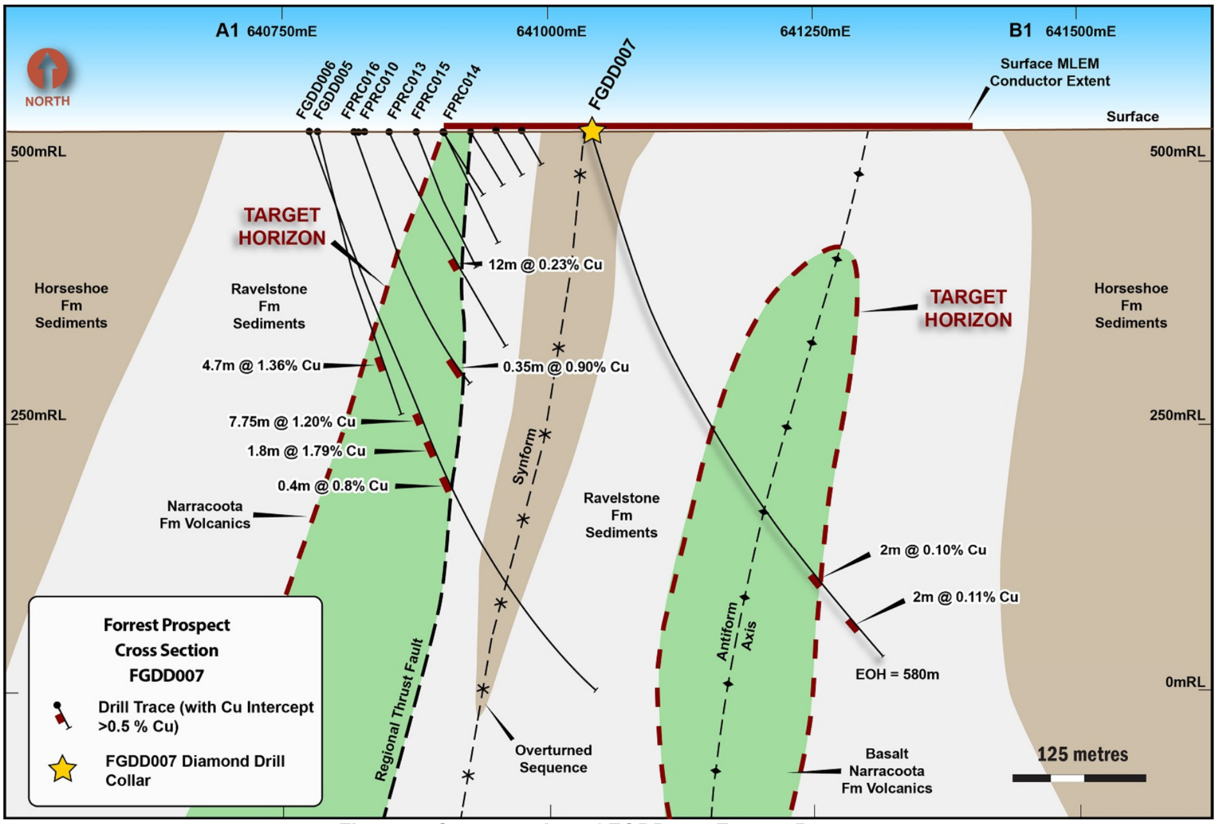

Figure 4: Cross section of FGDD007, Forrest Prospect

All diamond core and RC chips from the Wodger and Forrest Prospects have been re-logged as part of a comprehensive geological review, and two structural experts have been engaged to provide input.

A new geological model will inform where additional drilling might be necessary to advance both prospects.

Gravity Surveys at Horseshoe and Forrest

Gravity surveys were completed on all three tenements on the Horseshoe Project and on E52/1659 on the Forrest Project. This completes the ground gravity coverage of the entire tenement portfolio in the Bryah Basin. These data sets were important sources of information for the regional and detailed geological interpretations (see below).

Regional and Detailed Geological Interpretations

A regional (1:100,000 scale) geological interpretation of the entire western Bryah Basin was compiled to provide context for all future exploration in the district (ASX announcement, dated 30 January 2018). The data sets used for this exercise included the following:

- Airborne magnetic and radiometric surveys;
- Ground gravity surveys;
- Airborne and ground EM data (including the most recently acquired VTEM data);
- Surface geochemical sampling data;
- Government magnetic and radiometric data;
- Government-sponsored EM – a SPECTREM survey flown specifically to map the Bryah Basin;
- Government mapping (of geology and regolith) and geochemical sampling – by the Geological Survey of Western Australia (at 1:100,000 scale);
- Landsat TM imagery;
- ASTER imagery.

Interestingly, the prospective Karalundi Formation (which hosts the DeGrussa Cu-Au deposit) is interpreted to be thicker and more continuous in the southern Cashman area than has previously been mapped (by the Geological Survey), and much more structural detail has been revealed in the area immediately south of the Peak Hill Mining District (ASX announcement, dated 17 July 2018). Both of these new insights are significant for future exploration plans.

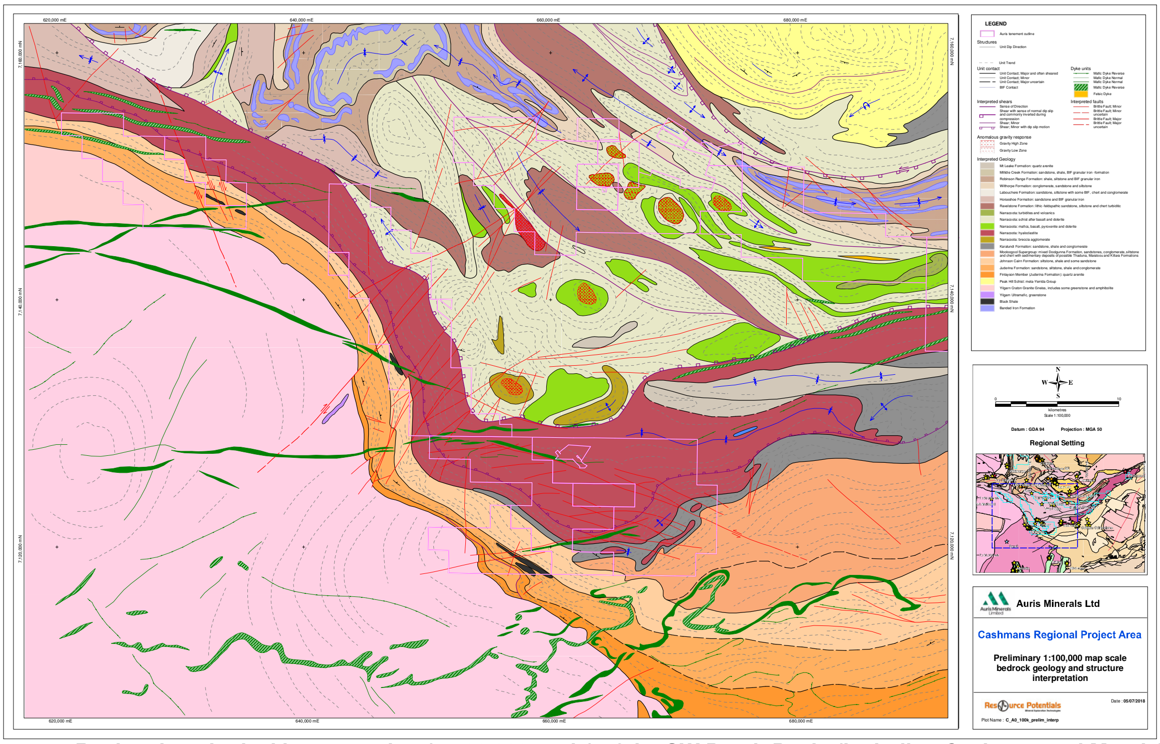

Figure 5: Regional geological interpretation (1:100,000 scale) of the SW Bryah Basin (including Cashman and Morck Well West Project Areas). Location of Feather Cap Prospect.

The same data sets have been used to produce a more detailed (1:25,000 scale) geological interpretation over the Forrest Project area of interest, between the Forrest and Big Billy Prospects, along the so-called "prospective trend". In this area, the prospective Narracoota Formation is interpreted to be more pervasive than has been previously mapped (ASX announcement, dated 5 September 2018). Furthermore, the Narracoota is interpreted to be folded and kinked along strike, which may be significant as a control on the location of copper and gold mineralisation.

A detailed map is currently being prepared for the southern Cashman area of interest.

VTEM Exploration Activities - Cashman, Forrest and Horseshoe Projects

An airborne Versatile Time-Domain EM (VTEM) survey was completed over key areas of the Cashman, Forrest and Horseshoe Projects (ASX announcement, dated 20 February 2018). The VTEM™Max system is one of the best airborne EM systems flying worldwide, for mineral exploration, and is specifically designed for detecting discrete conductors, such as massive sulphide deposits. However, it is also useful for mapping conductive cover and, as such, is a useful tool for mapping areas that may not be suitable for surface geochemical sampling. In total, 1,802 line km were surveyed with VTEM, on 200m line intervals, with a sensor height at an altitude of 35m.

After data processing and interpretation, and integration with other data, a total of 65 discrete VTEM targets were identified (ASX announcement, dated 27 July 2018). Four are considered Priority-1 targets, 23 are Priority-2 targets, and 38 are Priority-3 targets. 39 targets were identified on the Cashman Project, eighteen are on the Forrest Project, and the remaining eight are at Horseshoe West. Three Priority-1 targets were identified at Cashman and one is at Forrest.

Most importantly, eleven targets were coincident with the prospective Karalundi Formation, which is host to the De Grussa Cu-Au deposit, and 33 are coincident with the volcanic Narracoota Formation, which hosts the Horseshoe Lights Cu-Au deposit.

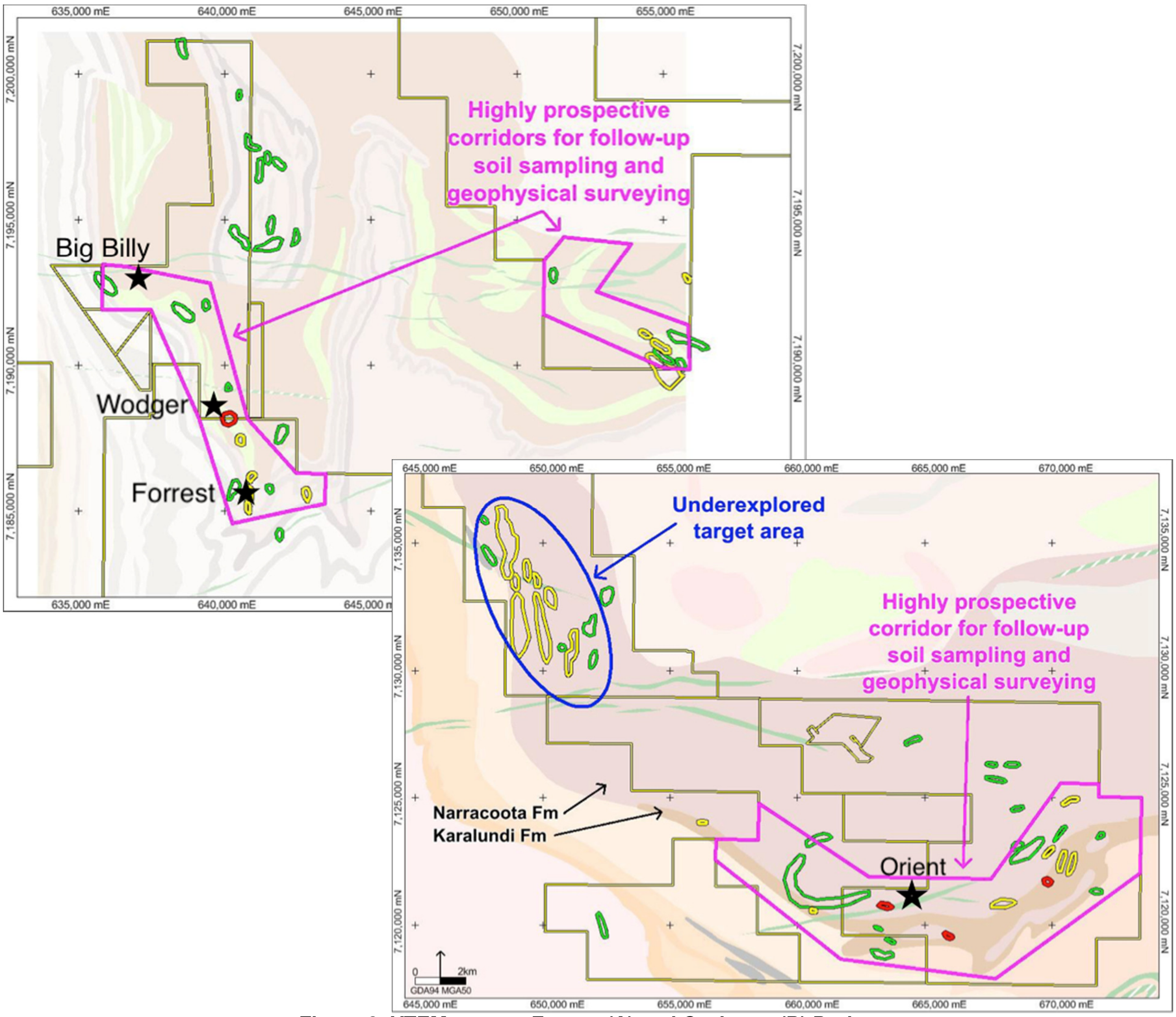

Figure 6: VTEM targets, Forrest (A) and Cashman (B) Projects

Soil Sampling at Cashman

A new geochemical sampling programme, involving the collection of more than 3,500 soil samples, on a 200 x 100m grid (ASX announcement, dated 17 July 2018) was planned and started during the reporting period. The area being sampled covers the full extent of the prospective Karalundi Formation on the southern Cashman area of interest (indicated as the Prospective Area in Fig. 6B). This area includes the Orient Prospect, where surface samples have assayed at up to 12.8% Cu and 41.7g/t Au. The sampling will cover most of the new VTEM targets at Cashman, including all of the Priority-1 targets.

