Alderan Resources Limited

ABN 55 165 079 201

Annual Consolidated Financial Report
30 June 2017

Contents

CORPORATE INFORMATION

ABN 55 165 079 201

Directors
Mr. Nicolaus Heinen
Mr. Donald Charles Smith
Mr. Christopher Robert Wanless
Mr. Earnest Thomas Eadie

Company Secretary
Mr. Brett William Tucker

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Level 9, 863 Hay Street
Perth WA 6000
Telephone: 08 9216 7100

Bankers
National Australia Bank
1232 Hay Street
West Perth WA 6005

Auditors
RSM Australia Partners
Level 32, Exchange Tower
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DIRECTORS' REPORT

The Directors of Alderan Resources Limited ("the Company") present their report on Alderan Resources Limited and its subsidiaries ("the Group") for the year ended 30 June 2017.

Directors and Officers

The names of the directors and officers who held office during or since the end of the year and until the date of this report are as follows. The Directors held office for the full year unless specified below.

	Position	Date appointed / resigned
Mr. Nicolaus Heinen	Non-executive Chairman	Appointed on 1 March 2015
Mr. Christopher Robert Wanless	Executive Director	Appointed on 31 July 2013
Mr. Donald Charles Smith	Executive Director	Appointed on 5 October 2016
Mr. Ernest Thomas Eadie	Non-executive Director	Appointed on 23 January 2017
Mr. Peter Geerdts	Non-executive Director Chief Geologist	Resigned on 9 January 2017 Appointed on 31 May 2015
Mr. Brett William Tucker	Company Secretary	Appointed on 19 October 2016

Current Directors and Officers

Mr. Nicolaus Heinen
Non-Executive Chairman
Qualifications: BSc (Hon.) in Economics from the London School of Economics (LSE) and an MA in War Studies from King's College, London

Mr. Heinen is the founder and agent of Belgrave Capital Ltd, a London based investment management firm. He has been actively involved in the natural resources sector since 2004.

Mr. Heinen joined private bank Sal. Oppenheim jr. & Cie. In 1992 as a founding member of its Corporate Finance team. From 1996-98, he co-managed the bank's UK institutional equity brokerage arm. From 1999-2004, he was managing partner of Rhein Trust, an investment company specialised in venture capital, pre-IPO investments and real estate.

In 2004, he founded Mongold Mining Inc., a gold exploration and mining company which developed one of Mongolia's largest conglomerate gold deposits. As its CEO, he oversaw the acquisition of the assets, exploration, capital raising and development towards mine production. In 2005, he founded Universal Copper International Inc., which discovered, explored and developed one of Monoglia's largest VMS-style copper deposits ("White Hill"). He served as the company's CEO until its acquisition by Kerry Mining Group, Singapore in mid-2008. During his tenure, he was responsible for building up the company form a greenfield project into an advanced exploration/development project. His responsibilities included the creation and implementation of operational and financial structures, substantial capital raisings as well as financial/operational controlling. He structured and managed the sale of the Company.

Other investments have included private equity transactions in various engineering companies as well as real estate.

Mr. Christopher Robert Wanless
Executive Director
Qualifications: Degree in Law and a Bachelor's Degree in Economics both from Monash University, Melbourne

Mr. Wanless has been involved in the resources sector for over 10 years in various management roles and as an investor, Director and entrepreneur. Mr Wanless was previously a founding Director and initial Managing Director of General Mining Corporation Ltd and oversaw its establishment, secured its projects and managed the IPO and listing on the ASX, whereafter he became a non-executive director.

DIRECTORS' REPORT (continued)

Current Directors and Officers (continued)

Mr. Wanless founded Alderan in 2013 and has identified and secured the Company's projects and managed all aspects of the business and company. Mr Wanless previously worked for infrastructure consulting firm, The Peron Group (acquired by Coffey International) as a consultant.

He is a director of Quaalup Investments Pty Ltd, a private resource and technology investment company and currently resides in Germany.

Mr. Donald Charles Smith
Executive Director
Qualifications: Bachelor of Science from Newcastle University and a Master of Business Administration from the Australian Institute of Business. Mr Smith is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and Australian Institute of Geoscientists (AIG)

Mr. Smith is a geologist and entrepreneur with over 20 years in the mining industry. He has worked in operational, project development, exploration and consultant roles for junior through to multinational resource firms in projects spanning 10 countries and numerous commodities including: base metals, precious metals and energy minerals. Mr Smith was previously a founding director of Platypus Resources and BK Gold Mines in which he was involved in the companies' formation, project acquisition, development and corporate affairs from capital raising, incorporation and management. He is currently involved with several start-ups including as a director of GoldCat Resources Ltd.

Mr. Ernest Thomas Eadie
Non-Executive Director
Qualifications: Bachelor of Science (Hons) in Geology and Geophysics from the University of British Columbia, a Master of Science in Physics (Geophysics) from the University of Toronto and a Graduate Diploma in Applied Finance and Investment from the Security Institute of Australia. He is a Fellow (and past board member) of the AusIMM and a Member of the Financial Services Institute of Australasia (FINSIA).

Mr Eadie is a well-credentialed mineral industry leader and explorer with broad experience in both the big end and small end of town. He was the founding Chairman of Syrah Resources, Copper Strike and Discovery Nickel as well as a founding Director of Royalco Resources. At Syrah, he was at the helm during acquisition, discovery and early feasibility work of the huge Balama graphite deposit in Mozambique which is due to start production in mid-2017. Copper Strike, where he was also Managing Director for 10 years, made several significant copper/gold and lead/zinc/silver discoveries in North Queensland, while Discovery Nickel (later to be renamed Discovery Metals), found and developed the Boseto copper deposit in Botswana. Prior to this, Mr. Eadie was Executive General Manager of Exploration and Technology at Pasminco Limited, at the time the largest zinc producer in the world. This came after technical and later management responsibilities at Cominco and Aberfoyle in the 1980s.

Mr. Peter Geerdts
Non-Executive Director
Qualifications: Studied Geology and Mineralogy at the Universities of Goettingen (Bsc), Berkeley (USA) and Feiburg (Msc) and has been an active member of a German mining research group since 1989. Member of the Australian Institute of Geoscientists (AIG), the Society of Economic Geologists (SEG)

Mr.Geerdts is a founder of Alderan and was a director until January 2017. A geologist with extensive global exploration experience ranging from greenfields and brownfields exploration to feasibility stage covering a wide range of geological environments and commodities. He has actively worked on a variety of projects including Prophyry Copper-Gold, Orogenic Gold, Gold-Copper Skarn, Epithermal Gold, Sediment-hosted Copper, Tin-Tungsten Greisens, mafic hosted Ni-sulphide, Potash and Graphite throughout Mongolia, Australia, Burkina Faso, Mali, Botswana, Cote d'Ivoire, Indonesia, Germany, New Zealand and the United States of America.

Mr Geerdts focus is Structural Geology and its integrated application in exploration using a holistic and technically focused approach. His skills and experience include target generation in greenfield and brownfield environments, project generation, review and evaluation, structural, geochemical and geophysical analysis and interpretation of exploration results as well as the fractural targeting from regional to prospect scale, technical project evaluation, remote sensing analysis, basin analysis and reconstruction and technical geological mapping (surface and underground).

DIRECTORS' REPORT (continued)

Current Directors and Officers (continued)

Mr. Brett William Tucker
Company Secretary
Qualifications: Bachelor of Commerce, Accounting & Finance, University of Western Australia and Graduate Diploma of Applied Finance, Member of the Chartered Accountants in Australia & New Zealand

Mr Tucker has acted as Company Secretary to a number of ASX listed and private companies and has been involved in numerous public corporate acquisitions and transactions. Mr. Tucker is a Chartered Accountant with a strong corporate and compliance background gained from experience in an international accounting practice, working both audit and taxation across a wide range of industries.

Directors' Interests
Interests in the shares, options and convertible securities of the Company and related bodies corporate
The following relevant interests in shares and options of the Company or a related body corporate were held by the Directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of options over ordinary shares	Number of performance rights
Nicolaus Heinen	732,501	1,350,000	-
Christopher Robert Wanless	10,494,584	4,250,000	-
Donald Smith	589,006	3,000,000	-
Ernest Thomas Eadie	1,890,833	800,000	-
Total	**13,706,924**	**9,400,000**	**-**

Shares under option or issued on exercise of options
At the date of this report, unissued ordinary shares or interests of the Company under option are:

Date options granted (or issued)	Tranche	Number of shares under option	Exercise price of option $	Expiry date of option
Management Options				
21/02/2017	Tranche A-1	1,800,000	0.20	21/02/2021
21/02/2017	Tranche A-2	1,000,000	0.20	21/02/2022
21/02/2017	Tranche B	3,370,000	0.30	21/02/2021
21/02/2017	Tranche C	2,070,000	0.40	21/02/2021
21/02/2017	Tranche D	2,070,000	0.60	21/02/2021
21/02/2017	Tranche E	2,070,000	0.80	21/02/2021
Broker Options				
21/02/2017	-	1,777,454	0.20	21/02/2020
31/05/2017	Tranche A	2,300,000	0.30	30/05/2020
31/05/2017	Tranche B	2,300,000	0.40	30/05/2020
Long-Term Incentive Plan				
27/06/2017	Tranche B	275,000	0.30	27/06/2021
27/06/2017	Tranche C	275,000	0.40	27/06/2021
27/06/2017	Tranche D	275,000	0.60	27/06/2021
27/06/2017	Tranche E	275,000	0.80	27/06/2021
Consultant Options				
04/09/2017	Tranche A	200,000	0.60	22/02/2021
04/09/2017	Tranche B	200,000	0.80	22/02/2021
04/09/2017	Tranche C	200,000	1.00	22/02/2021
04/09/2017	Tranche D	200,000	1.20	22/02/2021
Total		**20,657,454**		

DIRECTORS' REPORT (continued)

Directors' Interests (continued)

Shares under option or issued on exercise of options (continued)
On 1 September 2016, Quaalup Investments Pty Ltd, a related entity to Mr. Wanless exercised its 1,000,000 options to acquire 100,000 shares at $0.10 per share (pre-share split). The Company issued 1,000,000 shares (after split) to Quaalup Investments Pty Ltd.

Total shares, options and convertible securities of the Company on issue as at the date of this report

Number of fully paid ordinary shares (post share split)	Number of options over ordinary shares	Number of performance rights
107,963,908	**20,657,454**	**-**

Review of Operations

Principal Activities
The principal activities of the Company are mineral exploration in Utah, USA. The Company is exploring the highly prospective Frisco project located in Beaver County, Utah, for copper, gold, zinc and associated minerals.

The Company secured the mineral rights to the Frisco Project over two years and became the first company to hold the mineral rights over the entire Frisco complex.

The Frisco Project is believed to comprise a large mineralised porphyry system that occurs across an area of approximately 7km by 4km. Historical mining activities focused on extensive outcropping breccia pipes (Cactus prospect) and skarns (Accrington & Horn prospect) associated with underlying porphyry system/s recently identified by Alderan at the Cactus Canyon prospect.

Historical exploration across the Frisco project has targeted each of the specific styles of mineralisation present – skarn, intrusive breccia, porphyry and carbonate replacement, with exploration often limited to specific areas within the Frisco area due to title constraints.

Summary of activities during the year
Company exploration activities during the first half of the financial year to December 2016 were focused on field mapping and a rock chip sampling program over the Accrington, Cactus Breccia Pipe and Cactus Canyon areas, as well as a geochemical sampling program at Accrington, in order to define high priority drill targets.

In June 2017 the Company announced the commencement of a geophysics exploration program including induced polarisation (IP) and an electromagnetic (EM) survey at the Frisco project. Alderan engaged Dias Geophysics to conduct a high definition IP survey over the entire Frisco Project area and an EM survey over the Accrington copper-zinc skarn prospect.

Subsequent to the financial year end in July 2017 the Company announced the expansion of its holdings over the Frisco Project through the acquisition of a third-party interest in the 'Imperial' Claims. The Company also staked a 118 further claims and entered into a lease agreement with the owners of 44 patented claims which abut the Frisco Project to the north.

These new claims and lease will cover areas of historical mining activity which are prospective for carbonate hosted base and precious metals.

In August 2017 the Company completed a review of historic channel sampling results from the historic Cactus Mine has confirmed strong results including 21.5m @ 6.11% Cu and 32.5m @ 3.85% Cu.
Highlights of the historical channel sampling include:
- 21.5m @ 6.1% Cu
- 32.5m @ 3.8% Cu
- 34.1m @ 2.7% Cu
- 32.2m @ 2.4% Cu
- 40.5m @ 1.8% Cu
- 83m @ 1.2% Cu

These channel sample results were reported as what Alderan believes are "averages" of closely spaced or continuous sampling and are "historical " and "foreign" and were initially published by Rosario Exploration Company in 1968-69; they are not able to be fully reported in accordance with the JORC Code. A full list of the results (and associated JORC disclosures) are provided in the ASX release dated 21 August 2017.

