20 ANNUAL 19 REPORT

KIBARAN RESOURCES LIMITED

ABN 15 117 330 757

A long-term partner in supplying eco-friendly natural flake and battery graphite products to customers in both established and emerging global markets.

Kibaran Resources Limited (ASX: KNL) is focused on becoming a long-term partner in supplying eco-friendly natural flake and battery (spherical) graphite products to customers in both established (refractory, recarburiser, lubricant) and emerging (lithium-ion battery) global markets.

It holds 100% interests in a combination of attractive graphite businesses that are poised for development, highly profitable and scalable.

Once established, Kibaran will operate a diversified graphite portfolio, supplying high quality Tanzanian natural flake graphite products through TanzGraphite to established markets in Asia and Europe, together with EcoGraf, a multi-hub development commencing in Kwinana, Western Australia that will provide a global new supply of environmentally responsible battery graphite for lithium-ion batteries.

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2019 has seen unprecedented global investment in lithium-ion battery manufacturing capacity to support the paradigm shift in transport technology to electric vehicles and battery storage for the renewable energy sector.

We are all familiar with the narrative on electric vehicles, battery storage and the growth in demand for battery minerals. This is the very understandable rationale for strong market focus on battery minerals in recent years.

We hear a lot about cathode minerals, lithium, cobalt, nickel and manganese which together make up the composition of the cathode in a lithium-ion battery. We hear less about the anode which is 100% graphite and represents almost half of the total minerals in a lithium-ion battery.

Not just any graphite, but a plus 99.95% pure spherical graphite product that is refined to meet stringent chemical and physical specifications capable of withstanding the intense operating conditions of a battery in an electric vehicle.

Along with electric vehicles and growth in battery manufacturing, demand for this specialised spherical graphite product is growing exponentially. Coupled with this there is increasing growth in demand for natural flake graphite, which is the feedstock.

To cater to this new demand for quality graphite Kibaran has developed an integrated graphite business.

To produce spherical graphite in Western Australia for export directly to major anode manufacturers while at the same time developing an upstream mining business to produce natural flake graphite as feedstock and for other traditional industrial markets.

Currently all global supply of spherical battery graphite is produced in China with a very toxic purification process using hydrofluoric acid.

There is strong demand by anode manufacturers outside China for an alternative non-Chinese supply that is environmentally friendly. This is the market demand that Kibaran is catering to.

We have spent 3 years and many millions of dollars in perfecting a new eco-friendly purification process. In research & development, in process design, feasibility studies, piloting, product testing and endorsement by anode manufacturers, and more recently on engineering and design for a processing facility in Western Australia to export spherical graphite to customers in Asia, Europe and America.

The purification process and the spherical graphite product is trademarked EcoGraf with patent pending.

This project is now development ready. The Western Australian Government is providing strong support and has allocated Kibaran land in Kwinana near Perth. Financing discussions are well underway for debt and equity with both Government and industry groups. This funding is underpinned by offtake support from major industrial groups in the sector.

The opportunity to manufacture spherical graphite for the growing battery market is now a reality.

The Epanko mining project in Tanzania is also ready for development and independent of the EcoGraf manufacturing business. Bank funding processes are now advancing well as the Tanzanian mining regulations are being implemented and the investment climate improves.

My thanks to the Kibaran management team and directors for their hard work during the year and to you, our shareholders, for your patience and continuing support. It is our goal to ensure that this is fully rewarded.

Robert Pett
Chairman

The opportunity to manufacture spherical graphite for the growing battery market is now a reality.

TANZGraphite

EPANKO GRAPHITE MINING PROJECT (KNL: 100%)

The Epanko Graphite Project ("Epanko" or the "Project") is a long life, highly profitable graphite project located approximately 370km from the city of Dar es Salaam in Tanzania. It is forecast to produce 60,000 tonnes of natural flake graphite products each year and during its initial 18 years of operation Epanko will generate annual EBITDA[1] of US$44.5 million, a 38.9% internal rate of return and pre-tax net present value$_{10}$ of US$211 million.

Over the past six years, Kibaran has conducted extensive exploration, feasibility, mine planning and community development activities in Tanzania to prepare Epanko for development. A mining licence was granted in 2015 and a Bankable Feasibility Study was completed in 2017, led by GR Engineering Services Limited and involving leading consultants from Africa, Australia, Asia and Europe. At the request of proposed lender KfW IPEX-Bank an Independent Engineer's Review was completed in August 2017 by SRK Consulting, confirming that the Bankable Feasibility Study addresses all technical aspects of the proposed development and that the social and environmental planning aspects satisfy IFC Performance Standards and World Bank Group Environmental, Health and Safety Guidelines.

Sales agreements for Epanko products have been entered into with Germany's ThyssenKrupp AG, Sojitz Corporation of Japan and a major European trading group. The final milestone is to complete the funding process so that construction can commence as soon as possible.

MAJOR INTERNATIONAL CUSTOMERS

thyssenkrupp

EGT Europe

sojitz

6 YEARS

Kibaran has conducted extensive exploration, feasibility, mine planning and community development activities in Tanzania to prepare Epanko for development

Note 1 – Earnings Before Interest, Tax, Depreciation and Amortisation.

60,000TPA
Natural Flake

US$44.5M
Annual EBITDA

38.9%
Internal Rate of Return

US$211M
Pretax NPV_{10}

100%
Interest in Epanko

US$1B
Forecast Contribution to Tanzania

Key Outcomes - BFS June 2017

PROJECT FINANCING

The Epanko mine development is planned to be funded through a combination of limited recourse debt finance and equity. Encouraging progress was made during the year to advance the project financing program and resolve issues arising from the impact of Tanzania's 2017 new mining legislation on international debt financing arrangements in the mineral sector.

Tanzania has continued to develop its capacity to regulate the mineral sector, establishing a new Mining Commission in 2018, appointing a new Minister of Minerals Hon. Doto Biteko in January 2019 and issuing further regulations to improve transparency and accountability across the industry.

Kibaran representatives have held meetings with Ministers and senior Government officials from the Tanzanian Ministry of Minerals, the new Mining Commission, the Bank of Tanzania and the Tanzanian Investment Centre. These meetings have focused on Epanko financing arrangements and the impact of the new laws, in particular the local content regulations relating to the use of banks and operation of bank accounts, the Government free-carried interest, the extent of Tanzanian participation and warehousing and export procedures.

Feedback across all levels of Government has been supportive of new investment and includes confirmation of the Mining Commission's intention to renew the Epanko mining licence upon expiry in 2025 and the continued eligibility of foreign financial institutions to fund mineral projects. As a result of this progress, in April 2019 German financier KfW IPEX-Bank was mandated to arrange senior debt funding of approximately US$40 million for Epanko, including preparing an application for approval under the German Untied Loan Guarantee ("UFK") scheme through Euler Hermes AG. The UFK process is very thorough but enables Epanko to access long term debt finance at competitive interest rates. Due diligence and credit approvals are progressing as quickly as possible on the basis that the remaining regulatory aspects impeding new Tanzanian mine financing arrangements will be satisfactorily resolved.

In conjunction with the UFK program, a second lender has commenced credit processes in relation to the provision of senior debt funding of up to US$20 million under a common terms loan facility with KfW IPEX-Bank, for a combined project debt funding amount of US$60 million.

Kibaran has also continued discussions with several potential strategic partners about equity investment in Epanko, with interest received from European and Asian industrial organisations as projected demand for battery graphite continues to increase, attracting investment attention to the sector.

Kibaran also continued discussions with several potential strategic partners about equity investment

REGIONAL DEVELOPMENT OPPORTUNITIES

The Company's long term plan is to develop multiple natural flake graphite operations within Tanzania. Geophysical mapping undertaken at Epanko indicates the potential for additional graphite mineralisation to support the expansion of operations and extension of mine life, enabling the Project to respond to the forecast growth in graphite demand.

In addition, Kibaran also holds a 100% interest in the Merelani-Arusha Graphite Project, located 55km south-east of Arusha in northern Tanzania and a 100% interest in the Tanga Graphite Project, located approximately 200km north of Dar es Salaam, both of which offer the potential to support future development of new sources of graphite production.

potential for additional graphite mineralisation to support the expansion of operations and extension of mine life

Project location map

TANZANIAN ECONOMIC AND SOCIAL DEVELOPMENT

Epanko is forecast to make a significant positive impact on the Tanzanian economy, with key benefits that include:

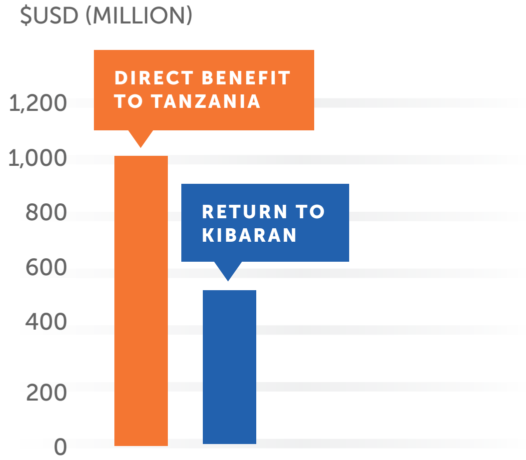
- Over US$1 billion in direct financial contributions over the first 20 years of operation through procurement, employment, royalties, taxes, fees and dividends, generating an estimated additional US$3 billion in indirect GDP within Tanzania;
- Direct employment of approximately 300 Tanzanians (over 95% of all staff), creating an estimated 4,500 indirect jobs through the supply of local goods and services; and
- Construction of new community housing, school facilities, Church and medical dispensary, together with the provision of social supports such as health insurance and training programs to build lasting local partnerships.

The long-term nature of the Project will provide for inter-generational social and economic development within Tanzania and support its industrialisation goals by facilitating the establishment of new carbon product industries that require natural graphite feedstocks.

Kibaran submitted its inaugural Local Content Plan and Integrity Pledge to the Mining Commission, demonstrating the extensive social planning that has been undertaken to satisfy rigorous Corporate Social Responsibility standards and expectations. Visits were made to the Epanko minesite by the Minister of Minerals Hon. Doto Biteko, Deputy Minister of Minerals Hon. Stanslaus Nyongo, Chairman of the Mining Commission Professor Idris Kikula and the new District Commissioner Hon. Ngollo Malenya.

Community activities undertaken during the year included construction of a classroom at Nawenge Secondary School, a funding campaign for construction of a secondary school in Ulanga launched by the Regional Commissioner of Morogoro, meetings with the Mikumi Vocational Education Training Authority to arrange the next intake of sponsored students from the surrounding communities, construction of demonstration resettlement housing, provision of medical insurance, training programs and community discussion forums to increase Project awareness and ensure community members are involved in planning decisions.

Letters of recognition were received by Kibaran from the District Commissioner and the Nawenge ward Executive Officer for contributions to community activities.



300

Direct employment

4,500

Indirect employment

EcoGraf

SPHERICAL GRAPHITE MANUFACTURING PROJECT (KNL: 100%)

Early in the year, Kibaran completed the EcoGraf optimisation study in Germany, which confirmed the successful application of its non-hydrofluoric ("HF") acid purification process to natural flake graphite supplies sourced from Africa, Asia, Europe and the Americas.