Aircore Drilling at Feather Cap

An aircore drilling programme of 40 holes (2,281m) was completed on the Feather Cap Prospect, located south of the Peak Hill Mining District (Fig. 5, with assays pending). Feather Cap had been interpreted (from ground gravity data) to be a north-northwest trending structural gold target, but it is now recognised to correlate with the top of the volcanic Narracoota Formation, along a northwest-trending synclinal fold axis. This stratigraphic setting is considered to be prospective for Horseshoe Lights-type Cu/Au mineralisation.

Morck Well JV (Managed by Sandfire Resources NL – to earn a 70% interest)

At the end of February 2018, Auris entered into a Farm-in Agreement ("the Agreement") with Sandfire Resources NL in relation to the Morck Well East and Doolgunna Projects (ASX announcement, dated 27 February 2018). Sandfire has the right to earn a 70% interest in either project upon completion of a Feasibility Study on a discovery of not less than 50,000t of contained copper (or metal equivalent).

Within two weeks of the Company entering the Agreement, an airborne EM survey (using the VTEM™Max system) was undertaken across the Morck Well East JV area (ASX announcement, dated 27 March 2018) and was completed in April 2018. Two clusters of VTEM anomalies were interpreted, but follow-up moving loop EM (MLEM) surveys have indicated that the anomalies are most likely due to paleo-drainages within the regolith.

In May 2018, Sandfire began an aircore drilling program on the Morck Well East JV Project. Soon after, narrow zones of sulphide and supergene copper mineralisation were reported from three contiguous holes (ASX announcement, dated 20 July 2018). The three intercepts assayed as follows:

- **MWAC0109** **11m @ 3.5% Cu, from 73m,** including
  3m @ 9.5% Cu, from 81m
- **MWAC0111** **6m @ 1.3% Cu, from 112m,** including
  1m @ 4.5% Cu, from 113m
- **MWAC0112** **9m @ 2.3% Cu, from 146m,** including
  3m @ 5.7% Cu, from 149m

Subsequent follow-up by RC and diamond core drilling, and a DHEM survey, have demonstrated that the mineralisation has limited down-dip continuity and strike extent, although the diamond core also clearly confirms the favourable nature of the geological sequence, in terms of prospectivity.

The aircore drilling programme is ongoing and a total of 506 holes were completed across the JV project area in Q2 2018 (35,350m). Post-period end, Sandfire confirmed that a MLEM survey had begun and that this would extend across the full prospective sequence over the entire Morck Well JV Project area. In addition, further RC drill holes are being planned to further investigate the strike extent southwest of the aircore hits.

Chunderloo Project Review

As the main exploration focus this year was on the Bryah Basin, work on Chunderloo was restricted to comprehensive review of previous work, historical data collected on this Project and an airbourne magnetic survey conducted over the project area in August 2017.

Future Work Plans

Work plans are currently focused on target generation/confirmation in the Bryah Basin, via the geochemical soil sampling programme at Cashman, field checking and follow-up MLEM surveys of the top priority VTEM targets, and completion of the new regional and detailed geological interpretations. Targets will be drill-tested as soon as possible. In addition, a geological review of the Wodger and Forrest Prospects is nearing completion and it is likely that further drilling will be required to advance those prospects.

Further target generative work will include more geochemical soil sampling in areas where there is minimal transported cover and/or the regolith is not too deep. Systematic aircore drilling may be necessary in some problematic areas, but these will be targeted to save on costs. Appropriate ground geophysical surveys will be conducted, as required to complement the geochemical targeting.

Corporate

On 27 February 2018 the Company announced it had entered a Farm-in Agreement with Sandfire Resources NL ("Sandfire") in relation to the Morck Well East and Doolgunna Projects. The transaction with Sandfire allows the Company to focus on copper-gold exploration on its key Forrest, Cashmans and Horseshoe projects in the Bryah Basin.

On 20 April 2018, shareholders voted in favour of a Board restructure and Mr Neville Bassett and Mr Brian Thomas joined the Board as Non-Executive Directors. Mr Bassett replaced Ms Bronwyn Barnes as Chair of the Company (ASX announcement dated 26 April 2018). On 2 August 2018, the Company announced the appointment of Mr Craig Hall as Non-Executive Director of the Board. Mr Hall has been nominated to represent the interests of Investmet Limited as a replacement to Ms Barnes.

Mr Craig Hall is an experienced geologist with over 30 years of minerals industry experience in exploration, development and production roles in a range of commodities, principally precious and base metals. He has held a variety of senior positions with mid-tier and junior sector resource companies within Australia and overseas.

He has previously consulted to the minerals industry providing high quality exploration outcomes, on-site mining support, expert reporting, project valuations and strategic advice to companies through an association with a well-respected Western Australian resource consultancy. Until 6 August 2018, Mr Hall served as a Non-Executive Director of Eclipse Metals Ltd (ASX: EPM) an Australian exploration company focused on exploring the Northern Territory and Queensland for uranium and manganese mineralisation.

On 6 July 2018, the Company announced that Mr Wade Evans had ceased employment as the Company's CEO. The Company also announced the appointment of highly experienced finance executive, Mr Mike Hendriks, on an initial 3-month consultancy arrangement to oversee day-to-day management of the Company. Mr Hendriks is a Chartered Accountant and has gained extensive experience in the financial services sector in various roles in the banking and stockbroking industries. He also has extensive experience as a company director and secretary holding various executive and non-executive directorships of listed and unlisted companies in both the industrial and resource sectors.

During the year, the following securities were issued by the Company:

- 21,000,000 ordinary fully paid shares at an issue price of $0.08 each, by way of placement, to raise $1,680,000;
- 25,488,478 ordinary fully paid shares on the exercise of the same number of options at an exercise price of $0.08 each raising $2,039,078. The exercise of options included the issue of 15,625,000 ordinary fully paid shares that were subject to an underwriting agreement;
- 73,727 ordinary fully paid shares on the exercise of the same number of options at an exercise price of $0.12 each raising $8,847;
- 7,000,000 ordinary fully paid shares as consideration for the acquisition of Doolgunna tenement E52/2438;
- 40,314 ordinary fully paid shares at an issue price of $0.0593 each in satisfaction for interest owing on convertible notes; and
- 16,000,000 performance rights expiring 20 November 2020 issued in two equal tranches, each with market based performance milestones. 8,000,000 vesting upon achieving a market capitalisation of $48 million for a period of 30 consecutive days and 8,000,000 vesting upon achieving a market capitalisation of $60 million for a period of 30 consecutive days.

On 20 September 2017, 39,912,980 listed options exercisable at $0.12 each expired unexercised.

On 20 June 2018, 49,702,731 listed options exercisable at $0.12 each expired unexercised.

On 20 April 2018, pursuant to the terms of issue, 2,000,000 performance rights automatically lapsed.

Subsequent to year end, pursuant to the terms of issue, 8,000,000 performance rights have automatically lapsed.

On 2 July 2018, the Company allotted 896,000 fully paid ordinary shares to a noteholder following the conversion of two Convertible Notes approved by shareholders at the general meeting held 17 July 2015.

On 20 September 2018, 6,000,000 unlisted options exercisable at $0.12 expired.

5. Significant Changes in the State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the financial year, other than those described in this report under 'Principal activities and review of operations'.

6. Environmental Regulations

The Group's exploration activities are subject to various environmental regulations. The Board is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations.

The Group is committed to achieving a high standard of environmental performance and conducts its activities in a professional and environmentally conscious manner and in accordance with applicable laws and permit requirements. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

The directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current financial year. The directors will reassess this position as and when the need arises.

7. Dividends

The directors have not recommended the declaration of a dividend. No dividends were paid or declared during the current or prior period.

8. Events Subsequent to Reporting Date

Except for the events noted below, no other material events have occurred subsequent to the reporting date.

- On 2 July 2018, 800,000 fully paid ordinary shares were issued following conversion of 2 Convertible Notes and 96,000 fully paid ordinary shares were issued relating to the accrued interest on these Convertible notes.
- On 6 July 2018, Wade Evans resigned as Chief Executive Officer and Mr Mike Hendriks was appointed on an initial 3 month consultancy to oversee day-to-day management.
- On 20 July 2018, the follow-up drilling in the Morck Well Joint Venture was completed and the MLEM surveying was underway.
- On 27 July 2018, the VTEM survey identifies multiple targets in the Bryah Basin.
- On 1 August 2018, Mr Craig Hall was appointed Non-Executive Director and is the nominated representative for the interests of Investmet Limited.
- On 5 September 2018, a new geological interpretation of the Forrest Project was completed.
- On 14 September 2018, an Aircore drilling programme at the Wodger Prospect commenced.
- On 20 September 2018, 6,000,000 unexercised $0.12 options expired.

9. Likely Developments

Comments on expected results of certain operations of the Group are included in this financial report under section 4, principal activities and review of operations.

10. Share Options

Unissued shares under option

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

Expiry date	Exercise Price	No. of options	
3-Oct-18	$0.60	1,480,000	Unlisted
8-Oct-19	$1.30	2,500,000	Unlisted
		3,980,000	

The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Other shares issued since the end of the financial year

Issue date	Share price	No. of shares	Nature
2 July 2018	$0.05	896,000	Conversion of convertible notes and accrued interest

11. Convertible Notes

The following convertible notes have been converted during or since the end of the financial year:

Face Value	No. of Notes	Total Value	Conversion Rate
$20,000	2	$40,000	$0.05

The following convertible notes remain on issue at the end of the financial year:

Face Value	No. of Notes	Total Value	Conversion Rate
$20,000	2	$40,000	$0.05

The conversion rate has been restated on a post-consolidation basis.

As the convertible notes expire on 1 July 2018, the notes were converted on 2 July 2018 and earnt interest at a rate of 12% per annum.

12. Remuneration Report - Audited

Principles of compensation

Remuneration is referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors of the Group.

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board obtains independent advice on the appropriateness of compensation packages of the Group given trends in comparative companies both locally and internationally and the objectives of the Group's compensation strategy.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages include a mix of fixed compensation, equity-based compensation, performance-based compensation as well as employer contributions to superannuation funds.

Shares and options may only be issued to directors subject to approval by shareholders in general meeting.

Fixed compensation

Fixed compensation consists of base compensation as well as employer contributions to superannuation funds. Compensation levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, from time to time external consultants provide analysis and advice to ensure the directors' and senior executives' compensation is competitive in the market place. The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2018.

Performance linked compensation (Short-term incentive bonus)

In considering the Group's strategic objectives the Board may integrate certain performance linked short-term incentives (STIs) into key management personnel compensation packages.

Performance linked compensation primarily include STIs and are considered by the Board as and when projects are delivered and are entirely at the Board's discretion. The measures chosen are designed to align the individual's reward to the achievement of the Group's strategies and goals and to reward key management personnel for meeting or exceeding their personal objectives. No bonuses were paid during the financial year.

Equity based compensation (Long-term incentive bonus)

The Board provides equity-based long-term incentives (LTIs) to promote continuity of employment and to provide additional incentive to key management personnel to increase shareholder wealth. LTIs are provided as options and rights over ordinary shares of the Company and are provided to key management personnel based on their level of seniority and position within the Group. Options and rights may only be issued to directors subject to approval by shareholders in general meeting.

Key Management Personnel Incentives

Short-term and long-term incentive structure and consequences of performance on shareholder wealth have been considered. However given the Group's principal activity during the course of the financial year consisted of exploration and evaluation, the Board has given more significance to service criteria instead of market related criteria in setting the Group's incentive schemes. Accordingly, at this stage the Board does not consider the Company's earnings or earning measures to be an appropriate key performance indicator. The issue of options or rights as part of the remuneration package of directors is an established practice for listed exploration companies and has the benefit of conserving cash whilst appropriately rewarding the directors. In considering the relationship between the Group's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed.

The Group's respective earnings and share price for the period 1 July 2013 to 30 June 2018 are as follows:

	30 Jun 14	**30 Jun 15**	**30 Jun 16**	**30 Jun 17**	**30 Jun 18**
Net loss	(7,866,050)	(20,162,654)	(6,260,965)	(884,710)	(1,317,036)
Closing ASX share price	$0.20	$0.017	$0.013	$0.057	$0.068

Note the closing prices for the period 30 June 2014 to 30 June 2016 are based on pre-consolidation figures.

In the opinion of the Board, these earnings, as listed above, are largely irrelevant for assessing the Group's respective performance during the exploration and evaluation phases.

Service contracts

i) Non-Executive Chair

Director and consulting services are provided by Mr Bassett via an associated company on normal commercial terms and conditions.