DIRECTORS' REPORT (continued)

A maiden diamond drilling program is expected to commence in September 2017, once final regulatory approvals are received, IP surveys in the area are complete and the results have been analysed. Drilling is expected to start at the Cactus Breccia Pipe.

Dividends
There were no dividends paid, recommended or declared during the year.

Significant events during the year
During July 2016, the Company received $123,500 as full payment for shares subscribed by Belgrave Capital Management in prior years.

On 22 June 2016, the Board of Directors approved the issue of 400,000 ordinary shares to Belgrave Capital Management Limited at $0.05 per share (pre share split) amounting to $20,000 in accordance with the convertible loan agreement dated 11 February 2014, with notice having been received from Belgrave indicating its intention to exercise its right to convert the loan. The shares were issued in July 2016.

During July 2016, directors' fees payable amounting to $18,888 were settled through the issue of 53,967 ordinary shares at $0.35 per share (pre share split).

On 1 September 2016, the Board of Directors approved the reduction in the amount payable to Quaalup from an existing credit loan facility of $100,000 to $55,000 plus 6% interest per annum. The reduction of this value was applied toward exercise of options at $0.10 per share (pre share split).

On 1 September 2016, Quaalup gave notice to the Company of its intention to exercise 1,000,000 options to acquire 1,000,000 shares at $0.10 per share (pre share split). Part consideration for the option exercise was the reduction in the loan facility as detailed above. Accordingly, Quaalup was issued 1,000,000 shares in the Company.

In September 2016, the Company issued 77,000 shares at $0.35 per share (pre share split) to a shareholder. The funds were received during the year ended 30 June 2016 and was recorded as other liabilities as at 30 June 2016.

On 28 September 2016, the Board of Directors approved an application for shares of 923,000 ordinary shares at $0.35 per share (pre share split) amounting to $323,050.

On 17 November 2016, the Board of Directors approved the issue of 32,573 shares at $0.35 per share ($11,400) (pre share split) for director and geological services provided to the company by a director.

The shareholders of the Company approved a share split resolution, where each existing ordinary share will be split into three and a half (3.5) ordinary shares with effect from 1 December 2016. As a result of the share split, 15,789,688 shares issued prior and up to 1 December 2016 were converted to 55,263,908 shares. The share split did not change any shareholder's percentage ownership in the Company.

On 23 December 2016, the Board of Directors approved an offer of shares to seed investors to raise up to $1,200,000 at a price of $0.12 per share to advance the Group's mineral properties in Utah, USA and to undertake an Initial Public Offering and list in the Australian Securities Exchange. The Company received applications for 9,166,667 seed shares at $0.12 per share amounting to $1,100,000. Of these applications, 8,750,001 shares at $0.12 per share amounting to $1,050,000 were issued as at 31 December 2016. The remaining 416,666 shares amounting to $50,000 were issued in January 2017 when the funds were received by the Company. Further, as at 31 December 2016, the Company received $24,000 from Eagletown Pty Ltd for an application for 200,000 seed shares. The shares were subsequently allotted in January 2017.

DIRECTORS' REPORT (continued)

Significant events during the year (continued)
On 23 December 2016, the Board of Directors also approved the redemption of all outstanding convertible notes with a face value of $100,000 via the issue of ordinary shares at a deemed price of the capital raising price of $0.12 per share through the issue of 833,333 ordinary shares ("Convertible Note Shares"). The Convertible Note Shares were issued in December 2016.

On 27 December 2016, the Company entered into a Sale and Purchase Agreement whereby the Company sold its interest in its wholly-owned subsidiary, DM Bergbau GmbH to Mr. Christopher Robert Wanless (the "Purchaser") effective 31 December 2016. The Sale and Purchase Agreement provides that the Purchaser will pay for the purchase price by taking legal ownership of amounts due to the previous shareholders of DM Bergbau GmbH amounting to $99,217 (Euro 70,000). The disposal resulted in a loss on sale before income tax of $15,095.

On 4 January 2017, further to the seed capital raising in December 2016, the Company issued a remaining 416,666 shares to raise $50,000 along with 200,000 additional seed shares applied for by Eagletown Pty Ltd at $0.12 per share amounting to $24,000 as noted above.

On 24 February 2017, the Company changed from a propriety company limited by shares to a public company limited by shares in preparation for its planned Initial Public Offering on the Australian Stock Exchange.

During February 2017, the Company issued 12,380,000 options over fully paid ordinary shares to Directors and key management of the Company. These options have a range of exercise prices, expiry dates and vesting conditions.

During February 2017, the Company also issued 1,777,454 options over fully paid ordinary shares to BW Equities and its nominees as consideration for capital raising services in relation to the seed capital raising completed in December 2016.

On 31 May 2017, the Company closed the Offers under the Prospectus and issued 42,500,000 fully paid ordinary shares to the subscribers of the Share Offer.

On 31 May 2017, the Company also issued 2,300,000 options over fully paid ordinary shares, exercisable at $0.30 each with a 3-year expiry and 2,300,000 options over fully paid ordinary shares, exercisable at $0.40 each with a 3 year expiry to the lead manager in relation to the Offer above.

On 8 June 2017, the Company was admited to the Official List of ASX Limited. Official quotation of the Company's shares commenced on 9 June 2017 trading as "AL8".

On 28 June 2017, the Company issued the following unlisted options to a participant of the Company's Long Term Incentive Plan to provide an incentive for future performance:

a) 275,000 unlisted options exercisable at $0.30 each and expiring on 27 June 2021;
b) 275,000 unlisted options exercisable at $0.40 each and expiring on 27 June 2021;
c) 275,000 unlisted options exercisable at $0.60 each and expiring on 27 June 2021; and
d) 275,000 unlisted options exercisable at $0.80 each and expiring on 27 June 2021.

The above unlisted options are subject to the following vesting conditions:

a) 300,000 unlisted options are to vest immediately equivalent to 75,000 options for each class listed above;
b) 400,000 unlisted options are to vest on 27 June 2018 equivalent to 100,000 options for each class listed above; and
c) 400,000 unlisted options are to vest on 27 June 2019 equivalent to 100,000 options for each class listed above.

DIRECTORS' REPORT (continued)

Significant events after the reporting date
On 4 September 2017, the Company issued 800,000 options to a key consultant of the Company as incentive for future performance.

There were no other significant events noted after the reporting date up to the date of this report.

Operating results for the year

The comprehensive loss of the Group for the financial year ended 30 June 2017, after providing for income tax amounted to $1,565,689 (2016: $218,328).

Review of financial conditions

The Group had a net bank balance of $7,681,175 as at 30 June 2017 (2016: $ 30,527).

Loss Per Share

	30 June 2017 $	30 June 2016 $
Basic loss per share (cents per share)	**(2.58)**	**(0.45)**
Basic loss per share from continuing operations (cents per share)	**(2.48)**	**(0.31)**

Employees

The Company had 4 employees as at 30 June 2017 (2016: 4 employees).

Laws and Regulations

Alderan Group's operations are subject to various laws and regulations under the relevant government legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve the objectives of the Group.

Instances of environmental non-compliance by an operation are identified either by internal investigations, external compliance audits or inspections by relevant government agencies.

There have been no know breaches of laws and regulations by the Group during the year.

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Alderan Resources Limited for the financial year ended 30 June 2017. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

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

Key Management Personnel
The KMP of the Company during or since the end of the financial year were as follows:

Directors	Position	Period of Employment (to present)
Mr Nicolaus Heinen	Non-Executive Chairman	Appointed 1 March 2015
Mr Christopher Robert Wanless	Executive Director	Appointed on 21 July 2013
Mr Donald Smith	Executive Director	Appointed on 8 October 2016
Mr Earnest Thomas Eadie	Non-Executive Director	Appointed on 17 January 2017
Mr Peter Geerdts	Non-Executive Director	Appointed on 13 May 2015; resigned on 9 January 2017

Executives	Position	Period of Employment
Mr Peter Geerdts	Chief Geologist	Appointed on 13 May 2015

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued

Remuneration Policy
The Company's remuneration policy for its KMP has been developed by the Board taking into account the size of the Company, the size of the management team, the nature and stage of development of the Company's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:
- Exploration results; and
- The performance of the Company's shares as quoted on the Australian Securities Exchange.

Remuneration Committee
Due to the current size of the Company, the Board did not implement a Remuneration Committee during the year, as such the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the executive team.

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

Non-executive Director Remuneration
The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. The Constitution states that the Company may pay to the Non-Executive Directors a maximum total amount of director's fees, determined by the Company in general meeting, or until so determined, as the Directors resolve. The Company intends to put to shareholders at the upcoming Annual General Meeting an aggregate remuneration amount to approve.

Fees for the Non-Executive Directors' are presently set at $250,000 per annum including superannuation. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company.

The Non-Executive salary remuneration became effective from the date of their appointment as Non-Executive Directors. There were also Company Options issued to Non-Executive Directors in line with Company policy to attract suitable candidates to the position.

Executive Remuneration
The Company's remuneration policy is to provide a fixed remuneration component and a short and long term performance based component. The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration
Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration – Short Term Incentive
The Board has not implemented a system where Executives are entitled to annual cash bonuses. No bonuses were paid or are payable in relation to the 2017 financial year.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Performance Based Remuneration – Long Term Incentive

Company Options
The Board has previously chosen to issue Options (where appropriate) to some executives and employees as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the executives and to provide an incentive linked to the performance of the Company.

The Board may grant Options to executives and key consultants with exercise prices at and/or above market share price (at the time of agreement). As such, Incentive Options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options granted. Other than service-based vesting conditions, there are no additional performance criteria on the Incentive Options granted to executives, as given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the executives and the performance and value of the Company are closely related. The Company prohibits executives entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

Long-Term Incentive Plan
The Company has implemented a Long-Term Incentive Plan. Under the Plan, the Company may grant options to subscribe for Shares or performance rights entitling the holder to be issued Shares on terms and conditions set by the Board at its discretion.

The material terms of the Plan are as follows:

(a) The purpose of the Plan are:
- (i) assist in the reward, retention and motivation of eligible persons;
- (ii) to align the interests of eligible persons more closely with the interests of shareholders, by providing an opportunity for eligible persons receive an equity interest in the form of Awards; and
- (iii) to provide eligible persons with the opportunity to share in any future growth in value of Alderan Resiources.

(b) The following persons can participate in the Plan if the Board makes them an offer to do so:
- (i) a director;
- (ii) a full-time or part-time employee;
- (iii) a contractor; or
- (iv) a casual employee

of the Company or an associated body corporate and includes a person who may become an eligible person within (i) to (iv) above subject to accepting an offer of engagement for that role.

(c) Plan Options and Plan Rights (collectively Awards) issued under the Plan are subject to the terms and conditions set out in the Rules, which include:
- (i) Vesting Conditions – which are time-based criteria, requirements or conditions (as specified in the offer and determined by the Board) which must be met prior to Awards vesting in a participant, which the Board may throughout the course of the period between the grant of an Award and its vesting, waive or accelerate as the Board considers reasonably appropriate;
- (ii) Performance Conditions – which are conditions relating to the performance of the Group and its related bodies corporate (and the manner in which those conditions will be tested) as specified in an offer and determined by the Board; and
- (iii) Exercise Conditions – which are criteria, requirements or conditions, as determined by the Board or under the Plan, which must be met (notwithstanding the satisfaction of any Vesting Conditions and/or Performance Conditions) prior to a Participant being entitled to exercise vested Awards in accordance with clauses 8 and 9.

(d) In accordance with ASIC Class Order 14/1000, the total Awards that may be issued under the Plan will not exceed 5% of the total number of Shares on issue. In calculating this limit, Awards issued to participants under the Plan other than in reliance upon this Class Order are discounted.

(e) The Board has the unfettered and absolute discretion to administer the Plan.

(f) Awards issued under the Plan are not transferable and will not be quoted on the ASX.

The Rules otherwise contain terms and conditions considered standard for long-term incentive plan rules of this nature.
There were 1,100,000 options issued under the Long-Term Incentive Plan during the year (2016: Nil). There were no shares issued under the Long-Term Incentive Plan during the year (2016: Nil).

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Executive Director Service Agreement
The Company entered into an Executive Service Agreement (Employment Agreement) with Mr Donald Smith on 23 March 2017, an Executive Director. Mr Smith provided services as a non-executive director and geological consultant under a service agreement prior to the effectivity of employment agreement.

The material terms of the employment agreement with Mr Smith are as follows:

(a) With effect from the date that the Company is admitted to the Official List of the ASX until such time as he resigns or the Employment Agreement is terminated, Mr Smith is employed in the position of Executive Director.
(b) Mr. Smith will be paid an annual salary of $175,000 plus superannuation. This salary is inclusive of director's fees and is intended to cover all the services that he may perform for the Company. He is also entitled to receive all reasonable expenses incurred in the fulfilment of his duties.