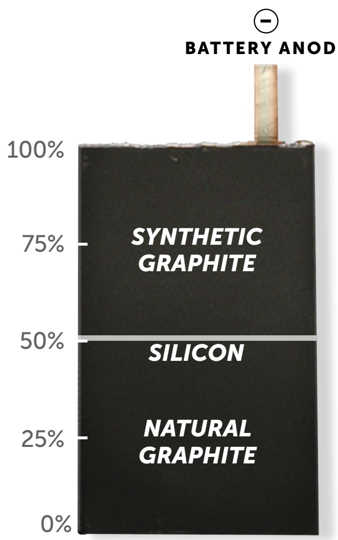
Ongoing test work confirmed the process could consistently produce graphite to battery anode manufacturer specifications. Validation of the process on a range of natural graphite supplies demonstrates the potential to commence operations without reliance on graphite feedstock from the Company's Epanko project.

"Successful application of EcoGraf purification to other feedstocks was a milestone achievement and the basis of developing EcoGraf as a standalone business"

The optimised flowsheet developed during the test work program was incorporated in an updated global patent application, containing refinements to the 2017 process to satisfy the highest physical and chemical specifications required by anode manufacturers.

Strong interest from potential customers during the 2018 product test work program led Kibaran to evaluate various ramp-up options for the first manufacturing facility, focusing on supporting the existing markets of South Korea, Japan and China. Growth in the electric vehicle ("EV") market has resulted in higher forecast anode demand and Kibaran incorporated these requirements into design plans for the initial EcoGraf production plant.

A new spheronising batch plant in Germany was successfully commissioned during March, and is consistently producing high quality spherical graphite to support prospective customer and partner testing programs.



27 KGS > *Natural (spherical) graphite required per EV*

54 KGS > *Natural graphite feedstock required to manufacture 27kg of natural graphite*

NATURAL GRAPHITE USED IN BATTERY ANODE IS CURRENTLY SOURCED FROM CHINA

GR Engineering recently updated the 2017 study to incorporate the results of the German pilot plant program and completed an updated estimate of capital and operating costs.

GR Engineering's 2019 capital cost estimate was based on construction of a new EcoGraf production facility in both Asia and Kwinana, Australia using existing sea and land transport infrastructure, water and power supplies.

The additional engineering studies have resulted in a faster ramp-up phase to meet the growing demand requirements of battery anode manufacturers, which has also enabled the Company to increase the capital efficiency of the new EcoGraf development.

	DEVELOPMENT COST		KEY STUDY OUTCOMES (20,000TPA)			
	5,000tpa	**15,000tpa**	**NPV$_{10}$**	**EBITDA**	**IRR**	**Payback**
Kwinana, WA	US$22.8m	US$49.2m	US$141m	US$35m	37.0%	~4yrs
Asia	US$20.0m	US$44.4m	US$194m	US$42m	49.8%	~4yrs

Results of the engineering studies have been used to update the EcoGraf financial model, demonstrating a highly attractive return on investment for both locations.

The investment has a pay-back period of less than 4 years and capital and operating costs adopted in the engineering study were prepared on the basis of independent quotations submitted by equipment vendors and service providers.

KWINANA DEVELOPMENT

Increasing transparency for ethical raw materials and the Australian Government support for battery minerals value-adding, has resulted in Kibaran pursing Kwinana, Western Australia as a priority location for the EcoGraf initial production facility.

The Kwinana development schedule outlines a staged 5,000tpa and 20,000tpa production design capacity. Subject to a final investment decision, the Company expects commercial production to begin after 11 months at an initial rate of 5,000tpa. This production will provide commercial quantities to enter the battery manufacturers' production lines prior to expanding the plant to achieve a production rate of 20,000tpa.

The Company has received strong support from European customers where major investment is underway in battery manufacturing for electric vehicles.

The Company has received strong support from European customers where major investment underway in battery manufacturing for electric vehicles.

Source: Landcorp FUTURE BATTERIES INDUSTRIES AVAILABLE LAND

Proposed EcoGraf Kwinana Plant Location

MAJOR INVESTMENT UNDERWAY IN BATTERY MANUFACTURING FOR ELECTRIC VEHICLES

The German Government has recently announced support for three battery cell alliances with earmarked funds of 1 billion euros for the domestic production of battery cells to reduce German EV car manufacturers' dependence on Asian markets and support a battery industry in Europe.

The German Economy Minister Peter Altmaier stated, "Germany and Europe need to develop and build competitive, innovative and environmentally sustainable battery cells."

Kibaran is in discussion with the Australian Federal and State Governments on the benefits of the unique EcoGraf process, as there are a range of mechanisms initiated by the Government to incentivise Australian industry to develop lithium-ion battery capabilities. The Company's development also meets the criteria for the planned creation of WA's Future Battery Industry within the Kwinana Industrial Area.

Australia's reputation as a reliable supplier of high-quality industrial products supports the proposed Kwinana location.

NEXT STEPS

Key activities are underway with the final investment decision expected in the first half of 2020.

- Working with LandCorp to finalise lease arrangements for a site within the Kwinana Industrial Area
- Independent verification process test work and equipment evaluation with major suppliers
- Local permitting and environmental approvals
- Offtake and financing arrangements

WA STATE GOVERNMENT SUPPORT

The Kwinana development has secured support from Western Australian Premier Hon. Mark McGowan, who requested the Department of Jobs, Tourism, Science and Innovation ("JTSI") to provide lead agency support to Kibaran as it develops the project. Premier Mr McGowan said

> "The potential to produce battery grade graphite from the Ecograf Battery Graphite Project presents a significant step in diversifying Western Australia's downstream processing activities and contribution to the global battery value chain."

HON. MARK MCGOWAN, WESTERN AUSTRALIA PREMIER

Proposed development of EcoGraf at Kwinana is aligned to the WA Government's Future Battery Industry Strategy to secure Australia an expanded place in the rapidly transforming global battery value chain.

The Kwinana development has secured support from Western Australian Premier to provide lead agency support as it develops the project

GRAPHITE MARKET

The outlook for spherical graphite remains positive with forecast demand expected to increase by over 700% by 2025.

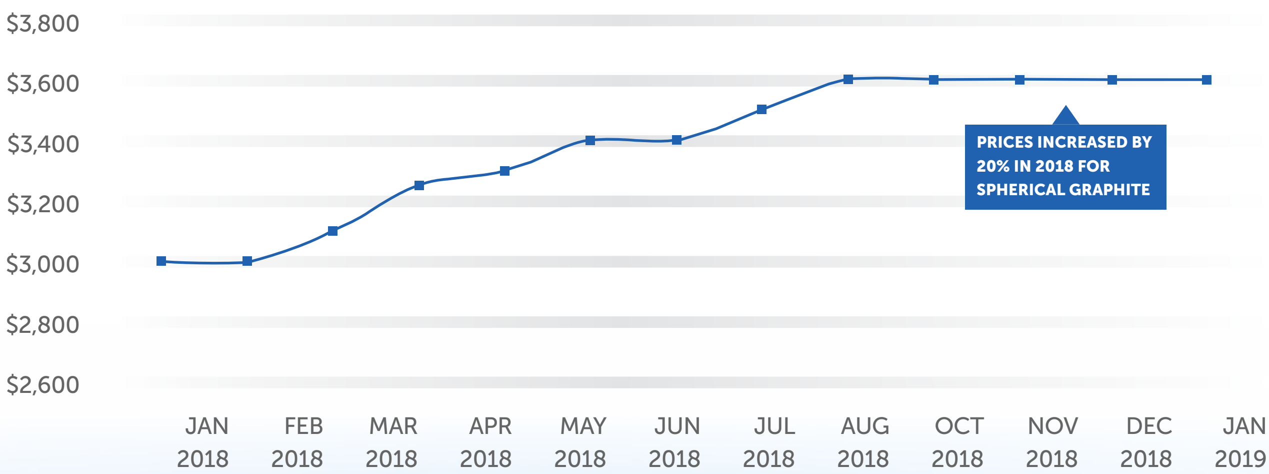
Bloomberg New Energy recently reported that on current plans, total battery cell production capacity will exceed 1,000 GWh by 2025.

Prices increased 20% during 2018 and Benchmark Minerals has reported exports from China expanded by 16% from Jan-July 19, with coated products growing by over 200%.

Continued restriction has been seen in Chinese supply, due to increasing environmental pressure with fluorine residues, given such production is reliant on highly toxic hydrofluoric acid to achieve 99.95% carbon grade.

BENCHMARK MINERAL INTELLIGENCE
GRAPHITE PRICES (USD/TONNE) : JAN 2018 - JAN 2019

SPHERICAL UNCOATED (99.95% 15 MICRONS)



The outlook for spherical graphite remains positive with forecast demand expected to increase by over 700% by 2025.

DIRECTORS' REPORT

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Robert Pett
Independent Non-Executive Director and Chairman

Robert Pett is a minerals economist with over 30 years' experience working in exploration and mining. During this time, he has worked internationally in the resources sector at senior levels both in Australia and Africa. He has been involved with listed companies at all levels, from grass-roots exploration through to mine development, production and financing of more than ten mining projects globally including East and West Africa and the construction of the Golden Pride Gold Mine in Tanzania.

He was founding Chairman of Resolute Mining Limited (gold mines and exploration Africa and Australia), Sapphire Mines Limited (gemstone mining and exploration), Reliance Mining Limited (nickel mining Kambalda), Senex Energy Limited (petroleum production and exploration) and director of several other mining and exploration companies operating in Africa, Asia and Australia in gold, base metals, petroleum and uranium.

Robert has also had an active involvement in education and community activities including over 10 years' service to Murdoch University Western Australia as Senator and Chairman of their Resources (Finance) Committee.

Andrew Spinks
Managing Director

Andrew Spinks is a geologist with over 25 years' professional experience in a range of commodities in Australia and Africa. Andrew has worked with a number of mining companies including Resolute Mining Limited, Plutonic Resources Limited, Dominion Mining Limited and Whim Creek Resources in diverse roles across exploration, project development and mining. He is a co-founder of TanzGraphite Pty Ltd and was responsible for the strategy, target generation and acquisitions of that company.

Andrew lived and worked in Tanzania at Resolute's Golden Pride Gold Mine for several years and was a key member of the management team that won the inaugural Presidential Award for Environmental Excellence and Leadership, awarded by the then President of Tanzania, His Excellency President Benjamin William Mkapa.

Grant Pierce
Executive Director

Grant Pierce is a mining engineer with over 25 years' experience in both open-pit and underground mining operations and in a range of commodities including gold, copper, copper/cobalt, nickel, iron ore and rare earth elements. He has extensive management experience, having held numerous senior operational management roles with both mining and exploration companies operating in Africa.