The Non-Executive Chair rate was set at $45,000 per annum with effect from 1 February 2017, previously $60,000 per annum. Additional fees are paid to Mr Bassett for any additional duties performed outside his role as Non-Executive Chair at a rate of $1,500 per day.

ii) Executive Director

Services were provided by Mrs Fullarton

- Remuneration - $225,000 per annum, (excluding superannuation)
- Superannuation - $21,375
- Termination notice required - 3 months
- Termination benefit: $56,250

iii) Non-Executive Directors

Non-Executive Directors are currently paid at a rate of $30,000 per annum (previously $50,000 per annum) on a continuous service arrangement requiring at least one month's notice for termination. Total compensation for all Non-Executive Directors are set based on advice, from time to time, from external advisors with reference to fees paid to other Non-Executive Directors of comparable companies. The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2018. Non-Executive Directors' fees are presently limited to $250,000 per annum, excluding director services charged under management or consulting contracts.

Directors' fees cover all main Board activities. The Board has no established retirement or redundancy schemes in relation to Non-Executive Directors.

iv) Changes in Directors and Executives subsequent to year end

Wade Evans resigned from the position of Chief Executive Officer on 6 July 2018.

Bronwyn Barnes was removed as a Non-Executive Director on 1 August 2018 as a result of the general meeting held on 20 April 2018, in which Bronwyn remained as a director of Auris Minerals Ltd until which time Investmet found a replacement to represent their interests.

Mr Craig Hall was appointed Non-Executive Director on 1 August 2018 as the nominated representative for Investmet Limited.

Key Management Personnel remuneration

Details of the nature and amount of each major element of remuneration are as follows:

Key Management Personnel (KMP)		Short term salary and fees	Super-annuation benefits	Termination benefits	Equity settled share based payments (i)	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
		$	$	$	$	$	%	%
Non-Executive Chair								
N Bassett (ii)	2018	8,875	-	-	-	8,875	-	-
	2017	-	-	-	-	-	-	-
M Kennedy(iii)	2018	-	-	-	-	-	-	-
	2017	13,334	-	-	-	13,334	-	-
Chief Executive Officer								
W Evans (iv)	2018	211,718	20,113	-	264,000	495,831	-	53
	2017	-	-	-	-	-	-	-
D Morgan (v)	2018	-	-	-	-	-	-	-
	2017	50,621	3,563	56,250	-	110,434	-	-
Chief Operating Officer								
M Hendriks (vi)	2018	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-
Executive Director								
D Fullarton (vii)	2018	20,985	8,392	86,336	-	115,713	-	-
	2017	165,000	25,000	-	41,338	231,338	-	18
Non-Executive Directors								
C Hall (viii)	2018	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-
B Thomas (ix)	2018	5,700	217	-	-	5,917	-	-
	2017	-	-	-	-	-	-	-
B Barnes (x)	2018	48,869	-	-	88,000	136,869	-	64
	2017	46,473	-	-	41,338	87,811	-	47
S Vearncombe (xi)	2018	20,617	-	-	-	20,617	-	-
	2017	-	-	-	-	-	-	-
R Martin (xii)	2018	30,000	-	-	88,000	118,000	-	75
	2017	25,000	-	-	20,670	45,670	-	45
N Anderson (xiii)	2018	-	-	-	-	-	-	-
	2017	27,669	2,629	-	-	30,298	-	-
S Heggen (xiv)	2018	-	-	-	-	-	-	-
	2017	22,070	2,097	-	-	24,167	-	-
Total	**2018**	**346,764**	**28,722**	**86,336**	**440,000**	**901,822**	**-**	**49**
	2017	**350,167**	**33,289**	**56,250**	**103,346**	**543,052**	**-**	**19**

(i) The fair value of the equity settled share based payments are detailed in Note 19 of the Notes to the Financial Statements.

(ii) Neville Bassett was appointed Non-Executive Chair on 20 April 2018.

(iii) Miles Kennedy resigned as Non-Executive Chair on 30 August 2016.

(iv) Wade Evans was appointed CEO on 17 July 2017; Resigned 6 July 2018.

(v) David Morgan resigned as CEO on 1 September 2016.

(vi) Mike Hendriks was appointed as COO on 6 July 2018 on an initial 3-month consultancy arrangement.

(vii) Debbie Fullarton resigned as Executive Director on 11 August 2017.

(viii) Craig Hall was appointed as Non-Executive Director on 1 August 2018 as the Investmet representative.

(ix) Brian Thomas was appointed as Non-Executive Director on 20 April 2018.

(x) Bronwyn Barnes was appointed Non-Executive Chair on 25 November 2016 and ceased as Chair on 20 April 2018 and remained as a Non-Executive Director; Removed 1 August 2018.

(xi) Susan Vearncombe was appointed Non-Executive Director on 14 August 2017; Removed 20 April 2018.

(xii) Robert Martin was appointed 2 November 2016.

(xiii) Nannette Anderson resigned 3 February 2017.

(xiv) Simon Heggen resigned 25 November 2016.

Equity instruments

Options holdings

Options refer to options over ordinary shares of Auris and are exercisable on a one-for-one basis. Details of options over ordinary shares in Auris that were granted and vested as compensation to each key management person are as follows:

	Balance at 1 Jul 17 or date of appointment	Granted as remuneration			Exercised	Lapsed	Other changes (i)	Balance at 30 June 18 or date of resignation
		Issue date	No.	Value				
Non-Executive Chair								
N Bassett	-	-	-	-	-	-	-	-
Chief Executive Officer								
W Evans	-	-	-	-	-	-	-	-
Chief Executive Officer								
M Hendriks	-	-	-	-	-	-	-	-
Executive Director								
D Fullarton	2,890,168	-	-	-	-	-	-	2,890,168
Non-Executive Directors								
C Hall	-	-	-	-	-	-	-	-
B Thomas	-	-	-	-	-	-	-	-
R Martin	4,945,632	-	-	-	(1,972,816)	(2,139,483)	166,667	1,000,000
B Barnes	2,182,610	-	-	-	(91,305)	(91,305)	-	2,000,000
S Vearncombe	-	-	-	-	-	-	-	-

(i) Recognising Rob Martin's relevant interest in SDB Drilling Pty Ltd as announced on 9 April 2018.

	Balance at 30 Jun 18	Vested			Unvested
		Exercisable	Un-exercisable	Total	
Non-Executive Chair					
N Bassett	-	-	-	-	-
Chief Executive Officer					
W Evans	-	-	-	-	-
Chief Operating Officer					
M Hendriks	-	-	-	-	-
Executive Director					
D Fullarton	-	-	-	-	-
Non-Executive Directors					
C Hall	-	-	-	-	-
B Thomas	-	-	-	-	-
R Martin	1,000,000	1,000,000	-	1,000,000	-
B Barnes	2,000,000	2,000,000		2,000,000	
S Vearncombe	-	-	-	-	-

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.

During the reporting period, no shares were issued on exercise of options previously granted as compensation and no options were forfeited by key management persons during the reporting period.

Rights holdings

Rights refer to performance rights held over ordinary shares of the Company and are exercisable on a one-for-one basis when vesting conditions are met. Details of the grant of performance rights to key management personnel are set out in the table below.

	Tranche	Balance at 1 Jul 17 or date of appointment	Granted as remuneration			Exercised	Lapsed	Other changes (i)	Balance at 30 Jun 18 or date of resignation
			Issue date	No.	Value				
Non-Executive Chair									
N Bassett	-	-	-	-	-	-	-	-	-
Chief Executive Officer									
W Evans	1	-	22/11/2017	3,000,000	141,000	-	-	-	3,000,000
	2	-	22/11/2017	3,000,000	123,000	-	-	-	3,000,000
Chief Operating Officer									
M Hendriks	-	-	-	-	-	-	-	-	-
Executive Director									
D Fullarton	-	-	-	-	-	-	-	-	-
Non-Executive Directors									
C Hall	-	-	-	-	-	-	-	-	-
B Thomas	-	-	-	-	-	-	-	-	-
R Martin	1	-	22/11/2017	1,000,000	47,000	-	-	-	1,000,000
	2	-	22/11/2017	1,000,000	41,000	-			1,000,000
B Barnes	1	-	22/11/2017	1,000,000	47,000	-	-	-	1,000,000
	2	-	22/11/2017	1,000,000	41,000	-	-	-	1,000,000
S Vearncombe	1	-	22/11/2017	1,000,000	47,000	-	-	(1,000,000)	-
	2	-	22/11/2017	1,000,000	41,000	-	-	(1,000,000)	-

(i) Performance rights cancelled on removal of key management personnel.

Share holdings

No shares were granted to key management personnel during the reporting period as compensation in 2017 or 2018.

The movement during the reporting period in the number of ordinary shares in Auris Minerals Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance at 1 Jul 17 or date of appointment	Granted as remuneration	Exercise of options	Other changes (i)	Balance at 30 Jun 18 or date of resignation
Non-Executive Chair					
N Bassett	1,100,000	-	-	-	1,100,000
Chief Executive Officer					
W Evans	-	-	-	-	-
Chief Operating Officer					
M Hendriks	-	-	-	-	-
Executive Director					
D Fullarton	1,950,833	-	-	-	1,950,833
Non-Executive Directors					
C Hall	-	-	-	-	-
B Thomas	-	-	-	-	-
R Martin	19,728,140	-	1,972,816	8,950,530	30,651,486
B Barnes	913,044	-	91,305	-	1,004,349
S Vearncombe	-	-	-	-	-

(i) Net movement of establishment and cessation with associated entities and announcement of relevant interest in SDB Drilling Pty Ltd and Bulletin Resources Ltd.

Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights, and shareholdings.

Other Transactions with KMP and / or their Related Parties

There were no other transactions conducted with the Group and KMP or their related parties, apart from those disclosed above relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

END OF AUDITED SECTION

13. Proceeding on Behalf of Company

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

14. Diversity

The Board is committed to having an appropriate blend of diversity on the Board and in all areas of the Group's business. The Board has established a policy ('Diversity Policy' or 'policy') regarding gender, age, ethnic and cultural diversity. Details of the policy are available on the Company's website.

Diversity Policy

The Company and all its related bodies corporate are committed to workplace diversity.

The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's Principles and Recommendations.

The Diversity Policy does not form part of an employee's contract of employment with the Company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, the Diversity Policy forms a direction of the Company with which an employee is expected to comply.

The key objectives of the Diversity Policy are to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The Diversity Policy does not impose on the Company, its directors, officers, agents or employee any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

Diversity Reporting

The Group's gender diversity as at the end of the reporting period is as follows:

	30 June 2018				30 June 2017			
	Female		Male		Female		Male	
	No.	%	No.	%	No.	%	No.	%
Board representation	1	25	3	75	2	67	1	33
Group representation	2	29	5	71	2	40	3	60

The Company's proposed diversity objective for the 2018 financial year are to continue to assess and proactively monitor gender diversity at all levels of the Company's business and the implementation and effectiveness of the Company's diversity initiatives and programs.

15. Indemnification and Insurance of Officers and Auditors

Indemnification

The Group indemnifies each of its directors and company secretary. The Group indemnifies each director or officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Group must use its best endeavours to insure a director or officer against any liability, which does not arise out of a conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Group must also use its best endeavour to insure a director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Group has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

The directors of the Company are not aware of any proceedings or claim brought against Auris Minerals Ltd or its controlled entities as at the date of this report.

Insurance

The Group holds cover in respect of directors' and officers' liability and legal expenses' insurance, for current and former directors and officers of the Group. The premium paid during the year was $9,424.

16. Non-audit Services

During the year Greenwich & Co, the Company's auditor, did not perform any services other than their audit services.

In the event that non-audit services are provided by Greenwich & Co, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Group and will be reviewed by the Group to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company and their related practices for audit services provided during the year are set out below.

	2018	2017
	$	$
Audit and review of financial reports	29,000	28,000
	29,000	28,000

18. Competent Person's Statement

Competent Person's Statement

Information in this report that relates to exploration results is based on and fairly represents information and supporting documentation prepared and compiled by Nick Franey MSc (Mineral Exploration) who is a Member of the Australasian Institute of Geoscientists.

The information in this report that relates to previously released exploration was first disclosed under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported and is based on and fairly represents information and supporting documentation prepared and compiled by Nick Franey MSc (Mineral Exploration) who is a Member of the Australasian Institute of Geoscientists.

Mr Franey is General Manager Geology for Auris Minerals Limited. Mr Franey 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 Exploration Results, Mineral Resources and Ore Reserves. Mr Franey consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

No New Information

Except where explicitly stated, this report contains references to prior exploration results and Mineral Resource estimates, all of which have been cross referenced to previous market reports made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the results and/or estimates in the relevant market report continue to apply and have not materially changed.

Forward-Looking Statements

This report has been prepared by Auris Minerals Limited. This document contains background information about Auris Minerals Limited and its related entities current at the date of this report. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this report. This report is for information purposes only. Neither this document nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

This report may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction. This document does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this representation are not intended to represent recommendations of particular investments to particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Auris Minerals Limited. Actual values, results, outcomes or events may be materially different to those expressed or implied in this report. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements.

Any forward-looking statements in this report speak only at the date of issue of this report. Subject to any continuing obligations under applicable law and ASX Listing Rules, Auris Minerals Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

19. Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 43 and forms part of the directors' report for the financial year ended 30 June 2018.

This report is made with a resolution of the directors.