Executive Director Consultancy Agreement
The Company entered into a Consultancy Service Agreement with DM Bergbau GmbH, a company controlled by Mr. Christopher Robert Wanless, an Executive Director, on 23 March 2017. Mr Wanless has previously performed managerial, financial, technical and operational services to the Company as Executive Director based on a management services agreement between the Company and DM Bergbau. The Consultancy Service Agreement supercedes the management services agreement.

The material terms of the DM Bergbau Consultancy Agreement are as follows:

- DM Bergbau has been engaged for a term of 12 months from the date the Company successfully lists on the ASX.
- Mr. Wanless has been appointed as an Executive Director and the Chief Executive Officer of the Company.
- During the term of the agreement, Mr Wanless is able to provide services of any kind to any other person provided that those services do not conflict with the best interest of the Company or adversely affect his ability to provide his services to the Company.
- DM Bergbau will be paid a monthly consultancy fee of $10,950 for the provision of at least 24 hours work each week. This fee is subject to an annual review.
- DM Bergbau and Mr Wanless are not entitled payment by the Company of salary, holiday and sick pay, severance pay, long service leave or any other entitlement which an employee has in respect of their employment.
- At the Company's discretion, and subject to obtaining applicable regulatory approvals, DM Bergbau is entitled to a performance-based bonus over and above the consultancy fee. DM Bergbau is also entitled to reimbursement of reasonable expenses and expenditure.

Consultancy Agreement with Chief Geologist
The Company entered into a consultancy agreement with Mr. Peter Geerdts, the Chief Geologist, on 23 March 2017. Mr. Geerdts has previously provided services as Chief Geologist by way of an agreement that expired on the date the Company successfully listed with the ASX. The new consultancy agreement superceded the existing services agreement upon listing of the Company with the ASX.

The material terms of the Consultancy Agreement with the Chief Geologist are as follows:

(a) Mr. Geerdts is employed by the Company in the position of Chief Geologist and is directly responsible to the Chief Operating Officer of the Company.
(b) Mr. Geerdts will be paid a monthly consultancy fee of $8,212.50 for the provision of at least 24 hours work each week.
(c) Mr Geerdts is not entitled payment by the Company of salary, holiday and sick pay, severance pay, long service leave or any other entitlement which an employee has in respect of their employment.
(d) At the Company's discretion, and subject to obtaining applicable regulatory approvals, Mr. Geerdts is entitled to a performance-based bonus over and above the consultancy fee. Mr. Geerdts is also entitled to reimbursement of reasonable expenses and expenditure.
(e) Should Mr. Geerdts' no longer provide services to the Company, he will be subject to restraint of trade provisions for a period of 6 months after termination of the Consultancy Agreement with the Chief Geologist.

The contracts otherwise contain terms and conditions considered standard for contracts of this nature.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Relationship between Remuneration of KMP and Shareholder Wealth and Earnings
The Board anticipates that the Company will retain earnings (if any) and other cash resources for the development of its exploration projects. The Company does not currently have a policy with respect to the payment of dividends and returns of capital however this will be reviewed on an annual basis. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Company did not consider appreciation of the Company's shares when setting remuneration.

The Board did issue Options to Key Management Personnel and has implemented a Long-Term Incentive Plan which will generally be of value if the Company's shares appreciate over time. However, it should be noted that all Director Options have been imposed in escrow (sale) restriction period of up to two years. This is in line with the Company policy that Company Options be used for long term incentive for Directors.

Remuneration of Key Management Personnel
Details of the nature and amount of each element of the emoluments received by or payable to each of the Key Management Personnel (KMP) of Alderan Resources Limited are as follows:

2017	Short-term benefits Salary & fees $	Super-annuation $	Termination payments $	Share-based payment shares $	Share-based payment options $	Total $
Directors						
Nicolaus Heinen	24,292	-	-	6,750	43,298	74,340
Christopher Wanless	106,073	-	-	5,625	165,984	277,682
Donald Smith	104,640	-	-	11,400	112,926	228,966
Earnest Thomas Eadie[1]	13,226	1,019	-	-	23,941	38,186
Other KMP						
Peter Geerdts[2]	107,382	1,040	-	6,514	92,923	207,859
Total	**355,613**	**2,059**	**-**	**30,289**	**439,072**	**827,033**

[1] Earnest Thomas Eadie was appointed as Director on 23 January 2017.
[2] Peter Geerdts resigned as Director on 9 January 2017.

2016	Short-term benefits Salary & fees $	Super-annuation $	Termination payments $	Share-based payment shares $	Share-based payment options $	Total $
Director						
Nicolaus Heinen	7,500	-	-	-	-	7,500
Christopher Wanless	54,870	-	-	-	-	54,870
Donald Smith	-	-	-	-	-	-
Peter Geerdts	5,000	475	-	-	-	5,475
Total	**67,370**	**475**	**-**	**-**	**-**	**67,845**

No member of key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Cash bonuses granted as compensation for the current financial year.
No cash bonuses were granted during the year ended 2017 (2016: nil).

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Share options granted to KMP
During the financial year, share options were granted to the following key management personnel of the Company and the entities they controlled as part of their remuneration.

	Exercise price	Expiry date	Number of options granted	Total number of shares under option at the end of the year
Directors				
Nicolaus Heinen	$0.20	21/02/2021	150,000	150,000
	$0.30	21/02/2021	300,000	300,000
	$0.40	21/02/2021	300,000	300,000
	$0.60	21/02/2021	300,000	300,000
	$0.80	21/02/2021	300,000	300,000
Christopher Wanless	$0.20	21/02/2021	1,250,000	1,250,000
	$0.30	22/02/2021	1,500,000	1,500,000
	$0.40	21/02/2021	500,000	500,000
	$0.60	21/02/2021	500,000	500,000
	$0.80	21/02/2021	500,000	500,000
Donald Smith	$0.20	21/02/2022	1,000,000	1,000,000
	$0.30	21/02/2021	500,000	500,000
	$0.40	21/02/2021	500,000	500,000
	$0.60	21/02/2021	500,000	500,000
	$0.80	21/02/2021	500,000	500,000
Earnest Thomas Eadie	$0.30	21/02/2021	200,000	200,000
	$0.40	21/02/2021	200,000	200,000
	$0.60	21/02/2021	200,000	200,000
	$0.80	21/02/2021	200,000	200,000
Management & Executives				
Peter Geerdts (former Director)	$0.20	21/02/2021	400,000	400,000
	$0.30	21/02/2021	800,000	800,000
	$0.40	21/02/2021	500,000	500,000
	$0.60	21/02/2021	500,000	500,000
	$0.80	21/02/2021	500,000	500,000
Total			**12,100,000**	**12,100,000**

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Share options granted to KMP (continued)

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. For details on the valuation of the options, including models and assumptions used, please refer to Notes 10c and 15.

There were 1,000,000 shares issued during the year as a result of the exercise of an Option (See Note 10a(iv). No Options lapsed during the year.

Shares and performance rights issued to KMP
During the financial year, shares were issued to the following key management personnel of the Company and the entities it controlled as part of their remuneration. There were no performance rights issued during the year as part of their remuneration.

	Number of shares	Share-based payment	Number of performance rights
Directors			
Donald Smith	32,573	11,400	-
Nicolaus Heinen	19,286	6,750	-
Christopher Wanless	16,071	5,625	-
Peter Geerdts	18,610	6,514	-
Total	**86,540**	**30,289**	**-**

Loans to key management personnel
The Company loaned funds to Christopher Wanless, a director. Loans were on unsecured terms and non-interest bearing. As at 30 June 2017, there were no outstanding amounts due from Christopher Wanless (2016:$500).

Loans to key management personnel
The Company also received loaned funds from Christopher Wanless, a director. Loans were on unsecured terms and non-interest bearing. As at 30 June 2017, $2,500 was outstanding as amount due to Christopher Wanless (2016:Nil).

Key management personnel equity holdings

Fully paid ordinary shares

30 June 2017	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change other Number*	Balance at end of year Number	Balance held nominally Number
Directors						
Nicolaus Heinen[1]	-	19,286	-	713,215	732,501	732,501
Christopher Wanless[2]	1,945,715	16,071	1,000,000	7,532,798	10,494,584	2,656,247
Donald Smith[3]	-	32,573	-	556,443	589,006	586,006
Earnest Thomas Eadie[4]	-	-	-	1,890,833	1,890,833	57,500
Executives						
Peter Geerdts[5]	1,376,743	18,610	-	3,604,647	5,000,000	5,000,000

[1]Net change includes issue of additional 48,215 shares for the effect of the share split and subscription for an additional 665,000 shares.
[2]Net change include issue of additional 7,404,465 shares for the effect of the share split; reduction of 80,000 shares transferred to a relative and subscription for additional 208,333 shares.
[3]Net change include additional 81,433 shares for the effect of the share split and subscription for additional 475,080 shares.
[4]Net change represents shares subscribed to during the year.
[5]Net change include additional 3,488,383 shares for the effect of the share split and subscription for additional 116,264 shares.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Key management personnel equity holdings (continued)

Fully paid ordinary shares (continued)

30 June 2016	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change other Number	Balance at end of year Number	Balance held nominally Number
Directors						
Nicolaus Heinen	-	-	-	-	-	-
Christopher Wanless	1,945,715	-	-	-	1,945,715	765,714
Peter Geerdts	1,376,743	-	-	-	1,376,743	1,376,743

Share options

30 June 2017	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number	Balance at end of year Number
Directors					
Nicolaus Heinen	-	1,350,000	-	-	1,350,000
Christopher Wanless	1,000,000	4,250,000	(1,000,000)	-	4,250,000
Donald Smith	-	3,000,000	-	-	3,000,000
Earnest Thomas Eadie	-	800,000	-	-	800,000
Executives					
Peter Geerdts	-	2,700,000	-	-	2,700,000

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Key management personnel equity holdings (continued)

Share options (continued)

30 June 2016	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number	Balance at end of year Number
Directors					
Christopher Wanless	1,000,000	-	-	-	1,000,000

For details of the employee share option plan and of share options granted during the 2017 financial year, please refer to Notes 10c and 15.

Year	2017	2016	2015
Revenue	**27,980**	**33,848**	**48,616**
EBITDA	(1,568,132)	(212,723)	(95,621)
EBIT	(1,567,578)	(212,091)	(95,196)
Loss after income tax	(1,565,689)	(209,507)	(94,105)
The factors that are considered to affect total shareholders return ("TSR") are summarised below:			
Share price at financial year end ($)	**(0.465)****	-	-
Total dividends declared (cents per share)	-	-	-
Basic and diluted earnings per share (cents per share)	(2.58)	(0.45)	-

* On 8 June 2017, the Company was admitted to the Official List of ASX Limited. Official quotation of the Company's shares commenced on 9 June 2017 trading as "AL8".

END OF REMUNERATION REPORT

DIRECTORS' REPORT (continued)

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During or since the end of the financial year, no amounts have been paid by the Company in relation to the above indemnities.

During the financial year, insurance premiums were paid by the Company to insure against a liability incurred by a person who is or has been a director or officer of the Company or Company.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

Directors' meetings

2017	No. eligible to attend	No. attended
Nicolaus Heinen	7	7
Christopher Wanless	7	7
Donald Smith	7	7
Earnest Thomas Eadie	5	5
Peter Geerdts	2	2

In addition to the above meetings, the board executed 16 circular resolutions during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

(a) all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
(b) none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the Company who are former partners of RSM Australia Partners.

DIRECTORS' REPORT (continued)

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Signed in accordance with a resolution of the Directors.

Mr. Christopher Robert Wanless
Director
Dated this 26 September 2017

Competent Persons Statement

The information in this report that relates to exploration targets, exploration results, mineral resources or ore reserves is based on information compiled by Donald Smith, a competent person who is a member of the Australian Institute of Geoscientists (AIG). Donald Smith is a geologist and Director of Alderan Resources Limited. Donald Smith has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code (JORC Code). Donald Smith consents to the inclusion of this information in the form and context in which it appears.

Mr Smith confirms that that the information provided in this announcement provided under ASX Listing Rules Chapter 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the proposed exploration programmes that relate to this "material mining project".