Grant was a member of the development team that built Tanzania's first modern gold mine, Resolute's Golden Pride Gold Mine and was Operations Manager of the mine for its first 6 years of production. Other senior roles include Executive General Manager (Tanzania) for Barrick Gold Corporation during which time the Tulawaka Gold Mine was commissioned and General Manager (Operations) for Perseus Mining Limited, from the Edikan Mine's environmental permitting phase through to construction and to the first gold pour.

Grant was awarded the Order of Australia Medal in 2003 for his personal contribution to social development in rural Tanzania. In 2006 he was also awarded Tanzania's Zeze Award, the highest accolade for outstanding contribution to Tanzania's cultural development.

John Conidi
Independent Non-Executive Director

John Conidi is a Certified Practicing Accountant. He has over 20 years' experience developing, acquiring and managing businesses in the technology and healthcare sectors. In his roles as Managing Director of Capitol Health Limited, Mr Conidi's role in strategy, management and business development drove its sustained expansion, increasing its market capitalisation from $20m to over $500m in the past 10 years.

John has extensive interests in the graphite sector. He is an experienced investor specialising in technology and resources and is the Chairman of 333D Limited that with Kibaran, jointly owns 3D Graphtech Industries Pty Ltd which is exploring mechanisms for the deployment of graphite and graphene in emerging technologies.

Christoph Frey
Non-Executive Director

Christoph Frey is a qualified process engineer who has worked exclusively in the natural graphite industry for over 25 years. Previously Christoph was engaged at Magnezit Group Europe GmbH (Germany) and served as Project Manager at Dalgraphite Limited in Russia. From 2010 to 2013 he served as Technical Director at Graphit Kropfmuehl AG where he worked on the Ancuabe Graphite Mine in Mozambique. From 2007 to 2009 he was General Director of Qingdao Kropfmuehl Graphite Limited based in Qingdao, China.

Christoph has been involved in all facets of development and production of natural flake graphite with expertise in the supervision of graphite mining and processing, managing the development of product portfolios from graphite concentrate to higher value graphite products, graphite sales and in evaluating and acquiring graphite projects.

Howard Rae
Chief Financial Officer and Company Secretary

Howard Rae is a Chartered Accountant with over 20 years' experience across the resources industry in Australia, Asia and Africa, focusing on business development and financing new mining operations. His career includes Chief Financial Officer roles with a number of ASX listed resources groups, most recently with Iron Road Limited, where he was responsible for negotiating a Strategic Co-operation Agreement with China Railway Group Limited in connection with the funding and development of the US$4bn proposed Central Eye Iron Project in South Australia.

Prior to that role, he served as Chief Financial Officer of Rio Tinto's Argyle Diamonds Limited, executing a successful business improvement program as part of its transition to a new US$2bn underground mining operation and was also Chief Financial Officer for Aquila Resources Limited for seven years, structuring and negotiating several significant corporate and project funding transactions relating to its coal and iron ore mine, rail and port developments.

The directors' of Kibaran Resources Ltd ("Kibaran" or "the Company") and its controlled entities (together referred to as "consolidated entity") present their directors' report (including the Remuneration Report) together with the financial statements of the Company for the year ended 30 June 2019.

The Company is an entity limited by shares that is incorporated and domiciled in Australia.

BOARD OF DIRECTORS

The qualifications of the directors are set out on pages 15 and 16.

DIRECTORS' INTERESTS AND OTHER DIRECTORSHIPS

As at the date of this report, the interests (directly or indirectly held) of the directors in the shares and options of the Company are:

Director	Term of office	Interest in ordinary shares[1]	Interest in options over ordinary shares	Australian listed company directorships	Former directorships (last 3 years):
Independent Non-Executive Director & Chairman					
Robert Pett	Director since 9 November 2015 Chairman since 9 November 2015	3,600,000	-	None	None
Executive Directors					
Andrew Spinks	Director since 20 July 2012 Managing Director since 22 April 2015	15,116,130	-	None	Kingsrose Mining Limited *(resigned 16 August 2017)*
Grant Pierce	Director since 17 January 2013 Executive Director - Projects since 21 August 2014	4,720,000	-	None	None
Independent Non-Executive Director					
John Conidi	Director since 4 May 2015	4,560,000	-	333D Limited *(appointed 25 March 2015)*	Capitol Health Limited *(resigned 6 October 2016)* Total Face Group Limited *(resigned 31 December 2016)*
Non-Executive Director					
Christoph Frey	Director since 9 August 2016	2,125,000	-	None	None

1 Securities interest in Kibaran – as notified by the directors to the Australian Securities Exchange ("ASX") in accordance with s.205G(1) of the Corporations Act 2001.

DIRECTORS' MEETINGS

During the financial year, four meetings of directors were held and attendances by each director were as follows:

	Directors' meetings in person and by resolution	
Director	Number eligible to attend	Number attended
Robert Pett	4	4
Andrew Spinks	4	4
Grant Pierce	4	4
John Conidi	4	4
Christoph Frey	4	3

OPERATING AND FINANCIAL REVIEW

The information reported in this operating and financial review should be read in conjunction with the review of operations on pages 4 to 14.

PRINCIPAL ACTIVITIES

The principal activities of the Company consisted of:

- exploration and evaluation of its graphite projects in Tanzania;
- pre-development of the Epanko Graphite Project;
- development of sales and marketing arrangements with targeted customers; and
- development of downstream processing technology for the use of natural flake graphite to manufacture purified spherical graphite products for lithium-ion batteries.

OPERATING RESULTS

The loss after income tax incurred by the consolidated entity for the year ended 30 June 2019 was $3,340,000 (2018: loss $3,764,000).

DIVIDENDS

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

CORPORATE STRUCTURE

Kibaran Resources Limited is a public company incorporated and domiciled in Australia, limited by shares. At the date of this report, the Company had 281,620,967 ordinary shares, 11,000,000 ordinary shares subject to restrictions on transfer under the Company's Director & Employee Share Plans and 1,050,000 unlisted options, on issue.

DISCLOSURE NOTICES

Forward looking statements

This report may contain references to forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed in this report. Investors should rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity during the year (if any) are contained in the operating and financial review section of this report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

The Company announced on 25 September 2019 that it had raised $1.3 million through a placement of 14.44 million shares at an issue price of 9 cents per share to institutional, sophisticated and professional investors.

No other matters or circumstances have arisen since 30 June 2019 that have significantly affected or may significantly affect:

- the consolidated entity's operations in future financial years;
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Likely future developments in the activities of the Company are referred to in the review of operations section of this report.

ENVIRONMENTAL ISSUES

The Company's operations are subject to environmental regulation under the laws of the Republic of Tanzania. The directors believe that the Company has adequate systems in place for environmental management and are not aware of any breach of environmental requirements as they apply to the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

EMPLOYEES

In addition to the directors, the Company has one employee as at the date of this report.

COMPANY SECRETARY

Howard Rae is the company secretary, having been appointed on 18 July 2017. Howard's qualifications are set out on page 16.

INDEMNIFYING DIRECTORS AND OFFICERS

The Company has entered into an agreement to indemnify all directors and officers against any liability arising from a claim brought by a third party against the Company. The Company has paid premiums to insure each director and officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director and officer of the Company, other than as a result of conduct involving a wilful breach of duty in relation to the Company.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit (for an unspecified amount). No payments have been made to indemnify Ernst & Young to the date of this report.

NON-AUDIT SERVICES

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The directors ensure that:

- non-audit services are reviewed and approved to ensure that the provision of such services does not adversely affect the integrity and objectivity of the auditor; and
- audit services do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The total remuneration for audit and non-audit services provided during the prior and current financial years is set out in note 17 of the consolidated financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001*, is set-out on page 28 of this report.

EXTENSION OF LEAD AUDIT PARTNER

On 24 June 2018, the Board granted approval pursuant to section 324DAC of the *Corporations Act 2001* ("the Act"), for Mr Gavin Buckingham of Ernst & Young to play a significant role in the audit of the Company for an additional two financial years ending 30 June 2020.

The Board considered the matters set out in section 324DAB(3) of the Act and is satisfied that the approval:

(i) is consistent with maintaining the quality of the audit provided to the Company; and

(ii) would not give rise to a conflict of interest situation.

Reasons supporting this decision include:

- the benefits associated with the continued retention of knowledge regarding key audit matters;
- the Board being satisfied with the quality of Ernst & Young and Mr Buckingham's work as auditor; and
- the Company's on-going governance processes to ensure the independence of the auditor is maintained.

ROUNDING

The amounts contained in this report and in the consolidated financial statements have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

CORPORATE GOVERNANCE

The directors of Kibaran are responsible for the corporate governance of the Company and have applied ASX Corporate Governance Principles in a manner that is appropriate to the Company's circumstances.

The Company's corporate governance statement is available on the Company's website at www.kibaranresources.com

REMUNERATION REPORT (AUDITED)

1. INTRODUCTION

The following sections provide details of the remuneration paid to key management personnel by the Company and its controlled entities for the year ended 30 June 2019. It forms part of the directors' report and has been audited in accordance with section 308C of the *Corporations Act 2001.*

Key management personnel are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the consolidated entity and include:

- non-executive directors; and
- executive directors and senior executives (collectively "executives").

Key management personnel	Position	Tenure during the year
Non-executive directors		
Robert Pett	Non-Executive Chair	Full financial year
John Conidi	Non-Executive Director	Full financial year
Christoph Frey	Non-Executive Director	Full financial year
Executive directors		
Andrew Spinks	Managing Director	Full financial year
Grant Pierce	Executive Director – Projects	Full financial year
Senior executives		
Howard Rae	Chief Financial Officer & Company Secretary	Full financial year

2. EXECUTIVE REMUNERATION

The remuneration structure has been designed to promote alignment between the objectives and interests of shareholders, directors and executives. Accordingly, as the Company's key assets have not yet reached the operational phase, a greater emphasis is placed on rewarding long term performance through the award of equity in the Company that preserves cash resources and is directly linked to the creation of shareholder value.

2.1 Principles of executive remuneration

Key principles that guide decisions about executive remuneration are:

- **Fairness:** provide a fair level of reward to all employees;
- **Transparency:** establish transparent links between reward and performance;
- **Alignment:** promote mutually beneficial outcomes by aligning employee, customer and shareholder interests; and
- **Culture:** drive leadership performance and behaviours that promote safety, diversity and employee engagement.

2. EXECUTIVE REMUNERATION (CONTINUED)

2.2 Executive remuneration framework

A combination of fixed and variable reward is provided to executives, based on their responsibility within the Company in relation to the achievement of its strategic objectives and capacity to contribute to the generation of long term shareholder value.

The components of executive remuneration currently consist of:

- a base cash salary;
- statutory superannuation contributions; and
- non-cash share based payments.

The combination of these comprises the executive's total remuneration.

2.3 Financial performance

The table below sets out information about the Company's results and movements in shareholder value for the past five years up to and including the current financial year. The historic numbers have not been assessed and adjusted for the impact of the new accounting standards.