NEVILLE BASSETT

NON-EXECUTIVE CHAIR

Dated at West Perth this 26th day of September 2018

Schedule of Mining Tenements as at 30 June 2018					
Tenement number	Registered holder	Date granted	Area graticular Blocks(bk) / Hectares (ha)	Area (Sq km)	Notes
Doolgunna Project					
E52/2438	Auris Minerals Limited	11/02/2010	7bk	21.68	1, 8
Morck Well Project					
E51/1033	Auris Exploration Pty Ltd 80% Jackson Minerals Pty Ltd 20%	22/09/2005	53bk	161.84	2, 3, 8
E51/1883	Auris Exploration Pty Ltd	Application	4bk	12.3	8
E52/1613	Auris Exploration Pty Ltd 80% Jackson Minerals Pty Ltd 20%	29/03/2006	30bk	92.77	2, 3, 8
E52/1672	Auris Exploration Pty Ltd 80% Jackson Minerals Pty Ltd 20%	22/09/2005	35bk	108.02	2, 3, 8
E52/1910	Auris Exploration Pty Ltd	10/08/2006	41bk	124.21	4
E52/2472	Auris Exploration Pty Ltd	19/11/2009	2bk	6.1	
E52/3275	Auris Exploration Pty Ltd	1/06/2016	2bk	6.1	
E52/3327	Auris Exploration Pty Ltd	15/10/2015	2bk	6.1	
E52/3350	Auris Exploration Pty Ltd	2/03/2016	3bk	9.2	
E52/3351	Auris Exploration Pty Ltd	2/03/2016	2bk	6.1	
P52/1497	Auris Exploration Pty Ltd	6/03/2015	155.90ha	1.56	
P52/1503	Auris Exploration Pty Ltd	6/03/2015	172.86ha	1.73	
P52/1504	Auris Exploration Pty Ltd	6/03/2015	191.81ha	1.92	
Cashmans Project					
E51/1053	Auris Exploration Pty Ltd	22/09/2005	35bk	105.26	
E51/1120	Auris Exploration Pty Ltd	10/08/2006	40bk	122.46	
E51/1391	Auris Exploration Pty Ltd 51% Northern Star Resources Ltd 49%	11/11/2010	21bk	64.82	5
E51/1641	Auris Exploration Pty Ltd	5/02/2015	20bk	61.86	
E51/1837	Auris Exploration Pty Ltd 51% Northern Star Resources Ltd 49%	19/01/2018	3bk	9.2	5
E51/1838	Auris Exploration Pty Ltd 51% Northern Star Resources Ltd 49%	19/01/2018	11bk	33.62	5
E52/2509	Auris Exploration Pty Ltd 51% Northern Star Resources Ltd 49%	16/06/2011	6bk	18.56	5
E52/3500	Auris Exploration Pty Ltd	5/10/2017	1bk	3.1	
Forrest Project					
E52/1659	Auris Exploration Pty Ltd 80% Jackson Minerals Pty Ltd 20%	27/01/2004	13bk	34.09	2, 6
E52/1671	Auris Exploration Pty Ltd 80% Jackson Minerals Pty Ltd 20%	23/11/2004	61bk	185.26	2, 6
P52/1493	Auris Exploration Pty Ltd	6/03/2015	191.66ha	1.92	6
P52/1494	Auris Exploration Pty Ltd 80% Jackson Minerals Pty Ltd 20%	6/03/2015	179.33ha	1.79	2

P52/1495	Auris Exploration Pty Ltd 80% Jackson Minerals Pty Ltd 20%	6/03/2015	181.09ha	1.81	2
P52/1496	Auris Exploration Pty Ltd 80% Jackson Minerals Pty Ltd 20%	6/03/2015	183.70ha	1.83	2
Horseshoe West Project					
E52/3248	Auris Exploration Pty Ltd 85% Omni Projects Pty Ltd 15%	31/03/2015	11bk	33.62	7
E52/3291	Auris Exploration Pty Ltd 85% Omni Projects Pty Ltd 15%	2/03/2016	13bk	39.73	7
E52/3166	Auris Exploration Pty Ltd	18/12/2014	34bk	103.92	
Chunderloo Project					
M51/79	Auris Exploration Pty Ltd	26/06/1986	240.05 ha	2.43	
M51/638	Auris Exploration Pty Ltd	25/10/2012	222.00 ha	2.24	
M51/639	Auris Exploration Pty Ltd	25/10/2012	928.00 ha	9.38	
E51/1830	Auris Exploration Pty Ltd	22/11/2017	1bk	3.1	
P51/3013	Auris Exploration Pty Ltd	22/11/2017	182.116 ha	1.82	

Notes:

Auris Exploration Pty Ltd (AE) is a wholly owned subsidiary of Auris Minerals Limited.

1. Ascidian Prospecting Pty Ltd hold a 1% gross revenue royalty from the sale of all minerals
2. Peak Hill Sale Agreement: AE 80%, Jackson Minerals Pty Ltd 20% & free carried to a decision to mine.
3. PepinNini Robinson Range Pty Ltd (PRR) hold a 0.8% gross revenue royalty from the sale or disposal of iron ore.
4. PRR hold a 1.0% gross revenue royalty from the sale or disposal of iron ore.
5. Earning 70% JV interest.
6. Westgold Resources Limited owns gold mineral rights over the AE interest.
7. AE 85% beneficial interest, Omni Projects Pty Ltd 15% beneficial interest.
8. Sandfire Resources NL - Earn-in Agreement with rights to earn 70% interest.

In fulfilling its obligations and responsibilities to its various stakeholders, the Board of Auris Minerals Limited (Auris) is a strong advocate of corporate governance. The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" (Recommendations) where considered appropriate for a company of Auris's size and complexity.

The 3rd edition of the ASX Corporate Governance Principles and Recommendations was introduced on 27 March 2014 and took effect for a listed entity's first full financial year ending on or after 1 July 2014. Accordingly this Corporate Governance Statement has been prepared on the basis of disclosure under the 3rd edition of these principles. Details of the Company's compliance with these principles are summarised in the Appendix 4G announced to ASX in conjunction with the Annual Report.

This statement describes how Auris has addressed the Council's guidelines and eight corporate governance principles and where the Company's corporate governance practices depart from a recommendation, the Company discloses the reason for adoption of its own practices on an "if not, why not" basis.

Given the size and stage of development of the Company and the cost of strict compliance with all the recommendations, the Board has adopted a range of modified procedures and practices which it considers appropriate to enable it to meet the principles of good corporate governance. At the end of this statement is a checklist setting out the recommendations with which the Company does or does not comply. The information in this statement is current as at 26 September 2018.

The following governance-related documents can be found on the Company's website at www.aurisminerals.com.au, under the section marked "Corporate Governance Statement".

Charters

- Board

Policies and Procedures

- Code of Conduct
- Policy and Procedure for Selection and (Re)Appointment of Directors
- Policy on Assessing the Independence of Directors
- Securities Trading Policy
- Risk Management Policy
- Procedure for the Selection, Appointment and Rotation of External Auditor
- Policy on Continuous Disclosure
- Shareholder Communication Policy
- Diversity Policy

Principle 1 – Lay solid foundations for management and oversight Role and Responsibilities of the Board and Management

The main function of the Board is to lead and oversee the management and strategic direction of the Company. The Board regularly measures the performance of Management in implementation of the strategy through regular Board meetings.

Auris has adopted a formal board charter delineating the roles, responsibilities, practices and expectations of the Board collectively, the individual directors and Management.

The Board of Auris ensures that each member understands its roles and responsibilities and ensures regular meetings so as to retain full and effective control of the Company.

Role of the Board

The Board responsibilities are as follows:

- Setting the strategic aims of Auris and overseeing Management's performance within that framework;
- Making sure that the necessary resources (financial and human) are available to the Company and Management to meet its objectives;
- Overseeing and measuring Management's performance of the Company's strategic plan;
- Selecting and appointing a Chief Executive Officer (or equivalent) with the appropriate skills to help the Company in the pursuit of its objectives;
- Controlling and approving financial reporting, capital structures and material contracts;
- Ensuring that a sound system of risk management and internal controls is in place;
- Setting the Company's values and standards;
- Undertaking a formal and rigorous review of the Corporate Governance policies to ensure adherence to the ASX Corporate Governance Council principles;
- Ensuring that the Company's obligations to shareholders are understood and met;
- Ensuring the health, safety and well-being of employees in conjunction with Management, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees;
- Ensuring an adequate system is in place for the proper delegation of duties for the effective day to day running of the Company without the Board losing sight of the direction that the Company is taking;
- Establishing a diversity policy and setting objectives for achieving diversity.

Delegation to Management

Other than matters specifically reserved for the Board, responsibility for the operation and administration of the Company has been delegated to the Chief Executive Officer (or equivalent). This responsibility is subject to an approved delegation of authority which is reviewed regularly and at least annually.

Internal control processes are designed to allow management to operate within the parameters approved by the Board and the Chief Executive Officer (or equivalent) cannot commit the Company to additional activities or obligations in excess of these delegated authorities without specific approval of the Board.

Election of Directors

The Board is responsible for overseeing the selection process of new directors, and will undertake appropriate checks before appointing a new director, or putting forward a candidate for election as a director. All relevant information is to be provided in the Notice of Meeting seeking the election or re-election of a director including:

- biographical details including qualifications and experience;
- other directorships and material interests;
- term of office;
- statement by the board on independence of the director;
- statement by the board as to whether it supports the election or re-election; and
- any other material information.

Terms of appointment

Non-Executive Directors

To facilitate a clear understanding of roles and responsibilities all non-executive directors have signed letters of appointment. This letter of appointment includes acknowledgement of:

- director responsibilities under the Corporations Act, Listing Rules, the Company's Constitution and other applicable laws;
- corporate governance processes and Company policies;
- board and board committee meeting obligations;
- conflicts and confidentiality procedures;
- securities trading and required disclosures;
- access to independent advice and employees;
- confidentiality obligations;
- directors fees;
- expenses reimbursement;
- directors and officers insurance arrangements;
- other directorships and time commitments; and
- board performance review.

Chief Executive Officer (or equivalent)

The Chief Operating Officer has a contract services agreement for an initial term of 3 months and thereafter extended on a monthly basis by mutual consent.

Role of Company Secretary

The Company Secretary is accountable to the Board for:

- advising the Board and committees on corporate governance matters;
- the completion and distribution of board and committee papers;
- completion of board and committee minutes; and
- the facilitation of director induction processes and ongoing professional development of directors.

All directors have access to the Company Secretary who has a direct reporting line to the Chair.

Diversity

The Board values diversity in all aspects of its business and is committed to creating a working environment that recognises and utilizes the contribution of its employees. The purpose of this is to provide diversity and equality relating to all employment matters. The Company's policy is to recruit and manage on the basis of ability and qualification for the position and performance, irrespective of gender, age, marital status, sexuality, nationality, race/cultural background, religious or political opinions, family responsibilities or disability. The company opposes all forms of unlawful and unfair discrimination.

During the reporting period to 30 June 2018 the Board was represented by three females and for the majority of the period, the Board comprised three directors, two of whom were female and one was male. As at 30 June 2018, the Board comprised of three directors, one of whom was female and the Board currently comprises four directors, all of whom are male. The Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

The Company has disclosed measurable diversity objectives for the current period in the Remuneration Report included in the Annual Report for the year ended 30 June 2018. The Company is continuing to assess and proactively monitor gender diversity at all levels of Auris's business and recognizes that it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

The Company currently has 1 full-time employee who is male and 1 casual employee who is female.

Performance review

Board and board committees

A review of the Board's performance and effectiveness is conducted annually and the performance of individual directors is undertaken regularly. The Board has the discretion for these reviews to be conducted either independently or on a self-assessment basis.

The review focuses on:

- strategic alignment and engagement;
- board composition and structure;
- processes and practices;
- culture and dynamics;
- relationship with management; and
- personal effectiveness.

A formal review of the Board's performance and effectiveness in respect of the year ended 30 June 2018 did not occur.

Chairman and senior executives

Performance evaluation of the Non-Executive Chairman, senior executives and employees is undertaken annually through a performance appraisal process which involves reviewing and assessment of performance against agreed corporate and individual key performance indicators and deliverables.

For further information refer to the Remuneration Report included in the Annual Report for the year ended 30 June 2018.

Retirement and rotation of directors

Retirement and rotation of directors are governed by the Corporations Act 2001 and the Constitution of the Company. Each year, one third of directors must retire and may offer themselves for re-election. Any casual vacancy filled will be subject to shareholder vote at the next Annual General Meeting of the Company. It is intended that Mr Hall will stand for re-election at the Company's 2018 Annual General Meeting as this is the first annual general meeting since his appointment and Mr Martin will stand for re-election by rotation.

Independent Professional Advice

Each director of the Company or a controlled entity has the right to seek independent professional advice at the expense of the Company or the controlled entity. However prior approval of the Chairman is required which will not be unreasonably withheld.

Access to employees

Directors have the right of access to any employee. Any employee shall report any breach of corporate governance principles or Company policies to the Non-Executive Chairman who shall remedy the breach. If the breach is not rectified to the satisfaction of the employee, they shall have the right to report any breach to an independent director without further reference to senior executives of the Company.

Directors' and officers' liability insurance

Directors' and officers' liability insurance is maintained by the Company for the Directors and senior executives at the Company's expense.

Board meetings

The frequency of board meetings and the extent of reporting from management at board meetings are as follows:

- a minimum of four scheduled meetings are to be held per year;
- other meetings will be held as required;
- meetings can be held where practicable by electronic means;
- information provided to the Board includes all material information related to the operations of the Company including exploration, development and production operations, budgets, forecasts, cash flows, funding requirements, investment and divestment proposals, business development activities, investor relations,
- financial accounts, taxation, external audits, internal controls, risk assessments, people and health, safety and environmental reports and statistics;
- once established, the Chairman of the appropriate board committee will report to the next subsequent board meeting the outcomes of that meeting and the minutes of those committee meetings are also tabled.