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Alderan Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 26 September 2017

TUTU PHONG
Partner

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

	Notes	30 June 2017 $	30 June 2016 $
Continuing operations			
Other income	3	1,343	2,067
Interest income		-	1,400
Administration expenses	3	(348,731)	(102,532)
Employee benefits expense		(98,978)	(18,611)
Depreciation and amortisation expense		(554)	(632)
Impairment of exploration and evaluation expenditure	12	(530,215)	(24,181)
Share-based payment expense	15 (a)	(530,536)	-
Finance costs		(1,889)	(2,584)
Loss before income tax benefit		**(1,509,560)**	**(145,073)**
Income tax benefit	4	-	-
Loss for the year after tax from continuing operations		**(1,509,560)**	**(145,073)**
Discontinued operations			
Loss after tax from discontinued operation	11	(64,817)	(64,434)
Net loss for the year		**(1,574,377)**	**(209,507)**
Other comprehensive income, net of income tax			
Exchange differences on translation of foreign operations		8,688	(8,821)
Other comprehensive gain/(loss) for the year, net of income tax		**8,688**	**(8,821)**
Total comprehensive loss for the year		**(1,565,689)**	**(218,328)**
Loss attributable to members of the Company		**(1,565,689)**	**(209,507)**
Total comprehensive loss attributable to members the Company for the year		**(1,565,689)**	**(218,328)**
Basic loss per share (cents per share)	5	**(2.58)**	**(0.45)**
Basic loss per share from continuing operations (cents per share)	5	**(2.48)**	**(0.31)**

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	30 June 2017 $	30 June 2016 $
Assets			
Current Assets			
Cash and cash equivalents	6	7,681,175	30,527
Trade and other receivables	7	243,649	125,564
Assets classified as held for sale	11	-	36,057
Total Current Assets		**7,924,824**	**192,148**
Non-Current Assets			
Plant and equipment		22,544	554
Exploration and evaluation expenditure	8	1,162,236	689,584
Total Non-current Assets		**1,184,780**	**690,138**
Total Assets		**9,109,604**	**882,286**
Liabilities			
Current Liabilities			
Trade and other payables	9	238,666	65,045
Loans payable	9	2,500	173,545
Liabilities classified as held for sale	11	-	29,916
Total Liabilities		**241,166**	**268,506**
Net Assets		**8,868,438**	**613,780**
Equity			
Issued capital	10(a)	9,551,762	957,156
Options reserve	10(c)	1,225,741	-
Foreign currency reserve	10(b)	-	(8,688)
Accumulated losses		(1,909,065)	(334,688)
Net Equity		**8,868,438**	**613,780**

The accompanying notes form part of these consolidated financial statements.

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

	Issued capital	Options reserve	Foreign currency reserve	Accumulated losses	Total equity
	$		$	$	$
Balance at 1 July 2015	733,656	-	133	(125,181)	608,608
Loss for the year	-	-	-	(209,507)	(209,507)
Other comprehensive income for the year, net of income tax	-	-	(8,821)	-	(8,821)
Total comprehensive loss for the year	-	-	(8,821)	(209,507)	(218,328)
Contributions of equity, net of transaction costs	223,500	-	-	-	223,500
Balance at 30 June 2016	**957,156**	**-**	**(8,688)**	**(334,688)**	**613,780**
Balance at 1 July 2016	957,156	-	(8,688)	(334,688)	613,780
Loss for the year	-	-	-	(1,574,377)	(1,574,377)
Other comprehensive income for the year, net of income tax	-	-	8,688	-	8,688
Total comprehensive loss for the year	-	-	8,688	(1,574,377)	(1,565,689)
Equity issued during the year (net of share issue costs)	8,564,317	-	-	-	8,564,317
Share based payments - shares	30,289	-		-	30,289
Share based payments - options	-	1,225,741	-	-	1,225,741
Balance at 30 June 2017	**9,551,762**	**1,225,741**	**-**	**(1,909,065)**	**8,868,438**

The accompanying notes form part of these consolidated financial statements.

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

	30 June 2017 $	30 June 2016 $
Cash flows from operating activities		
Receipts from customers	27,980	34,703
Payments to suppliers and employees	(462,773)	(211,363)
Payments for exploration and evaluation expenditures	(1,002,867)	(264,028)
Interest received	-	1,400
Interest paid	(1,889)	(2,584)
Net cash (used in) operating activities	(1,439,549)	(441,872)
Cash flows from investing activities		
Payments for plant and equipment	(22,544)	(300)
Net cash outflow on sale of subsidiary	(14,712)	-
Net cash (used in) investing activities	(37,256)	(300)
Cash flows from financing activities		
Proceeds from issue of shares (net of capital raising costs)	9,018,765	100,000
Proceeds from borrowings	100,000	153,545
Net cash provided by financing activities	9,118,765	253,545
Net increase/(decrease) in cash held	7,641,960	(188,627)
Effect of foreign exchange	8,688	(8,821)
Cash and cash equivalents at the beginning of the year	30,527	227,975
Cash and cash equivalents at the end of the year	**7,681,175**	**30,527**

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The accompanying notes form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and comply with other requirements of the law.

The consolidated financial statements comprise the financial statements of Alderan Resources Limited (the “Company”) and its subsidiary (collectively referred to as the “Group” or “consolidated entity”). For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2017
For the year ended 30 June 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

Standards and Interpretations in issue not yet adopted
A number of Australian Accounting Standards that have been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ended 30 June 2017. The effect of these new or amended Accounting Standards is expected to give rise to additional disclosures and new policies being adopted. Refer below for the Standards relevant to the Company that are not yet effective and have not been early adopted.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company has made an assessment and determined that this standard will have little to no impact on the entity as it does not have any financial instruments.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new and revised standards (continued)

AASB 15 Revenue from Contracts with Customers (continued)
For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company has made an assessment and determined that this standard will have little to no impact on the entity as it currently does not earn revenue.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company will adopt this standard from 1 July 2019 and the impact of its adoption is being assessed by the Company.

Statement of compliance

The financial report was authorised for issued in accordance with a resolution of the Directors on 26 September 2017.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Comparative information

The comparative information has been restated to disclose the assets, liabilities and results of operations of the subsidiary which was sold during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and key estimates

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

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

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and Evaluation
Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alderan Resources Limited ('company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. Alderan Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the group entity has control. The group entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of consolidation (continued)
The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

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

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

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

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

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)
Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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

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

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

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Office equipment	50% per annum

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Exploration and evaluation assets
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 and exploitation 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.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

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.

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

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

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)
Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees and key management personnel.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees and key management personnel in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are 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 and key management personnel to receive payment. No account is taken of any other vesting conditions.

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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

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

If the non-vesting condition is within the control of the group, 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 / key management personnel, and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Alderan 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 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 after income 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Directors for the years ended 30 June 2017 and 30 June 2016.

	Continuing Operations		Discontinued Operation		
30 June 2017	United States of America $	Australia $	Germany $	Unallocated items $	Consolidated $
Segment revenue	-	-	76,228	-	76,228
Intersegment revenue	-	-	(49,591)	-	(49,591)
Revenue from external customers	-	-	26,637	-	26,637
Segment result	(53,223)	(1,456,337)	(64,817)	-	(1,574,377)
Segment assets	1,325,052	7,784,552	-	-	9,109,604
Segment liabilities	-	241,166	-	-	241,166

	Continuing Operations		Discontinued Operation		
30 June 2016	United States of America $	Australia $	Germany $	Unallocated items $	Consolidated $
Segment revenue	-	-	105,310	-	105,310
Intersegment revenue	-	-	(74,929)	-	(74,929)
Revenue from external customers	-	-	30,381	-	30,381
Segment result	(58,561)	(86,512)	(64,434)	-	(209,507)
Segment assets	239,847	606,383	36,056	-	882,286
Segment liabilities	-	238,590	29,916	-	268,506

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: REVENUE AND EXPENSES

	30 June 2017 $	30 June 2016 $
a. Other income		
Foreign exchange translation gain	**1,343**	**2,067**
b. Administration expenses		
Legal fees	-	22,423
Accountancy fees	59,527	19,200
Consultancy fees	79,781	11,000
Travel expenses	110,527	28,000
Promotion and investor relations	30,269	608
Others	68,627	21,301
	348,731	**102,532**

NOTE 4: INCOME TAX

	30 June 2017 $	30 June 2016 $
(a) Income tax benefit	**-**	**-**
(b) Numerical reconciliation between tax-benefit and pre-tax net loss		
(Loss) before tax from continuing operations	(1,509,560)	(145,073)
(Loss) before tax from discontinued operations	(64,817)	(64,434)
Accounting (loss) before income tax	(1,574,377)	(209,507)
Income tax benefit using the Company's domestic tax rate of 27.5% (2016: 28.5%)	(432,954)	(59,709)
Current period (loss) for which no deferred tax liability was recognised	432,954	59,709
Income tax benefit attributable to entity	-	-

(c) Unrecognised deferred tax

Tax losses for which no deferred tax asset has been recognised	**30 June 2017** $	**30 June 2016** $
Losses available for offset against future taxable income	(1,645,526)	(614,943)
Total	(1,645,526)	(614,943)
Potential tax benefits at 27.5% (2016: 28.5%)	**(452,520)**	**(175,258)**

The benefit of deferred tax assets not brought to account will only be brought to account 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; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 5: LOSS PER SHARE

Basic and diluted loss per share

	30 June 2017 Cents per share	30 June 2016 Cents per share
Basic loss per share	**(2.58)**	**(0.45)**
Basic loss per share from continuing operations	**(2.48)**	**(0.31)**

Loss
Losses used in the calculation of basic and diluted loss per share is as follows:

	$	$
Loss for the year	**(1,565,689)**	**(209,507)**
Loss from continuing operations	**(1,509,560)**	**(145,073)**

Weighted average number of ordinary shares
The weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:

	Number	Number
Weighted average number of ordinary shares for the purpose of basic loss per share	**60,760,064**	**46,561,018**

NOTE 6: CASH AND CASH EQUIVALENTS

Reconciliation to the Statement of Cash Flows:
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30 June 2017 $	30 June 2016 $
Cash in bank and on hand	7,681,175	30,527
	7,681,175	**30,527**

Reconciliation of loss after tax to net cash outflow from operating activities:

	30 June 2017 $	30 June 2016 $
Loss for the year	(1,574,377)	(209,507)
Adjustment for non-cash income and expense items		
Depreciation and amortisation	554	632
Impairment of exploration and evaluation expenditure	530,215	24,181
Share-based payment expense - shares	30,289	-
Share-based payment expense - options	530,536	-
Change in assets and liabilities		
Trade and other receivables	(127,520)	2,255
Trade and other payables	173,621	4,595
Exploration and evaluation expenditure	(1,002,867)	(264,028)
Net cash (outflow) / inflow from operating activities	**(1,439,549)**	**(441,872)**

During the year the Company has used its cash reserves in accordance with its stated objectives in its IPO Prospectus dated 5 April 2017 (and Supplementary Prospectus dated 29 May 2017).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 7: TRADE AND OTHER RECEIVABLES

	30 June 2017 $	30 June 2016 $
Sundry debtors	142,247	-
GST receivable	67,148	1,564
Prepayment	34,254	-
Amount receivable in relation to shares already issued	-	123,500
Loans – unsecured	-	500
	243,649	**125,564**

NOTE 8: EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2017 $	30 June 2016 $
Carrying value at the beginning of the year	689,584	430,054
Expenditure incurred during the year	1,002,867	259,800
Impairment (i)	(530,215)	-
Carrying value at the end of the year	**1,162,236**	**689,584**

During the year the Company entered into an agreement to sell its interest in the Burrowa and Mt Stewart exploration projects to Belgrave Capital Limited ("the Purchaser"), a company associated with Director, Mr Nicolaus Heinen.

On 29 June 2017, the agreement was terminated through mutual agreement by the parties above. The Company, however, will hand over to the Division of Resources & Energy (NSW) the above projects. The Company has started to take the necessary steps to surrender the licenses, including submission of final reports and other compliance matters to the regulators. As at 30 June 2017, the carrying value of the above assets is $Nil.

NOTE 9: FINANCIAL LIABILITIES

	30 June 2017 $	30 June 2016 $
Trade and other payables		
Trade creditors	184,717	1,885
Accruals and other payables	53,949	63,160
Sub Total	**238,666**	**65,045**
Unsecured loans		
Loans payable	2,500	173,545
Sub Total	**2,500**	**173,545**
Total	**241,166**	**238,590**

NOTE 10: ISSUED CAPITAL

a) Ordinary shares	Year to 30 June 2017		Year to 30 June 2016	
	No.	$	No.	$
Fully paid				
Balance at beginning of year	12,493,148	673,656	12,493,148	673,656
Transfer from partially paid shares (i)	810,000	283,500	-	-
Settlement of loan payable (ii)	400,000	20,000	-	-
Settlement of payable to directors (iii)	53,967	18,888	-	-
Options exercised (iv)	1,000,000	100,000	-	-
Issue of shares (v)	77,000	26,950		
Seed capital raising (vi)	923,000	323,050	-	-
Share based payment (vii)	32,573	11,400	-	-
Share split (vii)	39,474,220	-	-	-
Seed capital raising (ix)	8,750,001	1,050,000	-	-
Convertible notes redemption (x)	833,333	100,000	-	-
Seed capital raising (ix)	616,666	74,000		
Issue of shares through the IPO (xi)	42,500,000	8,500,000		
Less share issue costs	-	(1,629,682)	-	-
Balance at the end of the year	107,963,908	9,551,762	12,493,148	673,656
Partially paid				
Balance at beginning of year	810,000	283,500	810,000	283,500
Transfer to fully paid shares	(810,000)	(283,500)	-	-
Balance at the end of the year	-	-	810,000	283,500
Total	107,963,908	9,551,762	13,303,148	957,156

(i) The Company received $123,500 as full payment for shares subscribed by Belgrave Capital Management in prior years. Accordingly, the partially paid ordinary shares are now classified as fully paid shares.