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Net loss after tax ($'000)	(3,340)	(3,764)	(4,099)	(4,268)	(5,704)
Share price at end of year ($)	0.12	0.14	0.18	0.26	0.18
Basic loss per share (cents)	(1.19)	(1.50)	(1.86)	(2.46)	(4.39)

2.4 Remuneration decision making

Due to the current size of the Company, it is more efficient and effective for the functions otherwise undertaken by a remuneration committee to be performed by the Board. All directors are therefore responsible for determining and reviewing compensation arrangements for key management personnel, including periodically assessing the appropriateness of the nature and amount of remuneration by reference to relevant market conditions and prevailing practices.

From time to time the directors seek independent external advice on the appropriateness of the remuneration framework and remuneration arrangements for key management personnel.

2.5 Use of remuneration advisors

During the year ended 30 June 2019, the Board did not engage the services of remuneration advisors.

2.6 Employee share and option plan

There were no shares issued to executives, subject to the rules of the applicable Employee Share Plan, during the year ended 30 June 2019. No options were issued.

2.7 Executive employment agreements

The remuneration and other conditions of employment of executives are formalised in employment contracts, a summary of which is set out below.

Mr Andrew Spinks, Managing Director, has an employment contract with the Company that specifies duties and obligations to be fulfilled and provides for an annual review of remuneration. Mr Spinks receives fixed remuneration of $355,875 per annum inclusive of statutory superannuation and did not receive an increase in fixed remuneration during the reporting period.

Mr. Grant Pierce, Executive Director - Projects, has an employment contract with the Company that specifies duties and obligations to be fulfilled and provides for an annual review of his remuneration. Mr. Pierce is based in Tanzania and until 28 February 2019 received fixed remuneration of $280,000 plus US$50,000 (net of tax) per annum, medical and travel insurance, four return flights to Perth each year, a maintained vehicle and furnished accommodation in Dar es Salaam. In accordance with cost containment activities in Tanzania, from 1 March 2019, his fixed remuneration was reduced by approximately 50% plus US$50,000 (net of tax) per annum and benefits reduced to a maintained vehicle.

Mr. Howard Rae, Chief Financial Officer and Company Secretary, has an employment contract with the Company that specifies duties and obligations to be fulfilled and provides for an annual review of remuneration. Mr. Rae receives fixed remuneration of $355,875 per annum, inclusive of statutory superannuation. He received an increase of $54,750 in his fixed remuneration during the reporting period.

Termination provisions

Executive termination notice periods and payment provisions are as follows:

	Resignation	Termination for cause	Termination in case of death, disablement, redundancy or notice without cause	Termination payment
Andrew Spinks	6 months	None	1 month	3 months
Grant Pierce	3 months	None	1 month	3 months
Howard Rae	3 months	1 month	3 months	3 months

3. NON-EXECUTIVE DIRECTOR REMUNERATION

3.1 Remuneration policy

Non-executive director remuneration is structured in order to attract and retain persons with the experience and skills necessary to oversee the Company's business activities and to guide its growth and development into a successful mining and manufacturing company. Fees are not linked to the financial performance of the Company. Directors may be paid additional amounts for special duties or exertions (consultancy services outside of director's duties) and are entitled to be reimbursed for reasonable out-of-pocket expenses incurred in the course of their duties.

3.2 Maximum aggregate amount

Total fees payable to all non-executive directors, excluding amounts for special exertion or the reimbursement of reasonable business expenditures, must not exceed $300,000 per annum, in accordance with the approval provided by shareholders in 2010.

3.3 Non-executive director share and option plans

There were no shares issued to non-executive directors, subject to the rules of the applicable non-executive director Share Plan, during the year ended 30 June 2019. No options were issued.

4. KEY MANAGEMENT PERSONNEL REMUNERATION

Details of the remuneration of directors and executives of the consolidated entity are set out in the following table.

		Short-term benefits		Post-employment	Long-term benefits	Share-based payments		
		Salary/ Fees	Fees for special duties or exertion	Superannuation	Long Service Leave expense	Plan shares	Total	Equity % of compensation
Non-executive directors								
Robert Pett	2019	73,059	15,000	6,941	-	-	95,000	0%
	2018	73,059	-	6,941	-	260,392	340,392	77%
John Conidi	2019	54,750	-	-	-	-	54,750	0%
	2018	54,750	-	-	-	130,196	184,946	70%
Christoph Frey	2019	50,000	130,638	-	-	-	180,638	0%
	2018	50,000	126,323	-	-	260,392	436,715	60%
Executives								
Andrew Spinks	2019	338,321	-	25,000	16,155	-	379,476	0%
	2018	330,875	-	25,000	-	260,392	616,267	42%
Grant Pierce	2019	330,424	-	-	-	-	330,424	0%
	2018	371,229	-	-	-	260,392	631,621	41%
Howard Rae	2019	351,163	-	24,000	4,933	-	380,096	0%
	2018	316,531	-	22,919	-	372,065	711,515	52%
Total remuneration	2019	1,197,717	145,638	55,941	21,088	-	1,420,384	0%
	2018	1,196,444	126,323	54,860	-	1,543,829	2,921,456	53%

Robert Pett is a director and shareholder of the following related party entity which transacted with the consolidated entity. Represented by invoices related to work performed by the Group.

Entity	Services provided	2019 $'000	2018 $'000
Prevelly Holdings Pty Ltd	Consultancy services	16	11

Christoph Frey is a director and shareholder of the following related party entity which transacted with the consolidated entity. Represented by invoices related to work performed by the Group.

Entity	Services provided	2019 $'000	2018 $'000
ProGraphite GmbH	Consultancy services	265	149

5. SHARE BASED COMPENSATION

Plan shares are issued to directors and employees in recognition of their performance with the Company and as incentive remuneration under the respective director and employee share plans (together the "Share Plans"). The terms and conditions of the Share Plans are identical, other than in respect of who is eligible to participate in each plan.

Under the Share Plans, eligible directors and employees are offered plan shares in the Company at prices determined by the Board, which has the discretion to impose conditions on the shares issued under the Share Plans and may also grant a loan, in the form of a non-cash credit facility, to a participant for the purposes of subscribing for plan shares. Shares issued via loan facility may not be granted at less than the volume weighted average price of the Company's shares during the 5 trading days up to and including the date of acceptance and are escrowed as security until the loan has been fully repaid, via cash payment and/or the sale of the plan shares. If the loan is repaid by the sale of shares, any surplus on sale is remitted to the participant and any shortfall is borne by the consolidated entity.

There were no shares issued to Non-executive directors or executives, during the year ended 30 June 2019.

6. KEY MANAGEMENT PERSONNEL EQUITY OWNERSHIP

6.1 Options

	Balance at 30 June 2018	Balance at date of appoint-ment	Options exercised	Net change/ Other	Balance at 30 June 2019	Vested at 30 June 2019	Vested and exercis-able	Options vested during year
Non-executives								
Robert Pett	-	-	-	-	-	-	-	-
John Conidi	-	-	-	-	-	-	-	-
Christoph Frey	1,000,000	-	-	(1,000,000)[1]	-	-	-	-
Executives								
Andrew Spinks	-	-	-	-	-	-	-	-
Grant Pierce	-	-	-	-	-	-	-	-
Howard Rae	-	-	-	-	-	-	-	-
Total	**1,000,000**	**-**	**-**	**(1,000,000)**	**-**	**-**	**-**	**-**

[1] *Unlisted options granted on 27th June 2016 with an exercise price of $0.2282, expired unexercised 2nd June 2019*

6.1 Options (continued)

	Balance at 1 July 2017	Balance at date of appoint-ment	Options exercised	Net change/ Other	Balance at 30 June 2018	Vested at 30 June 2018	Vested and exercis-able	Options vested during year
Non-executives								
Robert Pett	-	-	-	-	-	-	-	-
John Conidi	-	-	-	-	-	-	-	-
Christoph Frey	1,250,000	-	-	(250,000)[1]	1,000,000	1,000,000	1,000,000	-
Executives								
Andrew Spinks	-	-	-	-	-	-	-	-
Grant Pierce	-	-	-	-	-	-	-	-
Howard Rae	-	-	-	-	-	-	-	-
Total	**1,250,000**	**-**	**-**	**(250,000)**	**1,000,000**	**1,000,000**	**1,000,000**	**-**

[1] Unlisted options granted on 17 October 2014, with an exercise price of $0.30, expired unexercised 17 October 2017

6.2 Shares

	Balance at 30 June 2018	Balance at date of appointment	Movement during the year	Balance at 1 July 2019
Non-executives				
Robert Pett	3,450,000	-	150,000[1]	3,600,000
John Conidi	4,250,000	-	310,000[1,2]	4,560,000
Christoph Frey	2,075,000	-	50,000[1]	2,125,000
Executives				
Andrew Spinks	14,826,130	-	290,000[1,3]	15,116,130
Grant Pierce	4,570,000	-	150,000[1]	4,720,000
Howard Rae	3,000,000	-	150,000[1]	3,150,000
Total	**32,171,130**	**-**	1,100,000	33,271,130

1 Shares purchased on market under Share Purchase Plan February 2019;
2 160,000 Shares purchased on market;
3 140,000 Shares purchased on market.

6.3 Shares issued under non-executive director and employee share plans

Included in the table 6.2 above are plan shares held by key management personnel. The balance and movement during the reporting period in the number of plan shares held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance at 1 July 2018	Net Change	Balance at 30 June 2019
Non-executives			
Robert Pett	3,250,000	-	3,250,000
John Conidi	3,250,000	-	3,250,000
Christoph Frey	2,000,000	-	2,000,000
Executives			
Andrew Spinks	6,000,000	-	6,000,000
Grant Pierce	4,250,000	-	4,250,000
Howard Rae	3,000,000	-	3,000,000
Total	**21,750,000**	**-**	21,750,000

6.4 Loans to key management personnel

There were no loans granted to key management personnel during the year ended 30 June 2019.

6.5 Other transactions with key management personnel

There were no other transactions with key management personnel of the consolidated entity, including their personally related parties during the year ended 30 June 2019 other than 'Fees for special duties or exertion' and payments to related entities disclosed in the remuneration table in section 4.

Signed in accordance with a resolution of the directors made pursuant to s298 (2) of *Corporations Act 2001*.