The number of directors' meetings (including meetings of committees of directors where applicable) and the number of meetings attended by each of the directors of the Company during the financial year are set out in the Directors' Report included in the Annual Report for the year ended 30 June 2018.

Principle 2 - Structure the Board to add value Composition of the Board

The names of the directors of the Company and their qualifications are set out in the section headed "Information on Director's in the Directors' Report of the financial report for the year ended 30 June 2018.

The composition of the Board has been structured so as to provide Auris with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives of the Company.

The ASX Corporate Governance Council guidelines recommend that the Board should constitute of a majority of independent directors and that the Chairperson should be independent. For the majority of the reporting period the Board consisted of three directors of whom one was considered independent, being Dr Susan Vearncombe (Non-Executive Director – appointed 11 August 2017 and resigned on 20 April 2018). Ms Bronwyn Barnes (Non-Executive Chair – appointed 25 November 2016 and removed 1 August 2018) did not meet the criteria for an independent director as the nominee for Investmet Limited, a substantial shareholder of the Company and Mr Robert Martin (Non-Executive Director - appointed 2 November 2016) did not meet the criteria for an independent director as a substantial shareholder of the Company.

The Board currently consists of Mr Neville Bassett (Independent Non-Executive Chair – appointed 20 April 2018), Mr Robert Martin (Non-Executive Director), Mr Brian Thomas (Independent Non-Executive Director appointed 20 April 2018) and Mr Craig Hall (Non-Executive Director – appointed 1 August 2018 as nominee for Investmet Limited, a substantial shareholder of the Company).

The Company does not have a majority of independent directors and the Board considers the current balance of skills and expertise is appropriate for the Company. The detailed skills matrix of the Board for a company of Auris's size and complexity is not considered necessary. The principal business of the Company at present is as an explorer of its Bryah Basin tenement package, which is prospective for copper and copper-gold discoveries, therefore requiring a skillset of geological and geophysical expertise, executive management, financial and commercial skills.

The Board comprises directors who each have extensive technical, financial and commercial expertise. The Board will address the skills matrix commensurate with the growth and development of the Company's activities to ensure those skill sets are complemented by additional industry expertise in the sector pursued as required.

Nomination of other Board Members

Membership of the Board of Directors is reviewed on an on-going basis by the Chairperson of the Board to determine if additional core strengths are required to be added to the Board in light of the nature of the Company's businesses and its objectives. The Board does not have a separate Nomination Committee and does not believe it is necessary in a Company of Auris's size.

Director induction and ongoing professional development

The Company does not have a formal induction program for Directors but does provide Directors with information pack detailing policies, corporate governance and various other corporate requirements of being a director of an ASX Listed company. Due to the size and nature of the business, Directors are expected to already possess a level of both industry and commercial expertise before being considered for a directorship of the Company. Directors are provided with the opportunity to access employees of the business and any information as they require about the business including being given access to regular news articles and publications where considered relevant.

Principle 3 - Promote ethical and responsible decision-making Code of Conduct

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

Conflicts of Interest

Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the director or the interests of any other party in so far as it affects the activities of the Company and to act in accordance with the Corporations Act if conflict cannot be removed or if it persists. That involves taking no part in the decision making process or discussions where that conflict does arise.

Trading in Company Securities

Directors are required to make disclosure of any share trading. The Company policy in relation to share trading is that officers are prohibited to trade whilst in possession of unpublished price sensitive information concerning the Company or within a period of the release of results i.e. the blackout period. That is information which a reasonable person would expect to have a material effect on the price or value of the Company's shares. An officer must receive authority to acquire or sell shares with the directors or the Company Secretary prior to doing so to ensure that there is no price sensitive information of which that officer might not be aware. The undertaking of any trading in shares must be notified to the ASX.

Principle 4 - Safeguard integrity in financial reporting

Auris has a financial reporting process which includes half year and full-year results which are signed off by the Board before they are released to the market.

The Board does not have a separate Audit Committee and does not believe it is necessary in a Company of Auris's size. Instead, the three Board members, who each have extensive commercial and financial expertise, manage the financial oversight as well as advise on the modification and maintenance of the Company's financial reporting, internal control structure, external audit functions, and appropriate ethical standards for the management of the Company.

In discharging its oversight role, the Board is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

The Chief Executive Officer (or equivalent) reports in writing on the propriety of compliance on internal controls and reporting systems and ensures that they are working efficiently and effectively in all material respects.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Board. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Company's external auditor attends each Annual General meeting and is available to answer questions from shareholders relevant to the conduct of the external audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the auditor.

Principle 5 - Make timely and balanced disclosure

Auris has adopted a formal policy dealing with its disclosure responsibilities. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The policy also addresses the Company's obligations to prevent the creation of a false market in its securities. Auris ensures that all information necessary for investors to make an informed decision is available on its website.

The Non-Executive Chairman has ultimate authority and responsibility for approving market disclosure which, in practice, is exercised in consultation with the Board and Company Secretary.

In addition, the Board will also consider whether there are any matters requiring continuous disclosure in respect of each and every item of business that it considers.

Principle 6 - Respect the rights of shareholders

The Board's fundamental responsibility to shareholders is to work towards meeting the Company's objectives so as to add value for them. The Board maintains an investor relation program which will inform shareholders of all major developments affecting the Company by:

- preparing half yearly and yearly financial reports;
- preparing quarterly cash flow reports and reports as to activities;
- making announcement in accordance with the listing rules and the continuous disclosure obligations;
- posting all of the above on the Company's website;
- annually, and more regularly if required, holding a general meeting of shareholders and forwarding to them the annual report, if requested, together with notice of meeting and proxy form; and
- voluntarily releasing other information which it believes is in the interest of shareholders.

The Annual General Meeting enables shareholders to discuss the annual report and participate in the meetings either by attendance or by written communication. The Company provides all shareholders with a Notice of Meeting so they can be fully informed and be able to vote on all resolutions at the Annual General Meeting. Shareholders are able to discuss any matter with the directors and/or the auditor of the Company who is also invited to attend the Annual General Meeting.

Shareholders have the option to receive all Company and share registry communications electronically, and may also communicate with the Company by emailing the Company via its website. All shareholders have the ability to request copies of ASX releases, all of which are published and available on the Company's website immediately after they are released to ASX.

The Company regularly reviews its stakeholder communication policy and endeavours to maintain a program appropriate for a company of its size and complexity.

Principle 7 - Recognise and Manage Risk

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegate's day-to-day management of risk to the Chief Executive Officer or equivalent, who is responsible for identifying, assessing, monitoring and managing risks. The Chief Executive Officer or equivalent is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Chief Executive Officer or equivalent may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board does not have a separate Risk Management Committee as the Board monitors and reviews the integrity of financial reporting and the Company's internal financial control systems. Management assess the effectiveness of the internal financial control on an annual basis and table concerns and recommendations at Board meetings were required.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- Establishment of financial control procedures and authority limits for management;
- Approval of an annual budget;
- Adoption of a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- Adoption of a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.
- Maintenance and review of a risk register to identify the Company's material business risks and risk management strategies for these risks. The risk register is reviewed half yearly and updated as required. Management reports to the Board on material business risks at each Board meeting.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the material business risks of the Company. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Company's management of its material business risks for the financial year ended 30 June 2018.

The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and has assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risks.

Internal Audit

The Company does not have an internal audit function as the Board believes the business is neither the size nor complexity that requires such a function. The Board is currently responsible for monitoring the effectiveness of internal controls, risk management procedures and governance.

Sustainability Risks

The Company has a detailed risk matrix which it regularly reviews and which highlights critical risk factors the Company faces at any particular time. The principal risks highlighted are what would typically be expected for a small listed exploration company and include;

- Reliance on key executives
- Inability to access new exploration capital
- Unsuccessful exploration results
- Exposure to other operators, be it through Joint Venture agreements or actions of those operators in an operational sense
- Legislature changes in jurisdiction the Company operates in

As the Company expands its activities either within existing projects or with the addition of new projects, it is expected that the sustainability risks will change accordingly. The Board reviews the overall sustainability of both the copper-gold exploration business and more specifically, the Company, in its normal course of business and therefore does not produce a separate sustainability report.

Principle 8 - Remunerate fairly and responsibly

The Company does not have a Remuneration Committee. Instead, the Board monitors and reviews the remuneration policy of the Company. The Board will engage an independent remuneration consultant to review the Company's policy on remuneration as and when required.

Details of the remuneration policy are contained in the Remuneration Report included in the Directors' Report. The Company's policy is to remunerate non-executive directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. From time-to-time the Company may grant options to non-executive directors. The grant of options is designed to recognise and reward efforts as well as to provide non-executive directors with additional incentive to continue those efforts for the benefit of the Company.

The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by the shareholders at general meeting.

Pay and rewards for executive directors and senior executives consists of a base salary and performance incentives. Long term performance incentives may include options and / or performance rights granted at the discretion of the Remuneration Committee and subject to obtaining the relevant approvals. The grant of options and / or performance rights is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness. The Company's policy is not to allow transactions in associated products which limit the risk of participating in unvested elements of equity-based compensation plans.

There are no termination or retirement benefits for non-executive directors (other than superannuation).

Shareholder Information

The shareholder information set out below was applicable at 20 September 2018.

A. Distribution of Equity Securities

i) Analysis of numbers of shareholders by size of holding:

	Ordinary Shares (AUR)	
	No. of shareholders	Percentage of issued capital
1 – 1,000	125	0.01%
1,001 – 5,000	103	0.07%
5,001 – 10,000	176	0.35%
10,001 – 100,000	676	6.71%
Over 100,000	327	92.86%
Total	**1,407**	**100%**

ii) 360 holdings of a less than marketable parcel at $0.05 per share.

B. Equity Security Holders

Twenty largest quoted equity security holders

The names of the 20 largest holders of quoted equity securities are listed below:

	No. of ordinary shares held	Percentage of issued shares
Investmet Ltd	40,959,103	10.02%
JP Morgan Nom Aust Ltd	35,894,827	8.78%
HSBC Custody Nom Aust Ltd	27,038,665	6.62%
Martin, R P & S P	22,147,280	5.42%
Investmet Ltd	18,954,491	4.64%
Citicorp Nom Pty Ltd	14,195,531	3.47%
Hades Corp WA Pty Ltd	14,175,000	3.47%
Motte & Bailey Pty Ltd	12,693,419	3.11%
All-States Finance Pty Ltd	12,247,830	3.00%
Guina Global Inv Pty Ltd	5,200,000	1.27%
Pershing Aust Nom Pty Ltd	5,100,000	1.25%
Perth Select Seafoods Pty Ltd	5,000,000	1.22%
Bayferry Pty Ltd	4,800,000	1.17%
BNP Paribas Nom Pty Ltd	4,631,148	1.13%
Onmell Pty Ltd	3,551,912	0.87%
Gleneagle Sec Nom Pty Ltd	3,533,395	0.86%
Botsis Holdings Pty Ltd	3,500,000	0.86%
Southern Cross Cap Pty Ltd	3,500,000	0.86%
Goldfire Enterprise Pty Ltd	3,217,392	0.79%
Riverview Corp Pty Ltd	3,215,083	0.79%
	243,555,076	59.60%

Unquoted equity securities

1,480,000 unlisted $0.60 options held by seventeen (17) option holders, expiring 3 October 2018

2,500,000 unlisted $1.30 options held by eighteen (18) option holders, expiring 8 October 2019

6,000,000 performance rights held by two (2) holders, expiring 22 November 2020

C. Substantial Holders

As at 26 September 2018, the Company had received substantial shareholder notices from the following shareholders:

Shareholder	No. of shares	Percentage of issue
Michael George Fotios	74,438,594	18.26%
Goldfire Enterprises Pty Ltd	28,651,486	7.03%
SG Hiscock & Company Limited	20,493,391	5.03%

Note:

i) The above details may not reconcile to the information in the Twenty Largest Security Holders list as revised substantial shareholder notices had not been received by the Company as at 26 September 2018.

D. Voting Rights

At a general meeting of shareholders:

(a) On a show of hands, each person who is a member or sole proxy has one vote.

(b) On a poll, each shareholder is entitled to one vote for each fully paid share.