(ii) On 22 June 2016, the Board of Directors approved the issue of 400,000 ordinary shares to Belgrave Capital Management Limited at $0.05 per share (pre share split) amounting to $20,000 in accordance with the convertible loan agreement dated 11 February 2014, with notice having been received from Belgrave indicating its intention to exercise its right to convert the loan. The shares were issued in July 2016.

(iii) Directors' fees payable amounting to $18,888 were settled through the issue of 53,967 ordinary shares at $0.10 per share (pre share split).

(iv) On 1 September 2016, the Board of Directors approved the reduction in the amount payable to Quaalup from an existing credit loan facility of $100,000 to $55,000 plus 6% interest per annum. The reduction of this value was applied toward exercise of options at $0.10 per share (pre share split).

On 1 September 2016, Quaalup gave notice to the Company of its intention to exercise 1,000,000 options to acquire 100,000 shares at $0.10 per share (pre share split). Part consideration for the option exercise was the reduction in the loan facility as detailed above. Accordingly Quaalup was issued 1,000,000 shares in the Company.

(v) In September 2016, the Company issued 77,000 shares at $.35 per share to a shareholder. The funds were received during the year ended 30 June 2016 and was recorded as other liabilities as at 30 June 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10: ISSUED CAPITAL (CONTINUED)

a) Ordinary shares (continued)

(vi) On 28 September 2016, the Board of Directors approved an application for shares of 923,000 ordinary shares at $0.35 per share amounting to $323,050.

(vii) On 17 November 2016, the Board of Directors approved the issue of 32,573 shares at $0.10 per share (pre share split) for director and geological services provided to the company by a director.

(viii) The shareholders of the Company approved a share split resolution, where each existing ordinary share will be split into three and a half (3.5) ordinary shares with effect from 1 December 2016. As a result of the share split, 15,789,688 shares issued prior and up to 1 December 2016 were converted to 55,263,908 shares. The share split did not change any shareholder's percentage ownership in the Company.

(ix) On 23 December 2016, the Board of Directors approved an offer of shares to seed investors to raise up to $1,200,000 at a price of $0.12 per share to advance the Group's mineral properties in Utah, USA and to undertake an Initial Public Offering and list in the Australian Securities Exchange. The Company received applications for 9,166,667 seed shares at $0.12 per share amounting to $1,100,000. Of these applications, 8,750,001 shares at $0.12 per share amounting to $1,050,000 were issued as at 31 December 2016. The remaining 616,666 shares amounting to $74,000 were issued in January 2017 when the funds were received by the Company. Further, as at 31 December 2016, the Company received $24,000 from Eagletown Pty Ltd for an application for 200,000 seed shares. The shares were subsequently allotted in January 2017.

(x) On 23 December 2016, the Board of Directors also approved the redemption of all outstanding convertible notes with a face value of $100,000 via the issue of ordinary shares at a deemed price of the capital raising price of $0.12 per share through the issue of 833,333 ordinary shares ("Convertible Note Shares"). The Convertible Note Shares were issued in December 2016.

(xi) On 31 May 2017, the Company closed the Share Offer under the Prospectus and issued 42,500,000 fully paid ordinary shares at $0.20 each amounting to $8,500,000 (before issue costs) to the subscribers of the Share Offer.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

b) Foreign Currency Reserves

	Year to 30 June 2017	Year to 30 June 2016
	$	**$**
Balance at beginning of year	(8,688)	133
Movement during the year	8,688	(8,821)
Balance at the end of the year	-	(8,688)

c) Options

	Year to 30 June 2017		Year to 30 June 2016	
	No.	**$**	**No.**	**$**
Balance at beginning of year	1,000,000	-	1,000,000	-
Exercise of options - Note 10a (iv)	(1,000,000)	-	-	-
Issue of options to Directors and key management (i)	12,380,000	447,451	-	-
Options issued to broker – capital raising (ii)	1,777,454	222,079	-	-
Options issued to broker – IPO (iii)	4,600,000	473,126		
Options issued under the long term incentive plan (iv)	1,100,000	83,085	-	-
Balance at the end of the year	19,857,454	1,225,741	1,000,000	-

NOTE 10: ISSUED CAPITAL (CONTINUED)

c) Options (continued)

(i) On 21 February 2017, the Company issued 12,380,000 options over fully paid ordinary shares to Directors and key management personnel of the Company. The details of the options granted are as follows:

Series	Number	Grant date	Expiry date	Exercise Price $	Fair value at grant date $	Vesting date (from date of grant up to)	Recognised as expense for the year ended 30 June 2017 $
Tranche A-1	1,800,000	21/02/2017	21/02/2021	0.20	250,786	21/02/2018	88,634
Tranche A-2*	1,000,000	21/02/2017	21/02/2022	0.20	150,170	21/02/2018	53,074
Tranche B	3,370,000	21/02/2017	21/02/2021	0.30	425,085	21/02/2018	150,236
Tranche C	2,070,000	21/02/2017	21/02/2021	0.40	240,487	21/02/2018	84,994
Tranche D	2,070,000	21/02/2017	21/02/2021	0.60	210,345	21/02/2019	37,171
Tranche E	2,070,000	21/02/2017	21/02/2021	0.80	188,685	21/02/2019	33,342
Total	**12,380,000**				**1,465,558**		**447,451**

*These options are subject to additional vesting conditions as follows:

- Completion of 10,000 metres of drilling at the Frisco Project prior to the date of option expiry; and
- A period of 30 consecutive calendar days where the closing share price of the Company as quoted on the ASX is in excess of $0.30 prior to the date of the option expiry.

(ii) On 21 February 2017, 1,777,454 options over fully paid ordinary shares were issued to BW Equities and its nominees as consideration for capital raising services in relation to the seed capital raising completed in December 2016. These options have an exercise price of $0.20 and expire on 21 February 2020. The fair value of these options at grant date amounted to $222,079.

(iii) On 31 May 2017, the Company granted 4,600,000 options over fully paid ordinary shares to the Lead Manager of the Company's IPO and its nominees. The details of the options granted are as follows:

Series	Number	Grant date	Expiry date	Exercise Price $	Fair value at grant date $	Vesting date
Tranche A	2,300,000	31/05/2017	30/05/2020	0.30	250,087	31/05/2017
Tranche B	2,300,000	31/05/2017	30/05/2020	0.40	223,039	31/05/2017
Total	**4,600,000**				**473,126**	

(iv) On 27 June 2017, the Company issued the following options to a participant of the Company's Long-Term Incentive Plan to provide an incentive for future performance.

Series	Number	Grant date	Expiry date	Exercise Price $	Recognised as expense $	Vesting date
Tranche B	275,000	27/06/2017	27/06/2021	0.30	23,189	
Tranche C	275,000	27/06/2017	27/06/2021	0.40	21,848	
Tranche D	275,000	27/06/2017	27/06/2021	0.60	19,801	Refer below.
Tranche E	275,000	27/06/2017	27/06/2021	0.80	18,247	
Total	**1,100,000**				**83,085**	

The fair value of the above options at grant date is $299,723.

The above unlisted options are subject to the following vesting conditions:

a) 300,000 unlisted options are to vest immediately equivalent to 75,000 options for each class listed above;
b) 400,000 unlisted options are to vest on 27 June 2018 equivalent to 100,000 options for each class listed above; and
c) 400,000 unlisted options are to vest on 27 June 2019 equivalent to 100,000 options for each class listed above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 11: DISCONTINUED OPERATIONS

On 31 December 2016, the Company sold its investment in DM Bergbau GmbH to Mr. Christopher Robert Wanless ("the Purchaser"), a Director for a consideration $99,217 (Euro 70,000) resulting in a loss before income tax of $15,095. Consequently all assets and liabilities allocable to DM Bergbau GmbH have been effectively transferred to the Purchaser as at 31 December 2016.

Revenue and expenses, gains and losses relating to the sale of this subsidiary have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item on the face of the consolidated statement of profit or loss and other comprehensive income. The prior period consolidated statement of profit or loss and other comprehensive income has been restated for comparative purposes.

Financial performance information

	30 June 2017 $	30 June 2016 $
Revenue	26,637	30,381
Administration expense	(28,627)	(24,185)
Employee benefits expense	(47,732)	(70,630)
Loss before income tax	(49,722)	(64,434)
Income tax expense	-	-
Loss after income tax expense	(49,722)	(64,434)
Loss on disposal before income tax expense	(15,095)	-
Income tax expense	-	-
Loss on disposal after income tax expense	(15,095)	**-**
Loss after income tax expense from discontinued operations	**(64,817)**	**(64,434)**

The carrying amounts of assets and liabilities disposed

	30 June 2017 $	30 June 2016 $
Assets		
Cash and cash equivalents	-	7,358
Trade and other receivables	-	28,699
	-	**36,057**
Liabilities		
Trade and other payables	-	29,916
	-	**29,916**

Cash flow information

	30 June 2017 $	30 June 2016 $
Net cash flows from operating activities	7,412	(1,963)
Net increase/(decrease) in cash and cash equivalents from discontinued operations	**7,412**	**(1,963)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2017.

NOTE 13: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 4 September 2017, the Company issued 800,000 options to a key consultant of the Company as incentive for future performance.

There were no other significant events noted after the reporting date up to the date of this report.

NOTE 14: DIVIDENDS

The directors have not declared any dividend for the year ended 30 June 2017.

NOTE 15: SHARE-BASED PAYMENTS

a) Recognised share-based payment expense
From time to time, the Company provides Incentive Options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required. During the past two years, the following equity-settled share-based payments have been recognised:

	30 June 2017 $	30 June 2016 $
Expense arising from option-settled share-based payment transactions	**530,536**	-
Expense arising from share-settled share-based payment transactions	**30,289**	-
Net share based payment expense recognised in the profit or loss	**560,825**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 15: SHARE-BASED PAYMENTS (continued)

b) Summary of options granted as share-based payments

The following table illustrates the number and weighted average exercise prices (WAEP) of Incentive Options granted as share-based payments at the beginning and end of the financial year:

	30 June 2017		30 June 2016	
	Number	WAEP	Number	WAEP
Outstanding at beginning of year	-	-	-	-
Granted by the Company during the year	19,857,454	$0.44	-	-
Cancelled during the year	-	-	-	-
Outstanding at end of year	**19,857,454**	**$0.44**	**-**	**-**

c) Option pricing model

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted

(i) KMP options

	Tranche A-1	Tranche A-2	Tranche B	Tranche C	Tranche D	Tranche E
Grant date	21/02/2017	21/02/2017	21/02/2017	21/02/2017	21/02/2017	21/02/2017
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	100%	100%	100%	100%	100%	100%
Risk-free interest rate	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%
Expected life of options (years)	4	5	4	4	4	4
Exercise price	$0.20	$0.20	$0.30	$0.40	$0.60	$0.80
Grant date share price	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20

(ii) Broker options

		IPO consideration	
	Seed capital consideration	Tranche A	Tranche B
Grant date	21/02/2017	31/05/2017	31/05/2017
Dividend yield	0.00%	0.00%	0.00%
Expected volatility	100%	100%	100%
Risk-free interest rate	1.94%	1.78%	1.78%
Expected life of options (years)	3	3	3
Exercise price	$0.20	$0.30	$0.40
Grant date share price	$0.20	$0.20	$0.20

(iii) Long-Term Incentive Plan

	Tranche A	Tranche B	Tranche C	Tranche D
Grant date	27/06/2017	27/06/2017	27/06/2017	27/06/2017
Dividend yield	0.00%	0.00%	0.00%	0.00%
Expected volatility	100%	100%	100%	100%
Risk-free interest rate	1.99%	1.99%	1.99%	1.99%
Expected life of options (years)	4	4	4	4
Exercise price	$0.30	$0.40	$0.60	$0.80
Grant date share price	$0.41	$0.41	$0.41	$0.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 16: RELATED PARTY TRANSACTIONS

The Group's key management personnel consist of the following:

Name	Position
Mr. Nicolaus Heinen	Non-executive Chairman
Mr. Christopher Robert Wanless	Executive Director
Mr. Don Smith	Executive Director
Mr. Tom Eadie	Non-executive Director (appointed 17 January 2017)
Mr. Peter Geerdts	Chief Geologist (resigned as director on 9 January 2017)

(a) Related party balances

As at 30 June 2017, the following balances were owed from/to key management personnel and or companies associated with the shareholders and Directors:

Related party receivables

	30 June 2017 $	30 June 2016 $
Christopher Wanless – Loan	-	500
	-	**500**

Related party payables

	30 June 2017 $	30 June 2016 $
Quaalup investments Pty Ltd – Loan (Related to Christopher Wanless)	8,113	100,000
Christopher Wanless – Loan	2,500	-
Thomas Earnest Eadie	2,500	-
Donald Smith	13,340	-
	26,453	**100,000**

(b) Goods or services provided by related parties

During the year ended 30 June 2017, the following services were provided by the Directors and or companies associated with shareholders or Directors.