Andrew Spinks
Managing Director

25 September 2019

AUDITOR'S INDEPENDENCE DECLARATION

EY
Building a better working world

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Auditor's independence declaration to the Directors of Kibaran Resources Limited

As lead auditor for the audit of the financial report of Kibaran Resources Limited for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Kibaran Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
25 September 2019

GB:JG:KNL:050

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $'000	2018 $'000
REVENUE			
Interest income		8	7
Other income	3	243	399
		251	406
EXPENSES			
Accounting & audit		(175)	(74)
Consultants & contractors	4	(1,052)	(924)
Employee benefits		(541)	(659)
Depreciation	10	(45)	(62)
Directors fees		(185)	(185)
Exploration and evaluation written off	8	(964)	-
Information systems & technology		(59)	(54)
Listing & compliance		(60)	(65)
Office rental & outgoings		(204)	(235)
Other		(133)	(93)
Share based payments	12	-	(1,544)
Travel & accommodation		(170)	(153)
Unrealised foreign exchange differences		(3)	(122)
		(3,591)	(4,170)
Loss before income tax		**(3,340)**	**(3,764)**
Income tax expense	5	-	-
Loss after income tax for the year		**(3,340)**	**(3,764)**
Total comprehensive loss for the year		**(3,340)**	**(3,764)**
Loss attributable to members of Kibaran Resources Limited		(3,340)	(3,764)
Total comprehensive loss attributable to members of Kibaran Resources Limited		(3,340)	(3,764)
Loss per share attributable to the Members of Kibaran Resources Limited			
Basic loss per share (cents per share)	16	(1.19)	(1.50)
Diluted loss per share (cents per share)	16	(1.19)	(1.50)

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	2019 $'000	2018 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	1,462	2,827
Other receivables	7	118	249
Prepayments		29	-
Total current assets		**1,609**	**3,076**
Non-current assets			
Property, plant and equipment	10	189	234
Exploration and evaluation assets	8	17,292	16,922
Total non-current assets		**17,481**	**17,156**
Total assets		**19,090**	**20,232**
LIABILITIES			
Current liabilities			
Trade and other payables	9	602	513
Employee provisions		74	47
Total current liabilities		**676**	**560**
Non-current liabilities			
Employee provisions		22	-
Total non-current liabilities		22	**-**
Total liabilities		**698**	**560**
Net assets		**18,392**	**19,672**
EQUITY			
Contributed equity	11	44,852	43,786
Reserves	12	2,594	1,600
Accumulated losses	13	(29,054)	(25,714)
Total equity		**18,392**	**19,672**

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Contributed equity $'000	Accumulated losses $'000	Loan share reserve $'000	Share based payment reserve $'000	Total $'000
Balance at 30 June 2017	**39,215**	**(21,950)**	**(3,086)**	**5,105**	**19,284**
Loss for the year	-	(3,764)	-	-	(3,764)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(3,764)	-	-	(3,764)
Transactions with owners in their capacity as owners					
Shares issued during the year	4,762	-	(1,963)	-	2,799
Share based payments	-	-	-	1,544	1,544
Share issue expense	(191)	-	-	-	(191)
Balance at 30 June 2018	**43,786**	**(25,714)**	**(5,049)**	**6,649**	**19,672**
Loss for the year	-	(3,340)	-	-	(3,340)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	**(3,340)**	-	-	**(3,340)**
Transactions with owners in their capacity as owners					
Shares issued during the year	2,168	-	-	-	2,168
Share plan shares cancelled	(994)	-	994	-	-
Share issue expense	(108)	-	-	-	(108)
Balance at 30 June 2019	**44,852**	**(29,054)**	**(4,055)**	**6,649**	**18,392**

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $'000	2018 $'000
OPERATING ACTIVITIES			
Research and development tax credit received		243	684
Payments to suppliers and employees		(2,477)	(2,742)
Net cash flows used in operating activities	14	**(2,234)**	**(2,058)**
INVESTING ACTIVITIES			
Payments for exploration and evaluation		(1,367)	(1,682)
Payments for property, plant & equipment		-	(1)
Interest received		8	10
Research and development tax credit received		33	2,135
Net cash flows from/ (used in) investing activities		**(1,326)**	**462**
FINANCING ACTIVITIES			
Proceeds from issue of shares and options		2,303	2,664
Capital raising costs for issue of shares		(108)	(191)
Net cash flows from financing activities		**2,195**	**2,473**
Net increase/ (decrease) in cash and cash equivalents held		(1,365)	877
Cash and cash equivalents at beginning of the year		2,827	1,950
Cash and cash equivalents at end of the year	6	**1,462**	**2,827**

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1. COMPANY INFORMATION

The consolidated financial statements of Kibaran Resources Limited and its subsidiaries (collectively, "the consolidated entity") for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors on 25 September 2019.

Kibaran Resources Limited ("the Company" or "the parent") is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. It has activities in Tanzania and Australia, with the country of domicile being Australia and the registered office located in Australia.

The nature of the operations and principal activities of the consolidated entity are described in the directors' report. Information on the consolidated entity's structure is provided in note 22 and details of other related party relationships is provided in note 21 .

2. BASIS OF PREPARATION

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis.

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Going concern

The directors have prepared the consolidated financial statements on a going concern basis which contemplates the continuation of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

During the year, the consolidated entity incurred a net loss of $3,340,000 (2018: loss $3,764,000) and had cash outflows from operating and investing activities of $3,560,000 (2018: $1,596,000).

The consolidated entity had cash and cash equivalents at 30 June 2019 of $1,462,000 (2018: $2,827,000).

The balance of cash and cash equivalents as at 30 June 2019 is not sufficient to meet the consolidated entity's planned expenditures over the next 12 months. It is the current intention of the consolidated entity to continue to fund working capital for general corporate activities through equity capital from shareholders. Based on the consolidated entity's history in raising working capital, the directors are satisfied they have a reasonable basis to conclude that further working capital can be raised as required.

The Company announced on 25 September 2019 that it had raised $1.3 million through a placement of 14.44 million shares at an issue price of 9 cents per share to institutional, sophisticated and professional investors.

In the event that the consolidated entity is unable to obtain sufficient funding to meet its liabilities as required, there is material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities, that may be necessary should the consolidated entity not be able to continue as a going concern.

Functional and presentational currency

These consolidated financial statements are presented in Australian dollars, which is the consolidated entity's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated in accordance with ASIC Corporations (Rounding In Financial/Directors' Reports) Instrument 2016/191.

	2019 $'000	2018 $'000
3. OTHER INCOME		
Research and development tax credit	243	399
	243	**399**
4. CONSULTANTS AND CONTRACTORS		
Accounting and administrative services	330	376
Downstream processing research, development and engineering	511	295
Legal	78	159
Public Relations	126	80
Other	7	14
	1,052	**924**
5. INCOME TAX EXPENSE		
Reconciliation of tax benefit/expense and the accounting loss multiplied by Australia's domestic tax rate:		
Accounting loss before tax	(3,340)	(3,764)
At Australia's statutory income tax rate of 30.0% (2018: 30.0%)	(1,002)	(1,035)
Tax effect of amounts not deductible	(73)	425
Effect of different tax rates	-	(16)
Benefit of tax losses and timing differences not brought to account as an asset	1,075	626
Income tax expense attributable to entity	-	-
Deferred income tax at balance date relates to the following:		
Deferred tax assets		
Tax losses available to offset against future taxable income	9,556	6,979
Total deferred tax asset	9,556	6,979
Deferred tax liabilities		
Exploration and evaluation assets	(5,188)	(3,935)
Deferred tax asset used to offset deferred tax liability	5,188	3,935
	-	-
Net deferred tax assets not brought to account	4,368	3,044

The benefit of deferred tax assets not brought to account will only be recognised if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised
- The conditions for deductibility imposed by tax legislation continue to be complied with
- No changes in tax legislation adversely affect the consolidated entity in realising the benefit

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

	2019 $'000	2018 $'000
6. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	1,462	2,827
	1,462	**2,827**
7. OTHER RECEIVABLES		
Goods and services taxation receivable (1)	38	35
Other receivables	-	135
Security deposits	80	79
	118	**249**

(1) Non-interest bearing and generally on 14 day terms at the end of each quarter.

8. EXPLORATION AND EVALUATION ASSET

	2019 $'000	2018 $'000
Exploration and evaluation expenditure carried forward:		
Carrying amount as at 1 July	16,922	17,036
Capitalised expenditure at cost	1,367	1,347
Exploration and evaluation expenditure written off	(964)	-
Research and development refund	(33)	(1,461)
	17,292	**16,922**

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation of areas of interest and the sale of minerals, or the sale of the respective areas of interest. The Company is in discussion with the Government of Tanzania with respect to regulatory arrangements and approvals for the development of the Epanko Graphite Project, including mining licence conditions past due for the commencement of regular production. On 4 September 2018, the Mining Commission confirmed to the Company that it will be ready to renew the mining licence upon expiry of the licence period in 2025, provided that the requirements of section 53 of the *Mining Act 2010* are fulfilled.

A write off of exploration and evaluation expenditure carried forward for the Merelani and Tanga tenements was made due to inactivity, as the Company is concentrating its efforts on the Epanko Project tenements.

9. TRADE AND OTHER PAYABLES

	2019 $'000	2018 $'000
Trade payables (1)	433	171
Accrued expenses	169	342
	602	**513**

(1) Trade creditors are non-interest bearing and are normally settled on 45 day terms.

10. PROPERTY, PLANT AND EQUIPMENT

	Plant & equipment office $'000	Plant & equipment field $'000	Motor Vehicles $'000	Furniture & equipment $'000	Leasehold assets $'000	Total $'000
At cost	33	22	261	38	9	364
Accumulated depreciation	(19)	(14)	(116)	(22)	(3)	(175)
Net carrying amount	**14**	**8**	**145**	**16**	**6**	**189**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year, is as follows:

Balance at 1 July 2017	**25**	**15**	**222**	**25**	**8**	**295**
Additions	-	-	-	1	-	1
Depreciation expense	(6)	(4)	(45)	(6)	(1)	(62)
Balance at 30 June 2018	**19**	**11**	**177**	**20**	**7**	**234**
Additions	-	-	-	-	-	-
Depreciation expense	(5)	(3)	(32)	(4)	(1)	(45)
Balance at 30 June 2019	**14**	**8**	**145**	**16**	**6**	**189**

	2019 $'000	2018 $'000
11. CONTRIBUTED EQUITY		
292,620,967 (2018: 275,680,967) fully paid ordinary shares	44,852	43,786

	$'000	No. of shares
a) Ordinary shares		
At 30 June 2017	**39,215**	**243,202,394**
Share placement	2,776	19,828,573
Issue of shares to consultant in lieu of cash[(1)]	23	150,000
Issue of plan shares	1,963	12,500,000
Capital raising costs	(191)	-
At 30 June 2018	**43,786**	**275,680,967**
Share placement	2,168	21,690,000
Plan shares expired	(994)	(4,750,000)
Capital raising costs	(108)	-
Balance at 30 June 2019	**44,852**	**292,620,967**

[(1)] 150,000 shares issued at $0.15 per share to settle an invoice.

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

11. CONTRIBUTED EQUITY (CONTINUED)

b) Options unissued are as follows:

FY19							
Grant date	Date of expiry	Exercise price	Balance at start of the year	Granted	Exercised	Expired unexercised	Balance at end of the year
27/06/16	02/06/19	0.228	1,000,000	-	-	(1,000,000)	
16/01/17	16/01/20	0.23	1,050,000	-	-	-	1,050,000
09/01/17	31/12/18	0.30	1,000,000	-		(1,000,000)	
	Total		**3,050,000**	**-**	**-**	**(2,000,000)**	**1,050,000**

Weighted average exercise price of options outstanding at 30 June 2019: $0.23

FY18							
Grant date	Date of expiry	Exercise price	Balance at start of the year	Granted	Exercised	Expired unexercised	Balance at end of the year
08/07/15	22/10/17	0.40	4,000,000	-	-	(4,000,000)	-
15/05/15	17/10/17	0.30	750,000	-	-	(750,000)	-
13/07/15	26/10/17	0.174	1,050,000	-	-	(1,050,000)	-
27/06/16	02/06/19	0.228	1,000,000	-	-	-	1,000,000
16/01/17	16/01/20	0.23	1,050,000	-	-	-	1,050,000
09/01/17	31/12/18	0.30	1,000,000	-	-	-	1,000,000
	Total		**8,850,000**	**-**	**-**	**(5,800,000)**	**3,050,000**

Weighted average exercise price of options outstanding at 30 June 2018: $0.25.