Greenwich & Co

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Auditor's Independence Declaration

To those charged with governance of Auris Minerals Limited;

As auditor for the audit of Auris Minerals Limited 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.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

Perth

26 September 2018

	Note	30 Jun 2018 $	30 Jun 2017 $
Finance income		62,210	25,093
Grant income		53,857	-
Administrative expenses	3	(1,154,494)	(1,220,231)
Finance costs	3	(5,652)	(11,920)
Release from right of first refusal	3	-	(92,885)
Share based payments expense	19	(616,000)	(142,566)
Write off exploration assets	10	(364,813)	(254,115)
Loss before income tax		**(2,024,892)**	**(1,696,624)**
Income tax benefit	4	707,856	811,914
(Loss) from continuing operations		**(1,317,036)**	**(884,710)**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		**(1,317,036)**	**(884,710)**
Loss per share			
Basic loss per share attributable to ordinary equity holders	5	(0.33)	(0.30)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

	Note	30 Jun 2018 $	30 Jun 2017 $
ASSETS			
Cash and cash equivalents	11	3,178,861	3,223,776
Trade and other receivables	7	31,532	49,371
Financial assets	8	1,200,000	-
Total current assets		**4,410,393**	**3,273,147**
Property, plant and equipment	9	188,613	237,959
Exploration assets	10	16,883,568	14,975,557
Total non-current assets		**17,072,181**	**15,213,516**
TOTAL ASSETS		**21,482,574**	**18,486,663**
LIABILITIES			
Trade and other payables	12	263,797	484,333
Borrowings	13	40,000	40,000
Provisions	14	134,778	180,969
Total current liabilities		**438,575**	**705,302**
Provisions	14	129,880	129,880
Total non-current liabilities		**129,880**	**129,880**
TOTAL LIABILITIES		**568,455**	**835,182**
NET ASSETS		**20,914,119**	**17,651,481**
EQUITY			
Issued capital	15	123,829,985	119,866,311
Reserves	15	1,241,125	2,317,493
Accumulated losses		(104,156,991)	(104,532,323)
TOTAL EQUITY		**20,914,119**	**17,651,481**

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

	Note	Issued capital	Accumulated losses	Share based payments reserve	Total equity
		$	$	$	$
Opening balance at 1 July 2016		**113,847,669**	**(106,337,493)**	**4,864,807**	**12,374,983**
Comprehensive income					
Loss for the period		-	(884,710)	-	(884,710)
Total comprehensive income for the period		-	(884,710)	-	(884,710)
Transactions with owners and other transfers					
Shares issued	15	6,327,725	-	-	6,327,725
Share issue costs	15	(309,083)	-	-	(309,083)
Share based payments	15	-	-	142,566	142,566
Expiry of options	15	-	2,689,880	(2,689,880)	-
Balance as at 30 June 2017		**119,866,311**	**(104,532,323)**	**2,317,493**	**17,651,481**
Opening balance at 1 July 2017		**119,866,311**	**(104,532,323)**	**2,317,493**	**17,651,481**
Comprehensive income					
Loss for the period		-	(1,317,036)	-	(1,317,036)
Total comprehensive income for the period		-	(1,317,036)	-	(1,317,036)
Transactions with owners and other transfers					
Shares issued	15	4,127,925	-	-	4,127,925
Share issue costs	15	(164,251)	-	-	(164,251)
Share based payments	15	-	-	616,000	616,000
Expiry of options	15	-	1,692,368	(1,692,368)	-
Balance as at 30 June 2018		**123,829,985**	**(104,156,991)**	**1,241,125**	**20,914,119**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

	Note	2018 $	2017 $
Cash flows from operating activities			
Cash receipts from customers		53,857	-
Cash paid to suppliers and employees		(1,153,138)	(1,092,618)
Research and development tax benefit		707,856	811,914
Interest received		66,473	20,830
Net cash outflow from operating activities	11(a)	**(324,952)**	**(259,874)**
Cash flows from investing activities			
Payments for exploration and evaluation		(3,263,364)	(4,063,438)
Proceeds on disposal of property, plant and equipment		153	71,225
Payments for property, plant and equipment		(1,020)	(81,721)
Net cash outflow from investing activities		**(3,264,231)**	**(4,073,934)**
Cash flows from financing activities			
Proceeds from issue of shares	15	3,727,925	5,657,155
(Return)/receipt of shareholder funds in trust		(19,406)	43,614
Share issue costs	15	(164,251)	(309,083)
Net cash inflow from financing activities		**3,544,268**	**5,391,686**
Net (decrease) / increase in cash and cash equivalents		**(44,915)**	**1,057,878**
Cash and cash equivalents at the beginning of the period		3,223,776	2,165,898
Cash and cash equivalents at the end of the period	11	**3,178,861**	**3,223,776**

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

1. Reporting entity

Auris Minerals Limited (the Company or Auris Minerals) is a company domiciled in Australia. The address of the Company's registered office and principal place of business is Level 1, 18 Richardson Street, West Perth WA 6005. The Company is primarily involved in the exploration of mineral tenements in Western Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2018 comprised the Company and its wholly owned subsidiaries (together referred to as the "Group").

Statement of compliance

a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standard Board (AASB) and the Corporations Act 2001. The financial report of the Group complies with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Board of Directors on 26th September 2018.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for share based payments which are measured at fair value. The methods used to determine fair values are discussed further note 2 (m) under share based payment transaction.

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The directors recognise that the ability of the Group to continue as a going concern and to pay its debts as and when they fall due is dependent on the ability of the Group to secure additional funding through either the issue of further shares and / or options.

The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will achieve the matters set out above. As such, the directors believe that they will continue to be successful in securing additional funds as and when the need to raise working capital arises.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Group's functional currency.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group.

Certain comparative amounts have been reclassified to conform to the current year's presentation where required.

a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

In the Company's financial statements, investments in subsidiaries are carried at cost.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and other comprehensive income and statement of financial position respectively.

Transactions eliminated on consolidation

Intra-group transactions, balances and any unrealised income and expenses arising from transactions, are eliminated in preparing the consolidated financial statements.

b) Financial instruments

Non-derivative financial assets

The Group initially recognises receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through the statement of profit and loss and other comprehensive income) are recognised initially on the trade date at which the Group becomes party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: cash and cash equivalents, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Group does not recognise funds held in trust, in relation to equity issues, as a component of cash and cash equivalents.

Accounting for finance income and finance cost is discussed in Note 2(i).

2. Significant accounting policies (continued)

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: trade and other payables, borrowings and provisions.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition trade and other payables are measured at cost, which approximates fair value, borrowings are measured at amortised cost using the effective interest rate method, and provisions are measured as outlined in Note 2(h).

c) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

d) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within “other income” in the statement of profit and loss and other comprehensive income.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs are recognised in the income statement as an expense incurred.

Depreciation

Depreciation is recognised in the income statement on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

2. Significant accounting policies (continued)

Office equipment	20%
Plant and equipment	40%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

e) Exploration expenditure

Exploration activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration expenditure incurred is accumulated in respect of each identifiable area of interest. Exploration expenditure is measured at cost.

Exploration expenditure related to each identifiable area of interest are recognised as an exploration assets in the year in which they are incurred and carried forward to the extent that the following conditions are satisfied:

(i) rights to tenure of the identifiable area of interest are current; and

(ii) at least one of the following conditions is also met:

- the expenditure is expected to be recouped through the successful development of the identifiable are of interest, or alternatively, by its sale; or
- where activities in the identifiable area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and activities in, or in relation to, the area of interest.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an abandoned area are written off in full in the statement of profit and loss and other comprehensive income in the year in which the decision to abandon the area is made.

Exploration assets are reviewed at each reporting date for indicators of impairment and tested for impairment where such indicators exist. If the test indicates that the carrying value might not be recoverable the asset is written down to its recoverable amount. Any such impairment arising is recognised in the statement of profit and loss and other comprehensive income for the year.

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

f) Impairment

Financial assets (including receivables)

A financial asset not carried at fair value through the statement of profit and loss and other comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, and the disappearance of an active market for a security.

2. Significant accounting policies (continued)

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed in groups that show similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original interest rate. Losses are recognised in the statement of profit and loss and other comprehensive income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of profit and loss and other comprehensive income.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss and other comprehensive income. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

g) Employee benefits

Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss and other comprehensive income in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2. Significant accounting policies (continued)

Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

h) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Exploration activities give rise to obligations for site closure and rehabilitation. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology discounted to their present values.

i) Revenue

Services

Revenue from services rendered is recognised in the statement of profit and loss and other comprehensive income in proportion to the stage of completion of the transaction at the reporting date.

Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in the statement of profit and loss and other comprehensive income, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets.

j) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

2. Significant accounting policies (continued)

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

k) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

l) Loss per share

The Company presents basic and diluted loss per share for its ordinary shares. Basic loss per share is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is only determined if the Company is in a profit position. Refer to note 5 for details.

m) Accounting estimates and judgements

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Taxation

Balances disclosed in the financial statements and the notes related to taxation, are based on the best estimates of directors and take into account the financial performance and position of the Group as they pertain to current income tax legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current tax position represents the best estimate, pending assessment by the Australian Tax Office.

Exploration assets

The accounting policy for exploration expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

2. Significant accounting policies (continued)

This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that the recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of rights granted is measured using the single barrier share option pricing model, taking into account the terms and conditions set out within note 19.

Estimated useful lives of assets

Estimated useful lives of assets have been based on historical experience. The condition of the assets is assessed at least once per year and considered against the remaining life. Adjustments to useful lives are made when considered necessary.

Provision for rehabilitation

Included in liabilities at the end of each reporting period is an amount that represents an estimate of the cost to rehabilitate the land upon which the Group has carried out its exploration for mineral resources. Provisions are measured at the present value of management's best estimate of the costs required to settle the obligation at the end of the reporting period. Actual costs incurred in future periods to settle these obligations could differ materially from these estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates, and discount rates could affect the carrying amount of this provision.

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions or events specific to the Group that may be indicative of impairment indicators. The decision as to the existence of impairment indicators requires judgement.

n) New standards and interpretations not yet adopted

There are a number of new Accounting standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group. They are available for early adoption at 30 June 2018, but have not been applied in preparing this financial report because the adoption would not materially impact this financial report.

3. Revenue and expenses includes:

	Note	2018	2017
		$	$
Finance costs			
Costs in relation to convertible notes:			
Interest		4,883	11,920
Foreign exchange loss		769	-
		5,652	**11,920**
Release from right of first refusal			
Issue of 1,429,000 shares to Westgold Limited	11(b)(ii)	-	92,885
Administrative expenses			
Disclosable			
Employee benefits expense		436,261	567,002
Office lease payments		40,193	51,333
Depreciation	8	49,990	60,485
Legal services		128,554	108,545
Company secretarial services		60,000	60,000
Other		439,496	372,866
		1,154,494	**1,220,231**

4. Income tax expense

a) Numerical reconciliation between tax expense / (benefit) and pre-tax net loss

	2018	2017
	$	$
Loss before tax	(2,024,892)	(1,696,624)
Income tax benefit using the domestic corporation tax rate of 27.5% (2017: 27.5%)	(556,845)	(466,572)
Increase / (decrease) in income tax due to:		
Non-deductible expenses	169,786	66,034
Temporary differences and losses not recognised	484,473	497,508
Adjustments in respect of previous current income tax	(707,856)	(811,914)
Tax amortisation of capital raising costs	(97,414)	(96,970)
Income tax benefit	**(707,856)**	**(811,914)**

b) Tax consolidation

The company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Consolidated Entity have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entities on a pro-rate basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Auris Minerals Limited.

4. Income tax expense (continued)

c) Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of AASB 112 Income Taxes. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head company, Auris Minerals Limited.

In this regard the Company has utilised the benefit of tax losses from controlled entities of $1,818,520 (2017: $1,751,535) as of the balance date. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants are required.

d) Deferred tax (liabilities) / assets not recognised

	2018	2017
	$	$
Exploration expenditure	(4,431,402)	(4,118,278)
Receivables	-	(1,172)
Plant and equipment	12,431	(16)
Investments	29,493	29,493
Environmental liability	35,717	35,717
Provisions and sundry items	42,899	53,617
Business related costs	200,897	268,132
Capital losses	243,664	243,664
Tax losses	26,492,262	24,488,070
Deferred tax asset not recognised	(22,625,961)	(20,999,227)
Net deferred tax liability	**-**	**-**

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

5. Loss per share

	2018	2017
	Cents	Cents
Basic loss per share (cents)	**0.33**	**0.30**

The calculation of basic loss per share at 30 June 2018 is based on the loss attributable to ordinary shareholders of $1,317,036 (2017: $884,710) and a weighted average number of ordinary shares outstanding of 396,088,820 (2017: 291,625,860).

The number ordinary shares has been restated on a post consolidation basis.

As at 30 June 2018, the options detailed within note 19 are considered to be potential ordinary shares. However, as the Group is in a loss position, the potential ordinary shares are considered to be anti-dilutive in nature, as their exercise will not result in a diluted loss per share that shows an inferior view of earnings performance of the Group than is shown by basic loss per share. For this reason, the options have not been included in the determination of diluted loss per share and the diluted loss per share is disclosed to be the same as basic loss per share.

6. Auditors remuneration

	2018	2017
	$	$
Audit services:		
Audit and review of financial reports	29,000	28,000
	29,000	**28,000**

7. Trade and other receivables

	2018	2017
	$	$
Receivable from Australian Taxation Office	22,960	36,811
Other	8,572	12,560
	31,532	**49,371**

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 20.

8. Financial Assets

	Note	2018	2017
Available-for-sale financial assets	(i)	$	$
Balance at 1 July		-	-
Acquisition of listed investments		1,200,000	-
Balance at 30 June		**1,200,000**	**-**

(i) Available-for-sale financial assets consists of investments in ordinary shares and, therefore, have no fixed maturity date or coupon rate.

On 7 March 2018, Sandfire Resources NL (ASX: SFR) issued 166,006 shares at $7.23 per share to Auris as a part of the Farm-In Agreement in relation to the Morck Well East and Doolgunna Projects.

As at 30 June 2018, the SFR share price was $9.16 equating to a total value of $1,520,615.

9. Property, plant and equipment

A reconciliation of the carrying amounts for each class of property, plant and equipment is set out below.