	30 June 2017 $	30 June 2016 $
Short-term employee benefits	355,613	67,370
Post-employment benefits	2,059	475
Share-based payments - shares	30,289	**-**
Share-based payments - options	439,072	**-**
	827,033	**67,845**

NOTE 16: RELATED PARTY TRANSACTIONS (continued)

(c) Subsidiaries

The consolidated financial statements include the financial statements of Alderan Resources Limited and the following subsidiaries:

Subsidiary	Country of incorporation	Equity interest (%)	
		30 June 2017	30 June 2016
Volantis Limited	USA	100%	100%
DM Bergbau GMBH	Germany	-*	100%

Alderan Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

*On 27 December 2016, the Company entered into a Sale and Purchase Agreement whereby the Company sold its interest in its wholly-owned subsidiary, DM Bergbau GmbH to Mr. Christopher Robert Wanless (the "Purchaser") effective 31 December 2016. The Sale and Purchase Agreement provides that the Purchaser will pay for the purchase price by taking legal ownership of amounts due to the previous shareholders of DM Bergbau GmbH amounting to $99,217 (Euro 70,000). The carrying value of DM Bergbau GmbH as at the effective date was $114,312. The loss on disposal of subsidiary is included in Loss after tax from discontinued operation (Note 11).

NOTE 17: FINANCIAL INSTRUMENTS

a) Overview

The Company's principal financial instruments comprise receivables, payables, cash and cash equivalents. The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Company manages its exposure to key financial risks in accordance with the Company's risk management policy. Key financial risks are identified and reviewed annually and policies are revised as required. The overall objective of the Company's risk management policy is to recognise and manage risks that affect the Company and to provide a stable financial platform to enable the Company to operate efficiently.

The Company does not enter into derivative transactions to mitigate the financial risks. In addition, the Company's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Company's operations change, the Directors will review this policy periodically going forward.

The Directors have overall responsibility for the establishment and oversight of the risk management framework. The Directors review and approve policies for managing the Company's financial risks as summarised below.

Categories of financial instruments

	30 June 2017	30 June 2016
	$	$
Financial assets		
Cash on hand and in bank	7,681,175	30,527
Trade and other receivables	243,649	125,564
	7,924,824	**156,091**
Financial liabilities		
Trade and other payables	238,666	65,045
Borrowings	2,500	173,545
	241,166	**238,590**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 17: FINANCIAL INSTRUMENTS (continued)

b) Capital risk management
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior years. The capital structure of the Company consists of debt, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings (accumulated losses). Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

c) Credit Risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	30 June 2017 $	30 June 2016 $
Cash on hand and in bank	7,681,175	30,527
Trade and other receivables	243,649	125,564
Total	**7,924,824**	**156,091**

Trade and other receivables are comprised primarily of sundry receivables and GST refunds due. Where possible the Company trades only with recognised, creditworthy third parties

With respect to credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

d) Interest Rate Risk
The Company's exposure to the risk of changes in market interest rates relates primarily to the bank deposits with floating interest rate.

These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	30 June 2017 $	30 June 2016 $
Interest-bearing financial instruments		
Bank balances	2,500,000	-
Total	**2,500,000**	**-**

The Company currently does not engage in any hedging or derivative transactions to manage interest rate risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 17: FINANCIAL INSTRUMENTS (continued)

Interest rate sensitivity
A sensitivity of 0.1% (10 basis points) has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 1% (100 basis points) movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2017.

	Profit or loss	
	100bp Increase	**100bp Decrease**
30 June 2017		
Bank balances	**25,000**	**(25,000)**
30 June 2016		
Bank balances	**-**	**-**

e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

30 June 2017	**≤6 Months $**	**6-12 Months $**	**1-5 Years $**	**≥5 Years $**	**Total $**
Financial Liabilities					
Trade and other payables	238,666	-	-	-	238,666
Loans payable	2,500	-	-	-	2,500
Total	**241,166**	**-**	**-**	**-**	**241,166**

30 June 2016	**≤6 Months $**	**6-12 Months $**	**1-5 Years $**	**≥5 Years $**	**Total $**
Financial Liabilities					
Trade and other payables	65,045	-	-	-	65,045
Loans payable	173,545	-	-	-	173,545
Total	**238,590**	**-**	**-**	**-**	**238,590**

f) Foreign Exchange Risk

The Company has an exposure to foreign exchange rates given that the Company operates in the United States of America. A fluctuation in foreign exchange rates may affect the cost base of the costs and expenses of the company. The carrying amounts of the Company's foreign currency denominated monetary liabilities as at the reporting date expressed in Australian dollars are as follows:

	30 June 2017 $	**30 June 2016 $**
US dollar denominated balances	**9,168**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 17: FINANCIAL INSTRUMENTS (continued)

f) Foreign Exchange Risk (continued)

Foreign currency sensitivity analysis
The sensitivity analysis below details the Company's sensitivity to an increase/decrease in the Australian Dollar against the United States Dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items. A 100 basis point is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the possible change in foreign exchange rates.

At reporting date, if foreign exchange rates had been 100 basis points higher or lower and all other variables held constant, the Company's loss will increase/decrease by $92 (2016: $Nil); and net assets will increase/decrease by $92 (2016: $Nil).

There were no outstanding foreign currency denominated liabilities as at 30 June 2017. The Company's sensitivity to foreign exchange rates has not changed significantly from prior year.

g) Fair values

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

NOTE 18: COMMITTMENTS AND CONTINGENCIES

	30 June 2017 $	30 June 2016 $
Exploration expenditure and annual lease/claim payments		
Committed at the reporting date but not recognised as liability:		
Within one year	385,828	221,347
One to five years	1,518,438	436,781
	1,904,266	**658,128**

(1) The commitments are due in US Dollars, the Company has used the spot rate on 30 June 2017 as a conversion for the commitments into Australian Dollars.

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals and to meet the minimum expenditure requirements by the Mineral Resources Authority. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided for in the financial statements.

NOTE 19: PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

	30 June 2017 $	30 June 2016 $
Statement of profit or loss and other comprehensive income		
Loss after income tax	(1,565,689)	(86,512)
Total comprehensive loss	(1,565,689)	(86,152)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 19: PARENT ENTITY INFORMATION (continued)

	30 June 2017 $	30 June 2016 $
Financial Position		
Total Assets	9,109,604	852,370
Total Liabilities	241,166	238,590
Net Assets	8,868,438	613,780
Issue Capital	(9,551,762)	(957,156)
Reserves	(1,225,741)	-
Accumulated Losses	1,909,065	343,376
Total Equity	8,868,438	613,780

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2017 and 30 June 2016.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2016.

Capital commitments
The commitments disclosed in Note 18 relate solely to the parent entity.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

a. Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity

NOTE 20: AUDITOR'S REMUNERATION

The auditor of the Group is RSM Australia Partners.

	30 June 2017 $	30 June 2016 $
Audit or review of the financial statements	18,000	-
Investigating accountant's report	8,000	-
	26,000	**-**

DIRECTORS' DECLARATION

In the opinion of the Directors:

1. The consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

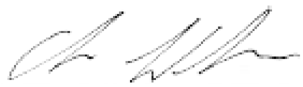
   a. giving a true and fair view of the Group's financial position as at 30 June 2017 and its performance for the year then ended; and
   b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

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

3. The consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001.

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



Mr. Christopher Robert Wanless
Director
Dated this 26 September 2017

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALDERAN RESOURCES LIMITED

Opinion

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

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Carrying Value of Capitalised Exploration and Evaluation Expenditure Refer to Note 8 in the financial statements	
The Group has capitalised a significant amount of exploration and evaluation expenditure, with a carrying value of $1,162,236 as at 30 June 2017. During the year, the Group recognised an impairment of $530,215 against its capitalised exploration expenditure, in respect of its Burrowa and Mt Stewart areas of interest, resulting from the decision by the Group to relinquish its Australian tenements, and focus on its North American areas of interest. We determined this to be a key audit matter due to the significant management judgment involved in assessing the carrying value in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, including: • Determination of whether expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss.	Our audit procedures in relation to the carrying value of exploration and evaluation expenditure included: • Obtaining evidence that the Group has valid rights to explore in the specific area; • Reviewing and enquiring with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; • Agreeing a sample of additions to capitalised exploration and evaluation expenditure during the year to supporting documentation and ensuring that the amounts were capital in nature and relate to the area of interest; • Enquiring with management and reviewing budgets and plans to test that the Group will incur substantive expenditure on further exploration for and evaluation of mineral resources in the specific area; • Critically assessing and evaluating management's assessment that no indicators of impairment existed; and • For the Burrowa and Mt Stewart areas of interest, against which an impairment charge has been recognised, reviewing the basis on which this charge has been calculated, and agreeing this to the balance capitalised in respect of that area of interest.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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 *Corporation Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

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

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 26 September 2017

CORPORATE GOVERNANCE

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, our Company has adopted the Recommendations.

No.	PRINCIPLES AND RECOMMENDATIONS (Summary)	COMPLIES	COMMENT
1.	**LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**		
1.1	A listed entity should disclose the respective roles and responsibilities of its board and management; and those matters expressly reserved to the board and those delegated to management.	Yes	The Board is ultimately accountable for the performance of the Company and provides leadership and sets the strategic objectives of the Company. It appoints all senior executives and assesses their performance on at least an annual basis. It is responsible for overseeing all corporate reporting systems, remuneration frameworks, governance issues, and stakeholder communications. Decisions reserved for the Board relate to those that have a fundamental impact on the Company, such as material acquisitions and takeovers, dividends and buybacks, material profits upgrades and downgrades, and significant closures. The Company has developed a Board Charter which sets out the roles and responsibilities of the Board, a copy of which is available on the Company's website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	The Company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of a director. In addition, the Company's Nomination Committee Charter establishes accountability for requiring appropriate checks of potential directors to be carried out before appointing that person or putting them forward as a candidate for election, and this will be undertaken with respect to all future appointments.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company maintains written agreements with each of its Directors and senior executives setting out their roles and responsibilities and the terms of their appointment.

1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.	Yes	The Company Secretary is engaged by the Company to manage the proper function of the Board. The Company Secretary reports directly to the Chair and is accountable to the Board.
1.5	A listed entity should have a diversity policy and should disclose at the end of each reporting period the measurable objectives for achieving gender diversity and the progress towards achieving those objectives.	Partial	The Company recognises the importance of equal employment opportunity. The Company's corporate code of conduct provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace. However, the Company has determined to not initially adopt a formal policy and establish measurable objectives for achieving gender diversity (and accordingly, will not initially be in a position to report against measurable objectives). The Board considers that its approach to gender diversity and measurable objectives is justified by the current nature, size and scope of the business, but will consider in the future, once the business operations of the Company mature, whether a more formal approach to diversity is required. The Company currently has no female board members or senior executives.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; (b) and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	The Board will review its performance annually, as well as the performance of individual Committees and individual directors (including the performance of the Chairman as Chairman of the Board). Since listing on the ASX the Company has not performed an annual review, which is scheduled to be held before the next annual reporting date. Full details of the process for performance evaluation of the Board, Board committees, individual Directors and key executives will be reported in the Company's next Annual Report.
1.7	A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	No	The Company intends to develop its senior executive performance evaluation procedures in order to facilitate an evaluation to be undertaken within the first 12 months of listing on the ASX against the key objectives of the Company.
2.	**LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**		
2.1	The Company should have a Nomination Committee which has at least 3 members a majority of whom are independent and is chaired by an independent director. If it does not have a nomination committee, the Board should disclose that fact and the processes	Yes	The Board has not established a separate nomination committee. Given the scale of the Company's operations, it is anticipated that the full Board will be able to continue adequately discharge the functions of a Nomination Committee for the short to medium term. The Board will consider establishing a Nomination Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Company has adopted a Nomination Committee Charter and Remuneration Committee

	it employs to address board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		Charter, which includes specific responsibilities to be carried out by those committees when they are established. The Company's Nomination Committee Charter and Remuneration Committee Charter are available on the Company's website.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	No	The Board has been specifically constituted with the mix of skills and experience that the Company requires to move forward in implementing its business objectives. The composition of the Board and the performance of each Director will be reviewed from time to time to ensure that the Board continues to have a mix of skills and experience necessary for the conduct of the Company's activities as the Company's business matures and evolves. The Company is currently developing a skills matrix which will indicate the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix will reflect the Board's objective to have an appropriate mix of industry and professional experience including skills such as leadership, governance, strategy, finance, specific technical knowledge and international business experience. External consultants may be brought it with specialist knowledge to address areas where this is an attribute deficiency in the Board.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship which may otherwise be seen as a conflict to the director's obligation to the company but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service for each director	Yes	Details of the Directors and their independence status as follows:-. Nicolaus Heinen, Non-executive Chairman - Independent Christopher Wanless, Executive Director and CEO - Not independent Donald Smith, Executive Director - Not independent Ernest Thomas Eadie, Non-executive Director – Independent The independence of each Director has been determined in taking into account the relevant factors suggested in The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations) (Independence Factors). The length of service for each director is disclosed in this Annual Report.
2.4	A majority of the board of a listed entity should be independent directors	No	As disclosed in the response to Recommendation 2.3 above, only two of the Directors are considered independent. However, the Company is confident that current composition of the Board is optimal for transitioning the Company into its next phase of operations, and is therefore in the best interests of the Company and its shareholders. The Board will review the balance of independence on the Board on an on-going basis, and

			will implement changes at its discretion having regard to the Company's growth and changing management and operational circumstances.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity	Yes	Mr Heinen is considered independent as he is not a substantial shareholder of the Company.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Upon appointment to the Board new Directors are provided with Company policies and procedures and are provided an opportunity to discuss the Company's operations with senior management and the Board. The Company encourages its Directors to participate in professional development opportunities presented to the Company and provides appropriate industry information to its Board members on a regular basis.
3.	**PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING**		
3.1	A listed entity should have a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it.	Yes	The Company has adopted a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in business. All of the Company's directors and employees are required to comply with the standards of behaviour and business ethics in accordance with the law and the Code of Conduct. The Code of Conduct is disclosed on the Company's website.
4.	**SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**		
4.1	The Board of a listed entity should have an audit committee which consists of at least 3 members all of whom are non- executive directors and a majority of whom are independent directors and the committee should be chaired by an independent director who is not the chair of the board. If it does not have an audit committee, the Board should disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Yes	The Board has not established a separate audit committee. Given the present size of the Company and the scale of its operations, the Board has decided that the full Board can adequately discharge the functions of an audit committee. The Board will establish an Audit Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Board has adopted an Audit and Risk Committee Charter, which includes specific responsibilities relating to audit and risk, and which the Board uses as a guide when acting in the capacity of the Audit Committee. The Company's Audit and Risk Committee Charter is available on the Company's website.