	2019 $'000	2018 $'000
12. RESERVES		
Share based payment reserve	6,649	6,649
Loan share reserve	(4,055)	(5,049)
	2,594	**1,600**
Movement in share based payment reserve		
Balance at beginning of year	6,649	5,105
Share based payments	-	1,544
Balance at end of year	**6,649**	**6,649**
Movement in loan share reserve		
Balance at beginning of year	(5,049)	(3,086)
Plan shares expired/(issued)	994	(1,963)
Balance at end of year	**(4,055)**	**(5,049)**

Share based payments reserve

The reserve recognises the value of equity provided as remuneration to employees and also to other parties as compensation for services provided to the consolidated entity.

Plan share reserve

The reserve represents the non cash nominal value of loan shares on issue to employees and is deducted from equity.

13. ACCUMULATED LOSSES

	2019 $'000	2018 $'000
Balance at beginning of year	(25,714)	(21,950)
Loss for the year	(3,340)	(3,764)
Balance at end of year	**(29,054)**	**(25,714)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

	2019 $'000	2018 $'000
14. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with loss for the year		
Loss for the year	(3,340)	(3,764)
Adjustments for:		
Share based payments	-	1,544
Interest income	(8)	(6)
Depreciation	45	62
Write off of exploration assets	964	-
Unrealised foreign exchange losses	3	122
Changes in assets and liabilities:		
(Increase) / decrease in Other receivables	(33)	145
Increase / (decrease) in Trade and other payables	113	(161)
Increase / (decrease) in Employee provisions	22	-
Net cash outflows used in operations	**(2,234)**	**(2,058)**

15. EXPENDITURE COMMITMENTS

Mineral tenements

In order to maintain current rights of tenure to exploration tenements, the consolidated entity is required to outlay rentals and to satisfy minimum expenditure requirements of $1,402,673 (2018: $1,205,581) over the next 12 months, in accordance with agreed work programmes submitted over the Company's exploration licences. Financial commitments for subsequent periods are contingent upon future exploration results.

16. LOSS PER SHARE

Data used in the basic loss per share computations		
Loss for the year	(3,340)	(3,764)
Weighted average number of ordinary shares	280,159,433	250,195,408
Basic and diluted loss per share (cents)	(1.19)	(1.50)

Loss per share is calculated by dividing the loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

1,050,000 share options outstanding at 30 June 2019 (2018: 3,050,000) have not been included in determining the diluted loss per share as they are not considered to be dilutive due to the loss position of the Company for years ended 30 June 2018 and 2019.

	$	$
17. AUDITOR'S REMUNERATION		
Amounts received or due and receivable by Ernst & Young for:		
Auditor services		
Audit or review of the financial report	45,600	34,065
Other non- audit services		
Taxation services	19,194	18,754
	64,794	**52,819**

18. SEGMENT INFORMATION

The consolidated entity reports one segment, graphite exploration and evaluation, to the chief operating decision maker, being the Managing Director for the purposes of assessing performance and determining the allocation of resources.

Unless otherwise stated, all amounts reported to the chief operating decision maker are determined in accordance with accounting policies that are consistent with those adopted in this financial report.

Revenue by geographical region	Australia (corporate) $'000	Tanzania $'000	Consolidated $'000
2019 Results			
Segment other income	251	-	251
Segment expenses			
Accounting and audit	(169)	(6)	(175)
Consultants and contractors	(830)	(222)	(1,052)
Employee benefits	(516)	(25)	(541)
Depreciation	(7)	(38)	(45)
Directors fees	(185)	-	(185)
Exploration and evaluation written off	-	(964)	(964)
Information systems and technology	(43)	(16)	(59)
Listing and compliance	(60)	-	(60)
Office rental and outgoings	(159)	(45)	(204)
Other	(107)	(26)	(133)
Share based payments	-	-	-
Travel and accommodation	(117)	(53)	(170)
Unrealised foreign exchange loss	(1)	(2)	(3)
	(2,194)	(1,397)	(3,591)
Segment results	(1,943)	(1,397)	(3,340)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

18. SEGMENT INFORMATION (CONTINUED)

Revenue by geographical region	Australia (corporate) $'000	Tanzania $'000	Consolidated $'000
2018 Results			
Segment other income	406	-	406
Segment expenses			
Accounting and audit	(52)	(22)	(74)
Consultants and contractors	(740)	(184)	(924)
Employee benefits	(570)	(89)	(659)
Depreciation	(9)	(53)	(62)
Directors fees	(185)	-	(185)
Information systems and technology	(41)	(14)	(55)
Listing and compliance	(65)	-	(65)
Office rental and outgoings	(145)	(90)	(235)
Other	(68)	(24)	(92)
Share based payments	(1,544)	-	(1,544)
Travel and accommodation	(114)	(39)	(153)
Unrealised foreign exchange loss	-	(122)	(122)
	(3,533)	(637)	(4,170)
Segment results	(3,127)	(637)	(3,764)

Assets by geographical region	Australia (corporate) $'000	Tanzania $'000	Consolidated $'000
2019 Assets			
Property, plant and equipment	20	169	189
Exploration and evaluation assets	-	17,292	17,292
Segment non-current assets	20	17,461	17,481
Unallocated assets:			
Cash and cash equivalents			1,462
Other receivables			118
Prepayments			29
Total assets			**19,090**
2019 Liabilities			
Segment liabilities	(613)	(85)	(698)
Total liabilities			**(698)**

Assets by geographical region	Australia (corporate) $'000	Tanzania $'000	Consolidated $'000
2018 Assets			
Property, plant and equipment	27	207	234
Exploration and evaluation assets	-	16,922	16,922
Segment non-current assets	27	17,129	17,156
Unallocated assets:			
Cash and cash equivalents			2,827
Other receivables			249
Prepayments			-
Total assets			**20,232**
2018 Liabilities			
Segment liabilities	(363)	(197)	(560)
Total liabilities			**(560)**

19. SHARE BASED PAYMENTS

The Company seeks to incentivise staff and consultants to remain with the consolidated entity and to improve the longer-term performance of the Company and its return to shareholders. This is achieved through the issue of a combination of shares and options.

There were no options issued during the year ended 30 June 2019.

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

	2019 Number	2019 WAEP	2018 Number	2018 WAEP
Outstanding at 1 July	3,050,000	0.25	8,850,000	0.31
Issued during the year	-	-	-	-
Exercised/expired during the year	(2,000,000)	0.26	(5,800,000)	0.35
Outstanding at 30 June	1,050,000	0.23	3,050,000	0.25
Exercisable at 30 June [1]	1,050,000	0.23	3,050,000	0.25

[1] All exercisable options have vested. Options expiry date 16 January 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

19. SHARE BASED PAYMENTS (CONTINUED)

Employee share plan

Under the plan, eligible employees are offered shares in the Company at prices determined by the Board, which has the ultimate discretion to impose conditions on the shares issued under the plan and may grant a loan to a participant for the purposes of subscribing for plan shares. Shares issued under loan facilities are escrowed until the loan is fully repaid. The loans are limited recourse and interest free and are to be repaid via cash settlement and/or the sale of the plan shares. Where the loan is repaid by the sale of shares, any remaining surplus is remitted to the participant and any shortfall is borne by the consolidated entity.

There were no plan shares issued during the year ended 30 June 2019.

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

	2019 Number	2019 WAEP	2018 Number	2018 WAEP
Outstanding at 1 July	**22,300,000**	**0.1818**	**14,550,000**	**0.2121**
Granted during the year	-	-	12,500,000	0.1571
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	(4,750,000)	0.2095
Outstanding at 30 June	**22,300,000**	**0.1818**	**22,300,000**	**0.1818**

20. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Names and positions of key management personnel in office at any time during the financial year:

Robert Pett	Non-Executive Chairman
John Conidi	Non-Executive Director
Christoph Frey	Non-Executive Director
Andrew Spinks	Managing Director
Grant Pierce	Executive Director
Howard Rae	Chief Financial Officer and Company Secretary

b) Key management personnel remuneration

Aggregate compensation of key management personnel of the consolidated entity:

	2019 $'000	2018 $'000
Short term employee benefits	1,343	1,322
Post-employment benefits	56	55
Long term employee benefits	21	-
Share based payments (non-cash)	-	1,544
	1,420	**2,921**

Detailed information about the remuneration received by key management personnel is provided in the remuneration report on pages 21 to 27.

21. RELATED PARTY DISCLOSURES

Transactions between related parties are on normal commercial terms.

Ultimate parent

Kibaran Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 22.

Key management personnel

Disclosures relating to key management personnel are set out in note 20 and the remuneration report in the directors' report.

Transactions with related parties

The following transactions were undertaken with key management personnel during the year ended 30 June 2019. The transactions reflected below have been included in 'Fees for special duties or exertion' disclosed in the remuneration table in section 4 of the remuneration report in the director's report.

Robert Pett is a director and shareholder of the following related party entity which transacted with the consolidated entity.

Entity	Services provided	2019 $'000	2018 $'000
Prevelly Holdings Pty Ltd	Consultancy services	16	11

Christoph Frey is a director and shareholder of the following related party entity which transacted with the consolidated entity.

Entity	Services provided	2019 $'000	2018 $'000
ProGraphite GmbH	Consultancy services	265	149

There were no other significant transactions with related parties entered into during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

22. CONSOLIDATED ENTITY INFORMATION

Information about subsidiaries

The financial statements of the consolidated entity include the following subsidiaries:

		Percentage owned (%)	
	Country of incorporation	2019	2018
Tanzanian Exploration Company Pty Ltd	Australia	100	100
TanzGraphite Pty Ltd	Australia	100	100
TanzGraphite (AUS) Pty Ltd	Australia	100	100
EcoGraf (Australia) Pty Ltd	Australia	100	100
Westoz Technologies Pty Ltd (Australia)	Australia	100	100
EcoGraf (Mauritius) Limited	Mauritius	100	-
EcoGraf (Tanzania) Limited	Tanzania	100	-
TanzGraphite Technologies Limited	Tanzania	100	100
TanzGraphite (TZ) Limited	Tanzania	100	100
TanzGraphite Exploration (TZ) Limited	Tanzania	100	100

23. PARENT INFORMATION

Kibaran Resources Limited	2019 $'000	2018 $'000
Current assets	1,552	3,060
Non-current assets	24,388	22,512
Total assets	25,940	25,572
Current liabilities	592	363
Non-current liabilities	21	-
Total liabilities	613	363
Net assets	**25,327**	**25,209**
Equity		
Contributed equity	44,852	43,786
Share option reserve	2,594	1,600
Accumulated losses	(22,119)	(20,177)
Total equity	**25,327**	**25,209**
Loss of the parent entity	(1,943)	(3,127)
Total comprehensive loss of the parent entity	(1,943)	(3,127)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity did not have any guarantees at 30 June 2019 or 30 June 2018.