	Plant & equipment $	Office equipment $	Motor vehicles $	Total $
Carrying amount				
At cost	75,304	204,205	409,789	689,298
Accumulated Depreciation	(63,471)	(115,752)	(272,116)	(451,339)
Balance at 30 June 2017	**11,833**	**88,453**	**137,673**	**237,959**
At cost	75,304	203,998	409,789	689,091
Accumulated Depreciation	(67,891)	(132,937)	(299,650)	(500,478)
Balance at 30 June 2018	**7,413**	**71,061**	**110,139**	**188,613**
Movement in carrying amount				
Balance at 1 July 2016	29,630	109,946	152,758	292,334
Additions	1,764	11,916	68,145	81,825
Disposals	(11,635)	(12,389)	(51,691)	(75,715)
Depreciation	(7,926)	(21,020)	(31,539)	(60,485)
Balance at 30 June 2017	**11,833**	**88,453**	**137,673**	**237,959**
Balance at 1 July 2017	11,833	88,453	137,673	237,959
Additions	-	1,020	-	1,020
Disposals	-	(376)	-	(376)
Depreciation	(4,420)	(18,036)	(27,534)	(49,990)
Balance at 30 June 2018	**7,413**	**71,061**	**110,139**	**188,613**

10. Exploration expenditure

	Note	Exploration $	Evaluation $	Development $	Total $
Balance at 1 July 2016		10,720,149	-	-	10,720,149
Expenditure during the period	(i)	4,509,206	-	-	4,509,206
Adjustment to environmental liability	(iii)	320	-	-	320
Impairment of assets	(v)	(254,115)	-	-	(254,115)
Balance at 30 June 2017		**14,975,557**	**-**	**-**	**14,975,557**
Balance at 1 July 2017		14,975,557	-	-	14,975,557
Expenditure during the period	(ii)	3,472,824	-	-	3,472,824
Proceeds during the period	(iv)	(1,200,000)	-	-	(1,200,000)
Impairment of assets	(v)	(364,813)	-	-	(364,813)
Balance at 30 June 2018		**16,883,568**	**-**	**-**	**16,883,568**

(i) Expenditure included $13,650 in respect of the shares issued to Omni GeoX Pty Ltd pursuant to a joint venture agreement over exploration tenements; $200,000 in respect of shares issued to Ascidian Prospecting Pty Ltd pursuant to an asset sale agreement and $232,115 in respect of shares issued to Westgold Limited pursuant to an asset sale agreement (Note 11 (b) (ii)).

(ii) Expenditure included $400,000 in respect of the shares issued to Ascidian Prospecting Pty Ltd pursuant to an asset sale agreement (Note 11 (b) (ii)).

(iii) The estimated environmental liability is based on an annual assessment under the criteria adopted by the Mining Rehabilitation Fund as implemented by the Department of Mines and Petroleum.

(iv) Shares issued by Sandfire Resources NL per Farm-In Agreement (Note 8).

(v) The carrying value has been impaired based on a review undertaken by an external consultant to determine the recoverability of the current carrying value. The determination was based on examining the tenements held within each entity within the group on a project-by-project basis to assess whether:

- The expenditure and the associated activities have resulted in high priority exploration targets that will be the focus of funded exploration over the next 2 years; and
- An area of interest is considered likely to be recoverable by future exploitation or sale.

The directors supported the recommendations and approved the associated amounts impaired.

11. Cash and cash equivalents

	2018 $	2017 $
Bank balances	3,178,861	3,223,776
Cash and cash equivalents in the statement of cash flows	**3,178,861**	**3,223,776**

The exposure to interest rate risk and a sensitivity analysis for financial assets are discussed in note 20.

11. Cash and cash equivalents (continued)

a) Reconciliation of cash flows from operating activities

	Note	2018	2017
		$	**$**
Loss for the period after income tax		(1,317,036)	(884,710)
Adjusted for:			
Depreciation expense	3	49,990	60,485
Impairment of exploration assets	9	364,813	254,115
Interest on convertible notes paid in shares		4,800	11,920
Employee share-based payments	11(b)	616,000	142,566
Release from right of first refusal	3	-	92,885
Loss on disposal of assets		222	4,385
Operating loss before changes in working capital and provisions		**(281,211)**	**(318,354)**
Decrease / (increase) in trade and other receivables		832	(29,676)
Decrease / (increase) in trade and other payables		(26,786)	133,502
Decrease / (increase) in provisions		(17,787)	(45,347)
Net cash outflow from operating activities		**(324,952)**	**(259,875)**

b) Non cash financing and investing activities

Issue of incentive options	(i)	-	142,566
Issue of shares	(ii)	400,000	538,650
Issue of performance rights	(iii)	616,000	-
Shares received – farm-in consideration	(iv)	(1,200,000)	-
		(184,000)	**681,216**

(i) Issue of Incentive Options

As approved by shareholders in general meeting held on 21 November 2013, the Company may issue unlisted options to employees to subscribe for ordinary fully paid shares in the Company at any time within five years of issue and at an exercise price approved by the directors. There are no voting or dividend rights attached to the options and options issued under the plan were issued for no consideration. Voting rights will be attached to the ordinary issued shares when the options have been exercised. Each option is convertible to one fully paid ordinary share.

The following issues took place:

- On 5 April 2017, the Company issued 1,000,000 employee incentive options to an employee at an exercise price of $0.12 each and expiring on 20 September 2018. $39,220 was recognised as a share based payment in the income statement.
- On 27 March 2017, the Company issued 2,000,000 director options to Debbie Fullarton, 2,000,000 director options to Bronwyn Barnes and 1,000,000 director options to Robert Martin. These options were issued at an exercise price of $0.12 each and expiring on 20 September 2018. $103,346 was recognised as a share based payment in the income statement.

(ii) Issue of Shares

- On 7 July 2017, 7,000,000 fully paid ordinary shares were issued to Ascidian Prospecting Pty Ltd pursuant to an asset sale agreement. $400,000 was capitalised to exploration assets as a result of the issue of shares. Refer to Note 10.

11. Cash and cash equivalents (continued)

- On 5 April 2017, 5,000,000 fully paid ordinary shares were issued to Westgold Limited pursuant to an asset sale agreement over mining tenements and the release from the right of first refusal over exploration tenements. $232,115 was capitalised to exploration assets and $92,885 was expensed as a release of rights as a result of the issue of these shares. Refer to note 10.
- On 20 December 2016, 260,000 (1,300,000 pre-consolidation) fully paid ordinary shares were issued to Omni GeoX Pty Ltd pursuant to a joint venture agreement over exploration tenements. $13,650 was capitalised to exploration assets as a result of the issue of these shares. Refer to note 10.
- On 6 July 2016, 3,118,600 (15,593,000 pre-consolidation) fully paid ordinary shares were issued to Ascidian Prospecting Pty Ltd pursuant to an asset sale agreement. $200,000 was capitalised to exploration assets as a result of the issue of these shares. Refer to note 10.

(iii) Issue of Performance Rights

- On 22 November 2017, the Company issued 2,000,000 director performance rights to Bronwyn Barnes, 2,000,000 director performance rights to Robert Martin, 2,000,000 director performance rights to Susan Vearncombe, 6,000,000 employee performance rights to Wade Evans and 4,000,000 employee performance rights to Nick Franey. $704,000 was recognised as a shared based payment in the income statement.
- On 26 April 2018, the Company cancelled 2,000,000 director performance rights held by outgoing director Susan Vearncombe. $88,000 was reversed from share based payment in the income statement.

(iv) Shares Received – Farm-In Consideration

- On 7 March 2018, Auris received 166,006 Sandfire Resources shares at $7.23 per share as part of the Farm-In Agreement for the Morck Well East and Doolgunna Projects.

12. Trade and other payables

	2018	**2017**
	$	**$**
Trade payables and other accruals	239,589	440,719
Monies held in trust	24,208	43,614
	263,797	**484,333**

<u>Monies held in trust</u>

On 20 February 2017, being the applicable record date, the Company provided shareholders with a notice of intention to sell shares of less than a marketable parcel in accordance with the company constitution. Impacted shareholders were given the opportunity to return their Notice of Retention by 10 April 2017 if they did not want these shares to be sold on their behalf. The sale was concluded on 19 April 2017 and 1,350 shares holders collectively holding 1,509,225 shares received their proceeds from the sale ($0.07 per share sold). The monies currently held in trust represent unpresented cheques at the balance date.

13. Borrowings

	Note	2018	2017
		$	$
Convertible notes		40,000	40,000
		40,000	**40,000**

Movement in borrowings

	Note	2018	2017
		$	$
Balance at 1 July		40,000	160,000
Notes issued		-	-
Notes converted	15	-	(120,000)
Balance at 30 June		**40,000**	**40,000**

Convertible notes

As at 30 June 2018 there are two remaining convertible notes having a face value of $20,000 each maturing on 1 July 2018. Interest, at a rate of 12% per annum, is payable six monthly in June and December in shares converted at a 30 day VWAP. The notes together with the accrued interest were converted into shares at an issue price of $0.05 per share on 2 July 2018.

14. Provisions

Current provisions	2018	2017
	$	$
Employee leave benefits	9,725	55,916
Provision for stamp duty	125,053	125,053
	134,778	**180,969**

Provision has been made for additional stamp duty in respect the share purchase acquisition of Auris Exploration Pty Ltd for movable property, and an adjustment for the value of gold inventory. This had not previously been taken into account when the interim assessment was issued by the Office of State Revenue on 13 December 2013.

Non-current provisions	Note	2018	2017
		$	$
Environmental provision		129,880	129,880
		129,880	**129,880**
Movement in non-current provisions			
Balance at 1 July		129,880	129,560
Provision adjustment	9	-	320
Balance at 30 June		**129,880**	**129,880**

A provision has been made in respect of environmental rehabilitation on tenements based on the disturbance criteria as determined by Department of Mines and Petroleum.

15. Issued capital and reserves

	2018	2017
	$	$
Issued and fully paid ordinary shares	**123,829,985**	**119,866,311**

	Note	2018	2018	2017	2017
Movement in ordinary shares		**No.**	**$**	**No.**	**$**
On issue at 1 July		354,223,138	119,866,311	1,286,553,365	113,847,669
Consolidation of shares 5:1		-	-	(1,029,242,197)	-
Issue of shares for cash		46,562,202	3,727,925	85,927,475	5,515,649
Issue of shares on conversion of convertible notes	13	-	-	2,400,000	120,000
Issue of share for interest on convertible notes		-	-	205,895	11,920
Issue of shares to acquire exploration licences	11(b)(ii)	7,000,000	400,000	6,949,600	445,765
Issue of shares in lieu of cash payment for expenses	11(b)(ii)	-	-	1,429,000	92,885
Issue of listed options for cash consideration		-	-	-	141,506
Share issue costs		-	(164,251)	-	(309,083)
On issue at 30 June		**407,785,340**	**123,829,985**	**354,223,138**	**119,866,311**

Listed options on issue

	2018	2017
	No.	**No.**
$0.08 listed options, expiring 20 September 2017	-	49,776,458
$0.12 listed options, expiring 20 June 2018	-	49,776,458
On issue at 30 June	**-**	**99,552,916**

Terms and conditions

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Nature and purpose of share-based payments reserve

The share-based payments reserve represents the fair value of equity instruments issued to employees as compensation and issued to external parties for the receipt of goods and services. This reserve will be reversed against issued capital when the underlying shares are converted and reversed against retained earnings when they are allowed to lapse.

15. Issued capital and reserves (continued)

Movement in share-based payment reserve

	Note	2018	2017
		$	$
Balance at 1 July		2,317,493	4,864,807
Share based payments	11(b)(iii)	616,000	142,566
Expiry of options		(1,692,368)	(2,689,880)
Balance at 30 June		**1,241,125**	**2,317,493**

Movement in listed options

Options expiring on or before	Exercise price	On issue at 1 Jul 17	Issued	Exercised	Expired	On issue at 30 Jun 18
20 Sep 2017 (AUROA)	$0.08	49,776,458	-	(9,863,478)	(39,912,980)	-
20 Jun 2018 (AUROB)	$0.12	49,776,458	-	(73,727)	(49,702,731)	-
		99,552,916	**-**	**(9,937,205)**	**(89,615,711)**	**-**

Movement in unlisted options

Options expiring on or before	Exercise Price	On issue at 1 Jul 17	Consolidation of options	Issued	Exercised	Expired	On issue at 30 Jun 18
15 Sep 2017	$1.25	600,000	-	-	-	(600,000)	-
9 Nov 2017	$3.00	300,000	-	-	-	(300,000)	-
31 Jan 2018	$0.15	600,000	-	-	-	(600,000)	-
3 Oct 2018	$0.60	1,480,000	-	-	-	-	1,480,000
8 Oct 2019	$1.30	2,500,000	-	-	-	-	2,500,000
20 Sep 2018	$0.12	5,000,000	-	-	-	-	5,000,000
20 Sep 2018	$0.12	1,000,000	-	-	-	-	1,000,000
		11,480,000	**-**	**-**	**-**	**(1,500,000)**	**9,980,000**

16. Controlled entities

	2018	2017
	%	%
Auris Exploration Pty Ltd, incorporated in Australia (i), (ii)	100	100

(i) Auris Exploration Pty Ltd was formerly known as Grosvenor Gold Pty Ltd.

(ii) The parent entity acquired a 100% interest in Auris Exploration Pty Ltd on 8 March 2012.

17. Segment reporting

The Group operations are entirely associated with exploration and related development activities in Western Australia.

18. Parent information

Statement of Financial Position	2018 $	2017 $
Assets		
Total current assets	3,179,515	3,225,511
Total non-current assets	40,808,635	14,814,906
Total assets	**43,988,150**	**18,040,417**
Liabilities		
Total current liabilities	257,400	340,858
Total non-current liabilities	22,816,631	48,080
Total liabilities	**23,074,031**	**388,938**
Equity		
Issued capital	123,829,985	119,866,311
Reserves	1,241,125	2,317,493
Accumulated losses	(104,156,991)	(104,532,325)
Total equity	**20,914,119**	**17,651,479**

Statement of Profit and Loss and Other Comprehensive Income

Total loss	1,317,036	3,864,926
Total comprehensive loss	**1,317,036**	**3,864,926**

19. Share based payments

Recognised share-based payments

Details of share based payments recognised during the year are shown in the table below.