4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	The Board will continue to require a conforming declaration from the relevant key executive or executives before it approves the entity's financial statements for each financial period, consistent with practise to date.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The Company's external auditor will be invited to attend all Annual General Meetings of the Company and will be available to answer questions from security holders relevant to the audit.
5.	**MAKE TIMELY AND BALANCED DISCLOSURES**		
5.1	A listed entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose that policy or a summary of it.	Yes	The Company has a Continuous Disclosure Policy which includes processes to ensure compliance with ASX Listing Rule 3.1 disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position. The Continuous Disclosure Policy is disclosed on the Company's website.
6.	**RESPECTS THE RIGHTS OF SHAREHOLDERS**		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company has established a website on which it maintains information in relation to corporate governance, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has adopted a Shareholder Communications Policy, which establishes principles to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. The Shareholder Communications Policy is disclosed on the Company's website.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	The Company encourages shareholders to participate in general meetings of the Company as a means by which feedback can be given to the Company and allocates scheduled question time at meetings of Shareholders to facilitate participation at those meetings.

6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Automic Share Registry Pty Ltd at www.automic.com.au.
7.	**RECOGNISE AND MANAGE RISK**		
7.1	The Board should establish a risk management committee made up of at least 3 members, a majority of whom are independent directors, and chaired by an independent director. If it does not have a risk committee, the Board should disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Yes	The Board has not established a separate risk committee. Given the present size of the company, the Board has decided that the full Board can adequately discharge the functions of a risk committee for the time being. The Board will establish a Risk Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Company's Audit and Risk Committee Charter includes principles to guide the Board's oversight of the Company's risk function.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	The identification and management of risk has been continually at the forefront of the Company's recent activities. In accordance with the Audit and Risk Committee Charter, the Board will review the Company's risk management framework on an annual basis. Such as review has not taken place since the Company adopted its risk framework and listed on the ASX. The Company intends to conduct this review prior to its next annual reporting date.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes	Given the present size of the company, the Board has decided that a formal internal audit function is not required for the time being. The risk management functions employed by the Board are summarised above.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental	Yes	The Company provides its material risks below, including exposure to economic, environmental and social sustainability risks. The Company will continue to disclose these material risks in the future in its annual report or elsewhere as appropriate.

	and social sustainability risks and, if it does, how it manages or intends to manage those risks.		Liquidity risk Certain securities are likely to be classified as restricted securities. To the extent that Shares are classified as restricted securities, the liquidity of the market for Shares may be adversely affected. Limited exploration on the Frisco Project Although there have been various phases of exploration across the Tenements that comprise the Frisco Project, the prospects on which the Company are focusing are in the early stages of exploration and do not contain any resources that are consistent with the current JORC Code guidelines. Further evaluation of data and exploration is required to determine whether any historical mineralisation estimates within the licences may be upgraded to be consistent with the current JORC Code guidelines. Exploration and evaluation risks Mineral exploration, development and mining activities are high-risk undertakings. There can be no assurance that exploration on these Tenements, or any other claims or leases that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. Title risks Mineral rights in the USA may be owned by private parties, local government, state government, federal government, or indigenous groups. Verifying the chain of title for USA mineral rights can be complex and may require that remedial steps be taken to correct any defect in title. Securing exploration and extraction rights to federally-owned mineral rights requires strict adherence to claim staking and maintenance requirements. The Company has taken reasonable steps to verify the title to the Tenements in which it has, or has a right to acquire, an interest. Although these steps are in line with market practice for exploration projects such as the Frisco Project, they do not guarantee title to the Tenements nor guarantee that the Tenements are free of any third party rights or claims. Future capital requirements The Company's activities are likely to require substantial expenditure, in additional to the amounts raised under the Offer. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy. Although the Directors believe that additional capital can be obtained, there can be no assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities. Reliance on key personnel The Company's future depends, in part, on its ability to attract and retain key personnel. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to

			continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business. Fluctuations in Commodity prices The Company's business, prospects, financial condition and results of operations are heavily dependent on prevailing metals prices, particularly copper. There can be no assurance that the existing level of metals prices will be maintained in the future. Any future declines, even relatively modest ones, in metals prices could adversely affect the Company's business, prospects, financial condition and results of operations. Exchange rate risks The Company operates in multiple currencies and exchanges rates are constantly fluctuating. International prices of various commodities, as well as the exploration expenditure of the Company are denominated in United States dollars, whereas the Company will rely principally on funds raised and accounted for in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. Other industry specific risks The Company's activities are subject to a number of risks common to the conduct of mining exploration and the financing of mining exploration activities, including but not limited to: (a) risks inherent in resource estimation; (b) operation and technical risks; (c) environmental risks; (d) tenure risks; (e) contract counterparty risks; and (f) competition risks.
8.	**REMUNERATE FAIRLY AND RESPONSIBLY**		
8.1	The board should establish a remuneration committee which has at least three members, a majority of whom are independent and which is chaired by an independent director. If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive	Yes	The Board has not established a separate remuneration committee. Given the present size of the company, the Board has decided that the full Board can adequately discharge the functions of a remuneration committee for the time being. The Board will establish a Remuneration Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Board has adopted a Remuneration Committee Charter, which includes principles for setting and reviewing the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive, including if required, the ability to obtain independent advice on the appropriateness of remuneration packages. Until such time as the Remuneration Committee is established, the functions of this committee will continue to be carried out by the full Board.

8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Each director has entered a separate employment or consultancy agreement with the Company. The remuneration of directors and senior executives is generally reviewed annually. As discussed under Recommendation 8.1 above, a Remuneration Committee Charter is in place, and the Board (in its capacity as the Remuneration Committee) in will consider its approach to remuneration in due course having regard to the Remuneration Committee Charter. Disclosure of the remuneration arrangements for Directors and senior executives will be disclosed in the annual reports of the Company in the future.
8.3	A listed entity which has an equity- based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	N/A	The Company maintains a Securities Trading Policy which restricts the permission for employees and directors to enter transactions which limit the economic risks associated with the participation in any of the Company's equity based incentive schemes. A copy of the Securities Trading Policy is available on the Company's website. The use of derivatives or other hedging arrangements for unvested securities of the Company or vested securities of the Company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the Company, this will be disclosed.

ADDITIONAL SECURITIES INFORMATION

SHAREHOLDER INFORMATION

The security holder information set out below was applicable as at 26 September 2017.

1) Quoted Securities – Fully Paid Ordinary Shares

There is one class of quoted securities, being fully paid ordinary shares.

a) Distribution of Security Number

Category	Ordinary Shares	
(Size of holding)	Shareholders	Shares
1 – 1,000	71	34,924
1,001 – 5,000	107	321,952
5,001 – 10,000	129	1,180,044
10,001 – 100,000	163	6,758,262
100,001 and over	72	99,668,726
Total	**542**	**107,963,908**

There are 542 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

b) Marketable parcel

There are 14 shareholders with less than a marketable parcel (basis price $1.85), being 537 shares.

c) Voting rights

On a show of hands every person present who is a member or a proxy, attorney or representative of a member has one vote and upon a poll every person present who is a member or a proxy, attorney or representative of a member shall have one vote for each share held

d) Substantial Shareholders

There were 3 substantial shareholders listed on the Companies register as at 26 September 2017, holding 50,066,919 fully paid ordinary shares, being 46.37% of the fully paid ordinary shares on issue.

e) On market buy-back

There is no on-market buy-back scheme in operation for the company’s quoted shares or quoted options.

ASX ADDITIONAL INFORMATION (continued)

SHAREHOLDER INFORMATION (continued)

g) Top 20 security holders

The names of the twenty largest holders of each class of quoted equity security, being fully paid ordinary shares, the number of equity security each holds and the percentage of capital each holds is as follows:

Number	Shareholder Name / Entity	Number of Ordinary Shares	% of Issued Capital
1	BELGRAVE CAPITAL MANAGEMENT LIMITED	30,769,082	28.50%
2	KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	11,459,500	10.61%
3	QUAALUP INVESTMENTS PTY LTD	7,838,337	7.26%
4	PETER GEERDTS	5,000,000	4.63%
5	CITICORP NOMINEES PTY LIMITED	4,174,463	3.87%
6	TR NOMINEES PTY LTD	3,493,001	3.24%
7	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	3,063,691	2.84%
8	CHRISTOPHER WANLESS	2,656,247	2.46%
9	NEWBAY VENTURES LIMITED	2,249,999	2.08%
10	SOUTH CREEK INVESTMENTS LIMITED	1,600,000	1.48%
11	KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	1,583,333	1.47%
12	THEA MANAGEMENT PTY LTD <THEA FAMILY A/C>	1,500,000	1.39%
13	HEINZ PETER HEINEN	1,408,857	1.30%
14	HAWTHORN GROVE INVESTMENTS PTY LTD	1,350,000	1.25%
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,263,282	1.17%
16	MR CARLO CHIODO	910,000	0.84%
17	NORTH GATE CAPITAL PTY LTD <NORTH GATE CAPITAL A/C>	900,000	0.83%
18	LUDOVICO GNECCHI RUSCONE	850,000	0.79%
19	TRES ALTUS CO LTD	833,332	0.77%
20	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	830,106	0.77%
	Total	**83,733,230**	**77.56%**

ASX ADDITIONAL INFORMATION (continued)

SHAREHOLDER INFORMATION (continued)

2) Unquoted Securities – Company Options
The Company's options are unquoted.

2A) Company Options

a) Distribution of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Optionholders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	9	20,657,454
Total	**9**	**20,657,454**

There are 9 holders of Company Options.

b) Voting rights

Unlisted options do not entitle the holder to any voting rights.

c) Holders of more than 20% of unquoted options.
There was 1 substantial option holder as at 26 September 2017, holding 4,250,000 unquoted options, being 20.0% of the options on issue.

OTHER ASX INFORMATION

1. Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the year.

This corporate governance statement is current as at the Company's reporting date and has been approved by the Board of the Company.

5. Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Stock Exchange (ASX:AL8).

6. Review of Operations

A review of operations is contained in the Directors' Report.

7. Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

The Company believes it has used its cash in a consistent manner to which was disclosed under the prospectus dated 5 April 2017.