Contingent liabilities

The parent entity did not have any contingent liabilities at 30 June 2019 or 30 June 2018.

Capital commitments

The parent entity did not have any capital commitments at 30 June 2019 or 30 June 2018.

Significant accounting policies

The parent entity's financial information has been prepared using the same basis, including the accounting policies, as the consolidated entity.

24. FINANCIAL INSTRUMENTS

The consolidated entity is exposed to a variety of financial risks, including market risk, credit risk and liquidity risk.

The consolidated entity's financial instruments consist of cash and deposits with banks, accounts receivable and accounts payable. No trading in any financial instruments is undertaken.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 26. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

The main risks arising from the consolidated entity's financial instruments are foreign currency risk, interest rate risk, liquidity risk and credit risk. The Board determines policies for managing each of these risks and they are summarised below.

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk also arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency other than the consolidated entity's functional currency. The consolidated entity operates internationally and is exposed to foreign exchange risk arising from currency exposures to the USD, EUR, TZS and GBP.

The carrying amount, in Australian dollars of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
USD	49	12	-	11
EUR	-	-	11	14
TZS	9	4	72	10
GBP	-	-	86	151
Total	**58**	**16**	**169**	**186**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

24. FINANCIAL INSTRUMENTS (CONTINUED)

The financial impact of a 10% change in the Australian dollar exchange rate on the consolidated entity is as follows:

	Appreciation in AUD exchange rate			Depreciation in AUD exchange rate		
	% change	Effect on loss before tax	Effect on equity	% change	Effect on loss before tax	Effect on equity
2019	10%	$26,582	$26,582	10%	$(26,582)	$(26,582)
2018	10%	$21,515	$21,515	10%	$(21,515)	$(21,515)

The assumed percentage change used in the above analysis is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations, taking into consideration movements during the year and the spot rate at each reporting date.

Interest rate risk

The consolidated entity's exposure to market risk for changes in interest rates arises from holding cash and deposits. Funds held in operating accounts and term deposits earned variable interest at rates ranging between 0% to 2.3% (2018: 0% to 2.3%), depending on the type of bank account and cash balance. The consolidated entity does not have any loans or borrowings.

The interest-bearing financial instruments held by the consolidated entity are:

	30 June 2019 $'000	30 June 2018 $'000
Cash and cash equivalents	1,462	2,827

A change of 1% in the variable interest rate at the reporting date would have an impact on the consolidated entity profit and loss and equity of $15,000 (2018: $28,000) assuming all other variables remain constant.

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as and when they fall due.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring actual and forecast cash flows and by matching the maturity profiles of its financial assets and liabilities.

The following table sets out the contractual maturity of the consolidated entity's financial instrument liabilities based on undiscounted cash flows.

	Carrying amount $'000	Contractual cash flows $'000	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000 s	Over 5 years $'000
2019						
Trade and other payables	676	676	676	-	-	-
2018						
Trade and other payables	560	560	560	-	-	-

Credit risk management

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the consolidated entity. The consolidated entity is exposed to credit risk from its bank deposits and other receivables as disclosed in the statement of financial position. The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. (S+P Australian AA-, Tanzanian B)

Holdings by geographical region	Australian $'000	Tanzanian $'000	Total $'000
Cash and cash equivalents	1,405	57	1,462
Other receivables	118	-	118
	1,523	57	1,580

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Notes 6, 7 and 9.

Fair value measurement

The carrying amounts of Other receivables and Trade and other payables are assumed to approximate their fair values due to their short-term nature.

25. EVENTS AFTER BALANCE DATE

Share Placement

The Company announced on 25 September 2019 that it had raised $1.3 million through a placement of 14.44 million shares at an issue price of 9 cents per share to institutional, sophisticated and professional investors.

There have not been any other events that have arisen between 30 June 2019 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

26. SIGNIFICANT ACCOUNTING POLICIES

a) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only, and information about the parent entity is disclosed in note 22.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2019. Subsidiaries are entities that are controlled by the Company. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with its subsidiaries and has the ability to affect those returns through its capacity to direct the activities of its subsidiaries.

Specifically, the Group controls a subsidary if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an subsidary, the Group considers all relevant facts and circumstances in assessing whether it has power over an subsidary, including:

- the contractual arrangement(s) with the other vote holders of the subsidary
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

The consolidated entity re-assesses whether or not it controls an entity if facts and circumstances indicate that there is a change to the elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the consolidated entity gains control until the date the consolidated entity ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries align to their accounting policies with the consolidated entity. All consolidated entity assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the consolidated entity are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

c) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the consolidated entity operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax liabilities is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss; or

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

d) Exploration and development expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development of an area of interest, or by its sale, or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

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

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. (Refer to note 26g).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

26. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Exploration and development expenditure (continued)

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

Payments for exploration and evaluation expenditure are recorded net of any government grants.

e) Operating segments

Operating segments are presented on the same basis as the internal reports provided to the chief operating decision maker who is responsible for the allocation of resources to operating segments and for assessing their performance.

f) Property plant & equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Cost includes acquisition, being the fair value of the consideration provided, plus incidental costs directly attributable to the acquisition.

Plant and equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the amounts recoverable on the basis of net cash flows that are expected to be received from the employment and subsequent disposal of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit and loss component of the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including any buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives, commencing from the time the asset is held ready for use as follows:

Plant and equipment office	8 years
Plant and equipment field	2–5 years
Motor vehicles	5 years
Furniture and equipment	4 years
Leasehold assets	3 years

Residual values of the assets and their useful lives are reviewed and if necessary adjusted, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the profit and loss component of the statement of comprehensive income.

g) Impairment of non-financial assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss component of the consolidated statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

h) Foreign currency transactions and balances

Transactions and balances

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

Exchange differences arising on the translation of monetary items are recognised in the profit or loss component of the statement of profit or loss and other comprehensive income, except where they are deferred in equity as a qualifying cash flow or net investment hedge.

Subsidiaries

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. Exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

i) Employee benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees up to reporting date. Short term employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Long term employee benefits have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees and directors.

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

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

26. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Issued capital

Ordinary shares are classified as equity.

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

k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Policies under AASB 139

Other receivables

Other receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method, less an allowance for any estimated shortfall in receipt. An estimate of any shortfall in receipt is made when there is objective evidence a loss has been incurred. Bad debts are written off when identified.

Trade and other payables

Liabilities for creditors and other amounts are carried at amortised cost, which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. The carrying period is dictated by market conditions but is generally less than 45 days.

Policies under AASB 9

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss will be recognised through an allowance. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other debt financial assets (i.e., cash on deposit at bank). the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However. when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

26. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments (continued)

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value.

The Group's financial liabilities include trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

m) Revenue

Policy under AASB 15

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Policy under AASB 118

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

All revenue is stated net of the amount of goods and services tax (GST).

n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO) In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of Kibaran Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the past tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

p) Government grants

Government grants are recognised where they can be reliably measured, it is certain that the grant will be received and all attached conditions will be satisfied. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs for which it is intended to compensate, are expensed. When the grant relates to an asset, it is offset against the capitalised amount and recognised as income in equal amounts over the expected useful life of the related asset (when the asset is depreciated).

q) Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and generated internally by the consolidated entity.

Key estimates — impairment

The consolidated entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Recoverability of exploration and evaluation costs

The consolidated entity assesses the recoverability of the carrying value of capitalised exploration and evaluation costs at each reporting date (or at closer intervals should the need arise). In completing this assessment, regard is had to the Company's intentions with regard to proposed future exploration and development plans for individual exploration areas, to the success or otherwise of activities undertaken in individual areas in recent times, to the likely success of future planned exploration activities and to any potential plans for divestment of individual areas. Any required adjustments to the carrying value of capitalised exploration are completed based on the results of this assessment.

Share-based payment transactions

The consolidated entity measures the cost of shares and options issued to employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of unlisted options is determined using either the binomial or Black-Scholes pricing model, taking into account the terms and conditions upon which the instruments were granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

26. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) New accounting standards and interpretations

The accounting policies adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2018, except for the adoption of new standards and interpretations as of 1 July 2018.

The Company had to change its accounting policies as a result of adopting the following standards:

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

AASB 15: Revenue from Contracts with Customers

AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 Construction Contracts, AASB 118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue - Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 Leases, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The adoption of AASB 15 did not give rise to any transitional adjustments because the Company does not generate any revenue within the scope of AASB 15.

AASB 9 Financial Instruments.

The consolidated entity has adopted AASB 9 using modified retrospective approach as issued in July 2014 with the date of initial application being for the reporting periods beginning 1 January 2018 and the Group adopted from 1 July 2018. In accordance with the transitional provisions in AASB 9, comparative figures have not been restated. AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting

Classification and measurement

Except for certain receivables, under AASB 9, the consolidated entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Under AASB 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI).

The classification is based on two criteria: the consolidated entity's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the consolidated entity's financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the consolidated entity's other receivables.

- Financial assets at FVPL comprise derivative instruments and quoted equity instruments which the consolidated entity had not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Under AASB 139, the consolidated entity's quoted equity securities were classified as AFS financial assets. Upon transition the AFS reserve relating to quoted equity securities, which had been previously recognised under accumulated OCI, was reclassified to retained earnings.

The assessment of the consolidated entity's business models was made as of the date of initial application, 1 July 2018.

The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest is made based on the facts and circumstances as at the date of initial recognition of the assets. The assessment had no material impact to the Group.

Impairment

The adoption of AASB 9 has changed the consolidated entity's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the consolidated entity expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For other receivables, the consolidated entity has applied the standard's general approach and has calculated ECLs based on lifetime expected credit losses.