	Note	2018 $	2017 $
Employee share based payments		176,000	39,220
KMP share based payments		440,000	103,346
		616,000	**142,566**
Issue of shares	11(b)(ii)	400,000	538,650
		1,016,000	**681,216**

Equity based compensation plans (Long-term incentive bonus)

The Board has provided equity-based long-term incentives (LTIs) to promote continuity of employment and to provide additional incentive to key management personnel to increase shareholder wealth. LTIs are provided as options and rights over ordinary shares of the Company and are provided to key management personnel based on their level of seniority and position within the Group. Options and rights may only be issued to directors subject to approval by shareholders in general meeting.

There are no voting or dividend rights attached to the options and rights. Options and rights issued under the plans were issued for no consideration. Voting rights will be attached to the ordinary issued shares when the options and rights have been exercised. Each option and right is convertible to one fully paid ordinary share.

19. Share based payments (continued)

Issue of incentives

As approved by shareholders in general meeting the Company may issue unlisted options or rights to employees to subscribe for ordinary fully paid shares in the Company with an expiry date not later than five years from the date of issue and with an exercise price at the discretion of the directors.

The following options and rights were issued to employees and directors included in equity settled share-based payments expenses under Administrative expenses in the statement of profit and loss and other comprehensive income.

	2018	2017
	$	$
Issue of incentive options	-	142,566
Issue of performance rights	616,000	-
Equity settled share-based payment expense	**616,000**	**142,566**

Options granted as share based payments

There were no options issued during the reporting period.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2018		2017	
	No.	WAEP	No.	WAEP
Outstanding at 1 July	11,480,000	$0.57	54,120,000	$0.30
Granted during the year	-	$0.00	6,000,000	$0.12
Expired during the year	(1,500,000)	$1.16	(48,640,000)	$0.21
Outstanding at 30 June	**9,980,000**	**$0.49**	**11,480,000**	**$0.57**

The options have been restated on a post-consolidation basis.

The outstanding balance at 30 June 2018 is represented by:

Expiry date	Exercise Price	No. of shares
20 September 2018	$0.12	6,000,000
3 October 2018	$0.60	1,480,000
8 October 2019	$1.30	2,500,000
		9,980,000

The number and pricing of options have been restated on a post-consolidation basis.

Weighted average remaining contractual life

The weighted average remaining contractual life for share options outstanding as at 30 June 2018 is 0.43 years (2017: 1.35 years).

Range of exercise price

The range of exercise prices for options outstanding at the end of the year was $0.12 - $1.30 (2017: $0.08 - $3.00). As the range of exercise prices is wide, refer to the above table for further information in assessing the number and timing of additional shares that may be issued and the cash that may be received upon exercise of those options.

Note the exercise prices have been restated on a post-consolidation basis.

19. Share based payments (continued)

Weighted average fair value

The weighted average fair value of options granted during the year was nil (2017: $0.10).

Rights granted as share based payments

On 22 November 2017, the Company issued 16,000,000 performance rights which were approved at the Company's shareholder meeting. The performance rights were issued in two equal tranches, each with market based performance milestones. Each performance right will convert into 1 ordinary share of AUR upon achievement of the milestone by the milestone expiry date.

On 20 April 2018, Susan Vearncombe was removed as Non-Executive Director in a general meeting, Dr Vearncombe was issued 2,000,000 performance rights on 22 November 2017. These rights were cancelled as a result of her removal as Non-Executive Director.

Movement of rights during the reporting period is set out in the table below.

	Tranche 1		Tranche 2	
	No.	**Fair Value**	**No.**	**Fair Value**
Balance at 1 July	-	-	-	-
Granted during the year	8,000,000	376,000	8,000,000	328,000
Cancelled during the year	(1,000,000)	(47,000)	(1,000,000)	(41,000)
Balance at 30 June	**7,000,000**	**329,000**	**7,000,000**	**287,000**

Fair value of performance rights

The following table sets out the assumptions made in determining the fair value of the performance rights granted during the period which were estimated at the date of grant using the single barrier share option pricing model.

Tranche	No.	Grant date	Volatility	Risk-free rate	Exercise price	Expiry date	Fair value per right	Total fair value
1	8,000,000	22 Nov 2017	90%	1.91%	nil	22 Nov 2020	0.047	376,000
2	8,000,000	22 Nov 2017	90%	1.91%	nil	22 Nov 2020	0.041	328,000

Performance milestones:

(1) Vest upon achieving a market capitalisation of $48 million for a period of 30 consecutive days.

(2) Vest upon achieving a market capitalisation of $64 million for a period of 30 consecutive days.

20. Financial instruments

Financial risk management

This note presents information about the Group's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group's principal financial instruments comprise receivables, payables, borrowings, cash and short-term deposits. All financial assets measured at fair value are considered to be Level 1 financial assets. That is, they have quoted prices in active markets for identical assets.

Risk exposures and responses

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

20. Financial instruments (continued)

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates via assessments of market forecasts for interest rates and monitoring liquidity risk through the development of future rolling cash flow forecasts.

The Group does not use any form of derivatives as the Group's operations and related financial instruments are not at a level of complexity to require the use of derivatives to hedge its exposures. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's potential concentration of credit risk consists mainly of cash deposits with banks and other receivables. The Group's short term cash surpluses are placed with banks that have investment grade ratings.

The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the balance sheet date. The Group considers the credit standing of counterparties when making deposits to manage the credit risk.

Considering the nature of the Group's ultimate customers and the relevant terms and conditions entered into with such customers, the Group believes that the credit risk is immaterial.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate cash reserves either from funds raised in the market or via short term loans and by continuously monitoring forecast and actual cash flows.

The following are the contractual and expected maturities of the Group's non-derivative, non-cash financial assets and the Group's expected maturities of financial liabilities:

	Within 6 months	6 to 12 months	>12 months	Total
	$	$	$	$
As at 30 June 2018				
Financial assets				
Trade and other receivables	31,532	-	-	31,532
	31,532	-	-	31,532
Financial liabilities				
Trade and other payables	263,797	-	-	263,797
Provisions	134,778	-	-	134,778
Borrowings - current	40,000	-	-	40,000
	438,575	-	-	438,575
Net outflow	**(407,043)**	**-**	**-**	**(407,043)**

20. Financial instruments (continued)

As at 30 June 2017				
Financial assets				
Trade and other receivables	49,371	-	-	49,371
	49,371	-	-	49,371
Financial liabilities				
Trade and other payables	484,333	-	-	484,333
Provisions	180,969	-	-	180,969
Borrowings - current	-	40,000	-	40,000
	665,302	40,000	-	705,302
Net outflow	**(615,931)**	**(40,000)**	**-**	**(655,931)**

Equity price risk

Equity price risk is the risk that the value of the Group's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration, evaluation and development of its mineral projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

Due to the Group being principally involved in mineral exploration, the primary source of funding is equity raisings.

The Company also encourages employees and directors to be shareholders through its various equity-based long-term incentives as detailed in Note 21.

As at 30 June 2018, the Group had a net working capital of $3,971,818 (2017: $2,567,845), The Group's net asset position was $20,914,119 (2017: $17,651,481).

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Group is not subject to externally imposed capital requirements.

Fair value

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

The financial assets and liabilities included in the assets and liabilities of the Group approximate net fair value, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

20. Financial instruments (continued)

Cash flow interest rate risk

The Group is exposed to interest rate risk, primarily on its cash and cash equivalents. Cash flow interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest- bearing financial instruments. The Group does not use derivatives to mitigate these exposures. The interest rate on the short term loan is fixed.

The interest rate profile of the Group's interest-bearing financial instruments was:

			Fixed interest rate maturity			
	Average interest rate	**Variable interest rate**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
	%	**A$**	**A$**	**A$**	**A$**	**A$**
At 30 June 2018						
Financial assets						
Cash and cash equivalents	3.3	3,178,861	-	-	-	3,178,861
Financial liabilities						
Borrowings - current	12.0	-	40,000	-	-	40,000
At 30 June 2017						
Financial assets						
Cash and cash equivalents	1.6	3,223,776	-	-	-	3,223,776
Financial liabilities						
Borrowings - current	12.0	-	40,000	-	-	40,000

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have no material impact on the income statement. There would be no effect on the equity reserves other than those directly related to income statement.

21. Related parties

Key management personnel compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2018.

The totals of remuneration paid to KMP of the Group during the year comprised:

	2018	**2017**
	$	**$**
Short-term employee benefits	346,763	350,167
Post-employment benefits	28,722	33,289
Termination benefits	86,336	56,250
Share-based payments	440,000	103,346
	901,821	**543,052**

Other than the directors and Chief Executive Officer, no other person is concerned in, or takes part in, the management of the Group or has the authority and responsibility for planning, directing and controlling the activities of the Group.

21. Related parties (continued)

Short-term employee benefits

These amounts include fees and benefits paid to the Non-Executive Directors as well as all fees, salary, paid leave, fringe benefits awarded to Executive Directors as well as the Chief Executive Officer.

Post-employment benefits

These represent the cost of superannuation contributions made during the year.

Share-based payments

These amounts represent expense related to the participation of directors in equity-settled benefit schemes as measured by the fair value of options or rights granted on the grant date.

Further information in relations to key management personnel remuneration can be found in the directors' report.

Individual directors and executives compensation disclosures

Information regarding individual directors' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests at year-end.

Key management personnel and director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and their related entities over which they have control or significant influence were as follows:

22. Commitments

Exploration expenditure commitments in respect of tenement holdings

	2018	2017
	$	$
Payable not later than 12 months	1,580,780	1,599,418
Payable between 12 months and 5 years	6,323,120	6,397,672
	7,903,900	**7,997,090**

23. Events subsequent to reporting date

Except for the events noted below, no other material events have occurred subsequent to the reporting date.

- On 3 July 2018, 800,000 fully paid ordinary shares were issued following conversion of 2 Convertible Notes and 96,000 fully paid ordinary shares were issued relating to the accrued interest on these Convertible notes.
- On 6 July 2018, Wade Evans resigned as Chief Executive Officer and Mr Mike Hendriks was appointed on an initial 3 month consultancy to oversee day-to-day management.
- On 20 July 2018, the follow-up drilling in the Morck Well Joint Venture was completed and the MLEM surveying was underway.

23. Events subsequent to reporting date (continued)

- On 27 July 2018, the VTEM survey identifies multiple targets in the Bryah Basin.
- On 1 August 2018, Mr Craig Hall was appointed Non-Executive Director and is the nominated representative for the interests of Investmet Limited.
- On 5 September 2018, a new geological interpretation of the Forrest Project was completed.
- On 14 September 2018, an Aircore drilling programme at the Wodger Prospect commenced.
- On 20 September 2018, 6,000,000 unexercised $0.12 options expired.

24. Contingent liability

As outlined at Note 14, the OSR is still undergoing a review process for additional stamp duty in respect to the share purchase acquisition of Auris Exploration Pty Ltd, and are yet to issue their final assessment. No further provision (in addition to that at Note 14) has been provided for any additional duty that may arise, as management believe they have adequately substantiated the remaining items in dispute. However, final determination of additional stamp duty to be paid is yet to be agreed with the OSR and therefore maybe more than outlined at Note 14, however as of today's date it is impossible to predict with reasonable certainty the extent of any additional costs.

In the opinion of the directors of Auris Minerals Limited

(a) the Consolidated Financial Statements and Notes, as set out on pages 44 to 73, and the Remuneration Report in the Directors' Report, 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 financial 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 report also complies with International Financial Reporting Standards as disclosed in note 1(a);

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

The directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer (equivalent) and Chief Financial Officer (equivalent) for the financial year ended 30 June 2018.

Signed in accordance with a resolution of the directors.

NEVILLE BASSETT
NON-EXECUTIVE CHAIR

Dated at West Perth this 26th day of September 2018

Independent Audit Report to the members of Auris Minerals Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1 to the financial statements which outlines that the ability of the Group to continue as a going concern is dependent on the ability of the Group to secure additional funding through either the issue of further shares and/or options.

As a result there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report

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 the Material Uncertainty Related to Going Concern section, we have determine the matter described below to be a key audit matter to be communicated in our report.

Capitalised Exploration Expenditure
Refer to Note 9, Capitalised Exploration Expenditure ($18,083,568) and accounting policy Notes 1e and 1f

Key Audit Matter	How our audit addressed the matter
Auris Minerals Limited has a significant amount of capitalised exploration expenditure. As the carrying value of exploration expenditure represents a significant asset of the company, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of this asset may exceed its recoverable amount.	Our audit work included, but was not restricted to, the following: • We obtained evidence that the company has valid rights to explore in the areas represented by the capitalised exploration by obtaining independent searches of a sample of the group's tenement holdings. • We enquired with management and reviewed budgets to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the company's areas of interest were planned. • We enquired with management, reviewed announcements made and reviewed minutes of directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest. • We enquired with management to ensure that the company had not decided to proceed with development of a specific area of interest, yet the carrying amount of the exploration and evaluation asset was unlikely to be recovered in full from successful development or sale.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report but does not include the financial report and our auditor's report thereon.

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

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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

We have audited the Remuneration Report included in pages 19 to 25 of the directors' report for the year ended 30 June 2018. The directors of the Auris Minerals Limited 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 in accordance with Australian Auditing Standards.

Opinion

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

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

26 September 2018
Perth