For other debt financial assets (i.e., cash on deposit at bank), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

While cash and cash equivalents are subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

27. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

27. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Reference	Title	Summary	Impact on the Group	Application date of standard	Application date for Group
AASB 16 Leases	*Leases*	AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The Group has assessed the potential impact on its consolidated financial statements resulting from the application of AASB 16.	The new standard is not expected to significantly impact the consolidated entity as it does not hold any significant leasing arrangements.	1 January 2019	1 July 2019

Reference	Title	Summary	Impact on the Group	Appli-cation date of stan-dard	Appli-cation date for Group
Conceptual Framework AASB 2019-1	*Conceptual Framework for Financial Reporting* *Amendments to Australian Accounting Standards – Reference to the Conceptual Framework*	The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows: • Chapter 1 – The objective of financial reporting • Chapter 2 – Qualitative characteristics of useful financial information • Chapter 3 – Financial statements and the reporting entity • Chapter 4 – The elements of financial statements • Chapter 5 – Recognition and derecognition • Chapter 6 – Measurement • Chapter 7 – Presentation and disclosure • Chapter 8 – Concepts of capital and capital maintenance AASB 2019-1 has also been issued, which sets out the amendments to Australian Accounting Standards, Interpretations and other pronouncements in order to update references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of accounting standards in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying AASB 3 and developing accounting policies for regulatory account balances using AASB 108, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the *Framework for the Preparation and Presentation of Financial Statements* (July 2004), and not the definitions in the revised Conceptual Framework. The Group has assessed there will be no material impact on the Group's financial results when it is first adopted for the year ended 30 June 2021.	The Group has assessed there will be no material impact.	1 January 2020	1 July 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

27. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Reference	Title	Summary	Impact on the Group	Application date of standard	Application date for Group
AASB 2018-7	*Amendments to Australian Accounting Standards – Definition of Material*	This Standard amends AASB 101 *Presentation of Financial Statements* and AAS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.	The Group is still assessing whether there will be any material impact.	1 January 2020	1 July 2020
AASB Interpretation 23 Uncertainty over Income Tax Treatments, and relevant amending standards	*Uncertainty over Income Tax Treatments*	The Interpretation clarifies the application of the recognition and measurement criteria in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: • Whether an entity considers uncertain tax treatments separately • The assumptions an entity makes about the examination of tax treatments by taxation authorities • How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates • How an entity considers changes in facts and circumstances.	There will be no material impact on the Group.	1 January 2019	1 July 2019

The consolidated entity has decided not to early adopt any of the new and amended pronouncements.

This is the end of the consolidated financial statements.

DIRECTORS' DECLARATION

In the directors' opinion:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:

   a) Comply with accounting standards and the Corporations Regulations 2001; and

   b) Give a true and fair view of the financial position at 30 June 2019 and of the performance for the year ended on that date.

2, The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

3. Subject to achieving the matters set out in note 2, in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Andrew Spinks
Managing Director

Perth, 25 September 2019

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Independent auditor's report to the Members of Kibaran Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Kibaran Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Director's declaration.

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

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

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

Basis for opinion

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

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

Material uncertainty related to going concern

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

GB:JG:KNL:051

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Key audit matters

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

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

1. Carrying value of capitalised exploration and evaluation

Why significant	How our audit addressed the key audit matter
As disclosed in Note 8 to the financial report as at 30 June 2019, the Group held capitalised exploration and evaluation expenditure assets of $17,292,000. Note 8 to the financial report also includes references to the status of the Group's Epanko mining licence in Tanzania. The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure may exceed its recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has tenure, intends to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year, the Group determined that there had been indicators of impairment for two of its areas of interest and as a result, the Group has written off the full carrying value of both of these areas of interest at 30 June 2019 amounting to $964,000. The Group determined that there had been no indicators of impairment for its remaining area of interest being the Epanko Graphite Project. Refer to Note 8 in the financial report for further details.	Our audit procedures included the following: ▸ Considered the Group's right to explore in the relevant area of interests, which included obtaining and assessing supporting documentation. We also considered the status of the Epanko mining licence as it related to tenure. ▸ Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area, which included assessment of the Group's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Group. ▸ Considered whether the exploration activities within each area of interest has reached a stage where the commercial viability of the resource estimate could be made. This included obtaining and assessing supporting documentation such as exploration reports and the Group's announcements to the Australian Stock Exchange in relation to its mineral resources. ▸ Assessed the adequacy of the disclosure included in the financial report.

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

The Directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2019.

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

Responsibilities

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

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
25 September 2019

SHAREHOLDER INFORMATION

DISTRIBUTION OF LISTED SECURITIES

Range	Total holders	Units	% of issued capital
1 to 1,000	98	25,577	0.01
1,001 to 5,000	263	854,786	0.29
5,001 to 10,000	253	2,097,663	0.72
10,001 to 100,000	754	29,245,860	9.99
100,001 and over	317	260,397,081	88.99
Total	**1,685**	**292,620,967**	**100**

TOP 20 HOLDERS OF ORDINARY SHARES

Rank	Name	Number of Ordinary Shares held	% of issued capital
1	CITICORP NOMINEES PTY LIMITED	36,253,779	12.39
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	32,846,269	11.22
3	DR PETER DENNETT MEIER & MRS LYNETTE SUZANNE MEIER	9,182,496	3.14
4	VALUE-ON-GROWTH INVESTMENT PTY LTD	6,621,677	2.26
5	GR ENGINEERING SERVICES LIMITED	5,737,807	1.96
6	RWH NOMINEES PTY LTD	5,681,970	1.94
7	MR ANDREW PETER SPINKS	4,926,846	1.68
8	GRANT PIERCE	4,250,000	1.45
8	ANDREW SPINKS	4,250,000	1.45
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,438,044	1.17
10	CORNWALL HOLDINGS PTY LTD	3,325,000	1.14
11	ANDREW SPINKS	3,304,434	1.13
12	LAX CONSULTING PTE LTD	3,039,318	1.04
13	MR GREGORY ROBERT HACKSHAW	3,010,256	1.04
14	BCV NOMINEES PTY LTD	3,000,000	1.03
15	REINDEER INVESTMENTS PTY LIMITED	2,950,000	1.01
16	RWH NOMINEES PTY LTD	2,810,386	0.96
17	MR NICOLA CONIDI & MRS GIANNINA CONIDI	2,401,417	0.82
18	MR ANDREW PETER SPINKS	2,280,550	0.78
19	MR RICHARD JOHN DUNN	2,250,206	0.77
20	IDINOC PTY LTD	2,250,000	0.77
Total		**143,810,455**	**49.15**

SHAREHOLDER INFORMATION

(CONTINUED)

OTHER SECURITIES ON ISSUE

	Options
1 – 1,000	-
1,001 – 5,000	-
5,001 – 10,000	-
10,001 – 100,000	-
100,001 and over	5
	5

	Options
Number on issue	1,050,000
Number of holders	5
Expiry	16/01/20
Exercise Price	$0.23

**Details of holders of employee share options are exempt from disclosure under Chapter 4 of the Listing Rules*

MINERAL TENEMENTS

Consolidated entity's 100% interest:

Licence	Area (km^2)	Location
ML 548/2015	9.62	Mahenge, Tanzania
PL 7906/2012	59.24	Merelani-Arusha, Tanzania
PL 7907/2012	26.42	Merelani-Arusha, Tanzania
PL 7915/2012	41.47	Merelani-Arusha, Tanzania
PL 9306/2013	17.53	Mahenge, Tanzania
PL 9331/2013	2.76	Mahenge, Tanzania
PL 9537/2014	84.00	Tanga, Tanzania
PL 10090/2014	44.88	Merelani-Arusha, Tanzania
PL 10091/2014	114.22	Merelani-Arusha, Tanzania
PL 10092/2014	23.23	Merelani-Arusha, Tanzania
PL 10388/2014	2.57	Mahenge, Tanzania
PL 10390/2014	2.81	Mahenge, Tanzania
PL 10394/2014	9.74	Merelani-Arusha, Tanzania
PL 10752/2016	23.45	Mahenge, Tanzania
PL 10868/2016	72.82	Merelani-Arusha, Tanzania
PL 10869/2016	29.95	Merelani-Arusha, Tanzania
PL 10872/2016	2.60	Merelani-Arusha, Tanzania
PL 10972/2016	3.83	Mahenge, Tanzania
PL 11081/2017	2.08	Merelani-Arusha, Tanzania
PL 11082/2017	20.77	Merelani-Arusha, Tanzania
PL 11083/2017	50.73	Merelani-Arusha, Tanzania
PL 11143/2017	2.62	Simanjiro, Tanzania
PL 11196/2018	46.72	Merelani-Arusha, Tanzania

MINERAL RESOURCE STATEMENT

Epanko Graphite Project Mineral Resource Estimate

	30 June 2019			30 June 2018		
Classification	Tonnage (Mt)	Grade (%TGC)	Contained Graphite (Kt)	Tonnage (Mt)	Grade (%TGC)	Contained Graphite (Kt)
Measured	7.5	9.8	738.9	7.5	9.8	738.9
Indicated	12.8	10.0	1,280.0	12.8	10.0	1,280.0
Inferred	10.4	9.9	1,030.6	10.4	9.9	1,030.6
Total	**30.7**	**9.9**	**3,049.5**	**30.7**	**9.9**	**3,049.5**

Merelani–Arusha Graphite Project Mineral Resource Estimate

	30 June 2019			30 June 2018		
Classification	Tonnage (Mt)	Grade (%TGC)	Contained Graphite (Kt)	Tonnage (Mt)	Grade (%TGC)	Contained Graphite (Kt)
Measured	7.4	6.7	500.0	7.4	6.7	500.0
Inferred	10.3	6.3	650.0	10.3	6.3	650.0
Total	**17.7**	**6.5**	**1,150.0**	**17.7**	**6.5**	**1,150.0**

Notes

- *The Epanko and Merelani-Arusha Graphite Projects are located in Tanzania.*
- *Totals may not sum due to rounding.*
- *Mt = 1,000,000 tonnes.*
- *Tonnage figures have been rounded to the nearest 1,000 and % TGC grades have been rounded to 1 decimal place.*
- *Mineral Resources are quoted from blocks where the TGC grade is greater than 8%.*

Competent Persons' Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Spinks, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy and is employed by Kibaran Resources Limited. Mr Spinks has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Spinks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr David Williams, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy and is employed by CSA Global Pty Ltd, an independent consulting company. Mr Williams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves has been compiled by Mr Steve O'Grady who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Grady is employed by Intermine Engineering and produced the Ore Reserve estimate based on data and geological information supplied by Mr Williams. Mr O'Grady has sufficient experience that is relevant to the estimation, assessment, evaluation and economic extraction of the Ore Reserve that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr O'Grady consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

MINERAL RESOURCE ESTIMATION - GOVERNANCE STATEMENT

Kibaran ensures that all Mineral Resource Estimates are subject to appropriate levels of governance and internal controls. Estimation procedures are well established and are subject to systematic internal peer review and external technical review undertaken by competent and qualified professionals. These reviews have not identified any material issues. Kibaran also periodically reviews this governance framework to ensure it remains appropriate for the requirements of its business activities.

Mineral Resource Estimates are reported on an annual basis in accordance with the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ('JORC Code'). Mineral Resource Estimates are quoted inclusive of Ore Reserves. Competent Persons named are Members or Fellows of The Australasian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists and qualify as Competent Persons as defined under the JORC Code.

CORPORATE DIRECTORY

DIRECTORS

Robert Pett	Non-Executive Chairman
Andrew Spinks	Managing Director
Grant Pierce	Executive Director
John Conidi	Non-Executive Director
Christoph Frey	Non-Executive Director

COMPANY SECRETARY

Howard Rae

REGISTERED AND PRINCIPAL OFFICE

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STOCK EXCHANGE LISTING

Australian Securities Exchange
ASX Code: KNL

Frankfurt Stock Exchange (Börse Frankfurt)
FSE Code: FMK

Fully paid ordinary shares

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