ADDITIONAL ASX INFORMATION (continued)

OTHER ASX INFORMATION (continued)

8. Restricted Securities

Class	Number Escrowed	Date Escrow Period Ends
Fully Paid Ordinary Shares (FPOS) comprising:		
42,801,524 FPOS issued on various dates	42,801,524	09/06/2019
163,333 FPOS issued on various dates	163,333	09/01/2018
3,046,666 FPOS issued on various dates	3,046,666	23/12/2017
559,615 FPOS issued on various dates	694,365	30/09/2017
Total FPOS escrowed	**46,705,888**	
Unquoted Options comprising:		
2,300,000 unquoted options exercisable at $0.30, expiring on 30/05/2020	2,300,000	09/06/2019
2,300,000 unquoted options exercisable at $0.40, expiring on 30/05/2020	2,300,000	09/06/2019
1,774,454 unquoted options exercisable at $0.20, expiring on 21/02/2020	1,777,454	08/06/2019
1,800,000 unquoted options exercisable at $0.20, expiring on 21/02/2021	1,800,000	08/06/2019
3,300,000 unquoted options exercisable at $0.30, expiring on 21/02/2021	3,300,000	08/06/2019
2,000,000 unquoted options exercisable at $0.40, expiring on 21/02/2021	2,000,000	08/06/2019
2,000,000 unquoted options exercisable at $0.60, expiring on 21/02/2021	2,000,000	08/06/2019
2,000,000 unquoted options exercisable at $0.80, expiring on 21/02/2021	2,000,000	08/06/2019
1,000,000 unquoted options exercisable at $0.20, expiring on 21/02/2022	1,000,000	08/06/2019
275,000 unquoted options exercisable at $0.30, expiring on 27/06/2021	100,000	27/06/2018
275,000 unquoted options exercisable at $0.30, expiring on 27/06/2021	100,000	27/06/2019
275,000 unquoted options exercisable at $0.40, expiring on 27/06/2021	100,000	27/06/2018
275,000 unquoted options exercisable at $0.40, expiring on 27/06/2021	100,000	27/06/2019
275,000 unquoted options exercisable at $0.60, expiring on 27/06/2021	100,000	27/06/2018
275,000 unquoted options exercisable at $0.60, expiring on 27/06/2021	100,000	27/06/2019
275,000 unquoted options exercisable at $0.80, expiring on 27/06/2021	100,000	27/06/2018
275,000 unquoted options exercisable at $0.80, expiring on 27/06/2021	100,000	27/06/2019
200,000 unquoted options exercisable at $0.60, expiring on 22/02/2021	200,000	04/09/2018
200,000 unquoted options exercisable at $0.80, expiring on 22/02/2021	200,000	04/09/2018
200,000 unquoted options exercisable at $1.00, expiring on 22/02/2021	200,000	04/09/2018
200,000 unquoted options exercisable at $1.20, expiring on 22/02/2021	200,000	04/09/2018
Total Options escrowed	**20,074,454**	

TENEMENT SCHEDULE

Schedule of Claims Held at 30 June 2017

All claims are located in Beaver County, Utah, USA.

THE HORN PATENTED CLAIMS

Claim Name	Survey Number	Section(s)	Township	Range
022**	5946	15, 16	T27S	R13W
Absolom	5921	23	T27S	R13W
Accrington No. 1	5986	22	T27S	R13W
Accrington No. 2	5986	22,23	T27S	R13W
Accrington No. 3	5986	22	T27S	R13W
Accrington No. 4	5986	22	T27S	R13W
Accrington No. 5	5986	22,23	T27S	R13W
Accrington No. 6	5986	22	T27S	R13W
Accrington No. 7	5986	22	T27S	R13W
Antwerp	43	15	T27S	R13W
Bonanza	49	23	T27S	R13W
Castle Rock Lode Part A	6202	24	T27S	R13W
Castle Rock Lode Part B	6202	24	T27S	R13W
Champion	5986	22	T27S	R13W
Congress No. 2	5986	23	T27S	R13W
Copper Glance No. 1	5295	15	T27S	R13W
Copper Glance No. 2	5295	15	T27S	R13W
Copper Glance No. 3	5295	15	T27S	R13W
Cupric Fraction	6481	15,16	T27S	R13W
Cupric**	5946	16	T27S	R13W
Dick Taylor	3399	23	T27S	R13W
Dolly Mack	61	23,26	T27S	R13W
Dolly Mack Fraction	5921	23	T27S	R13W
Drum	5986	22	T27S	R13W
Drum No. 1	5986	22	T27S	R13W
Drum No. 2	5986	22	T27S	R13W
Dumbarton Lode	73	14, 23	T27S	R13W
Emporia	5921	26	T27S	R13W
Emporia No. 7	5986	22,27	T27S	R13W
Emporia No. 8	5986	22,27	T27S	R13W

Emporia No. 9	5986	23,26	T27S	R13W
Emporia No. 10	5986	26	T27S	R13W
Emporia No. 11	5986	26	T27S	R13W
Emporia Fraction	5921	26	T27S	R13W
Florida	42	15	T27S	R13W
Fraction (aka Elinore Fraction)	5303	2	T27S	R13W
General Warner**	5946	16	T27S	R13W
George Dewey	5986	22,23	T27S	R13W
Grampian	51	23	T27S	R13W
Grampian Smelter	40	13	T27S	R13W
Granite*	72	15	T27S	R13W
Gulch & Switch	6356	23	T27S	R13W
Harrison**	5946	16	T27S	R13W
Hedges Fraction*	4751	15	T27S	R13W
Hope Lode	54	23	T27S	R13W
Horn Silver Apex No. 1	5921	23	T27S	R13W
Horn Silver Apex No. 2	5921	23	T27S	R13W
Horn Silver Apex No. 3	5921	23	T27S	R13W
Horn Silver Apex No. 4	5921	23	T27S	R13W
Horn Silver Apex No. 5	5921	23	T27S	R13W
Horn Silver Apex No. 7	5921	22, 23	T27S	R13W
Horn Silver Apex No. 8	5921	23	T27S	R13W
Horn Silver Apex No. 9	5921	23	T27S	R13W
Horn Silver Apex No. 10	5921	22	T27S	R13W
Horn Silver Apex No. 11	5921	23	T27S	R13W
Horn Silver Apex No. 12	5921	23	T27S	R13W
Horn Silver Apex No. 13	5921	26	T27S	R13W
Horn Silver Apex No. 14	5921	22	T27S	R13W
Horn Silver Extension	5921	23	T27S	R13W
Horn Silver Fraction	5989	23	T27S	R13W
Horn Silver Millsite	38B	13	T27S	R13W
Horn Silver Mine	38A	23	T27S	R13W
Humbug	5922	22	T27S	R13W
Humbug No. 1	5922	22	T27S	R13W
Independence No. 1	5921	26	T27S	R13W
Independence No. 3	5921	26	T27S	R13W

Jay Hawker	60	23	T27S	R13W
Jennie Fraction	6170	22	T27S	R13W
King Bird	5265	31	T26S	R13W
King David	5921	23	T27S	R13W
Lady Franklin	3400	26	T27S	R13W
Lady Franklin Fraction	5921	26	T27S	R13W
Lady Washington	3401	23	T27S	R13W
Little Dick	5921	23	T27S	R13W
Massachusetts*	65	15	T27S	R13W
Millsite No. 1	58	13	T27S	R13W
Millsite No. 2	59	13	T27S	R13W
Nineteen Hundred	4655	23	T27S	R13W
Oil City*	4749	15	T27S	R13W
Old Warrior	5921	23	T27S	R13W
Quartzite No. 2*	71	14,15	T27S	R13W
Quartzite*	66	14	T27S	R13W
Reciprocity	5986	22	T27S	R13W
Reciprocity No. 1	5986	22	T27S	R13W
Reciprocity No. 3	5986	22	T27S	R13W
Relief No. 2**	6483	16	T27S	R13W
Relief**	6482	16	T27S	R13W
St. Louis No. 1	5986	22,23	T27S	R13W
St. Louis No. 2	5986	23	T27S	R13W
St. Louis No. 3	5986	23	T27S	R13W
St. Louis No. 4	5986	23	T27S	R13W
St. Stephen No. 2	5921	23	T27S	R13W
Sumner Lode	74	23	T27S	R13W
Sunbeam Mine	5922	15,16,21,22	T27S	R13W
Sunbeam No. 1	5922	21,22	T27S	R13W
Transcendent*	5946	16	T27S	R13W
Utah No. 1	5986	22	T27S	R13W
Utah No. 2	5986	22	T27S	R13W
Utah No. 3	5986	22	T27S	R13W
Vorheas*	4750	15	T27S	R13W
Warner No. 2**	6480	16	T27S	R13W
Washington	5946	15	T27S	R13W

Washington No. 2	5946	15, 22	T27S	R13W
Washington No. 3	5946	15	T27S	R13W
Washington No. 4	5946	15	T27S	R13W
Washington No. 5	5946	22	T27S	R13W
Washington No. 6	5946	15	T27S	R13W
Washington No. 7	5946	15	T27S	R13W
Washington No. 8	5946	15,22	T27S	R13W
Washington No. 10	5946	15	T27S	R13W
Young America	70	23	T27S	R13W

* These claims have an undivided portion owned by Horn Silver Mines Inc., with the remainder owned by a third party. Accordingly, Volantis's leasehold interest covers only that portion owned by Horn Silver Mines Inc.

** These claims are subject to a March 1, 2010 lease from Horn Silver Mines Inc. to Great American Resources, LLC.

Note: The listed township and ranges are all according to the Salt Lake Base & Meridian. The section numbers are listed for convenience in locating a particular claim and do not indicate that the entirety of a particular claim lies within the listed section or sections. All of the claims are located in the Pruess or San Francisco Mining Districts except for the King Bird Claim, which is located in the Beaver Lake Mining District. Most of the mining claims were located and surveyed before the area was surveyed according to the public land survey system. Thus, a formal, updated survey would be necessary to precisely locate the claims within the public land survey system.

THE CACTUS PATENTED CLAIMS

Claim Name	Survey Number	Section(s)	Township	Range
Alturas	5303	2	T27S	R13W
Anaconda Mining Claim	4673	3	T27S	R13W
Anchor No. 2*	5118	7	T27S	R12W
Antelope	5303	2	T27S	R13W
Antler	5303	2	T27S	R13W
Aransas Pass	4492A	3,4	T27S	R13W
Augusta	4611	3	T27S	R13W
Bandit	5827	3	T27S	R13W
Belmont Copper Silver	4492A	3	T27S	R13W
Blackbird No. 4	6010	2,11	T27S	R13W
Boston	4611	3	T27S	R13W
Buckhorn	5303	2	T27S	R13W
Burro	5393	10	T27S	R13W
Burro No. 1	5826	10	T27S	R13W

Burro No. 2	5826	10	T27S	R13W
Burro No. 3	5393	10	T27S	R13W
Burro No. 4	5393	3,10	T27S	R13W
Burro No. 5	5393	3,10	T27S	R13W
Cactus Extention	4492A	3	T27S	R13W
Cactus Millsite	39B	24	T27S	R13W
Cactus Mine U.S.	39A	3	T27S	R13W
Calliope	5303	2	T27S	R13W
Camille	4709	2	T27S	R13W
Comet	64	2, 3	T27S	R13W
Contact**	5303	3	T27S	R13W
Copper Spring Mine	4709	11,14	T27S	R13W
Copperopolis No. 3	4709	10	T27S	R13W
Copperopolis No. 4	4709	10	T27S	R13W
Copperopolis No. 5	4709	10	T27S	R13W
Copperopolis No. 6	4709	11	T27S	R13W
Copperopolis No. 7	4709	10	T27S	R13W
Copperopolis No. 8	4709	10	T27S	R13W
Copperopolis No. 9	4709	11	T27S	R13W
Cottonwood	4709	2,11	T27S	R13W
Daisy	4709	2	T27S	R13W
Dandy	5303	3	T27S	R13W
Divide**	5303	3	T27S	R13W
Dull Knife	5205	14	T27S	R13W
Dump	5825	4	T27S	R13W
Earth	5394	4	T27S	R13W
Elinore	5303	3	T27S	R13W
Elk	5303	2	T27S	R13W
Emerald	5303	2	T27S	R13W
Estelle	4611	3	T27S	R13W
EVA	5303	2	T27S	R13W
Excelsior	4709	11	T27S	R13W
Excelsior No. 2	4709	11	T27S	R13W
Excelsior No. 3	4709	11	T27S	R13W
Excelsior No. 4	4709	11,14	T27S	R13W
Excelsior No. 6	4709	11	T27S	R13W

Excelsior No. 7	4709	11	T27S	R13W
Franklin	5303	2	T27S	R13W
Frisco	5205	14	T27S	R13W
Frisco No. 3	5205	14	T27S	R13W
Gadfly*	5303	34	T26S	R13W
Good Fortune	5394	3	T27S	R13W
Good Luck	5394	3	T27S	R13W
Goodhope No. 1	5199	12	T27S	R13W
Goodhope No. 2	5199	12	T27S	R13W
Gray Horse	4709	11	T27S	R13W
Hesperides	5205	14	T27S	R13W
High	4709	11	T27S	R13W
High Point	5303	2,3	T27S	R13W
Hillside Lode	4706	3,10	T27S	R13W
Homestake No. 1	5118	7,12	T27S	R12-13W
Homestake No. 2	5118	7,12	T27S	R12-13W
Igneous	5303	3	T27S	R13W
Iron Chief	4673	2	T27S	R13W
Jinney No. 1	5394	4,33	T27S,T26S	R13W
Jinney No. 2	5394	33	T26S	R13W
Jinney No. 3	5394	4,33	T27S,T26S	R13W
Jinney No. 4	5394	4,33	T27S,T26S	R13W
Jupiter	5394	4	T27S	R13W
Lambson	5303	34	T26S	R13W
Laura	4611	3	T27S	R13W
Lookout No. 2	5199	11,12	T27S	R13W
Louise R	4611	3	T27S	R13W
Maggie No. 1	5303	34	T26S	R13W
Maggie**	5303	34	T26S	R13W
Mamie	5394	4	T27S	R13W
Mars	5394	4	T27S	R13W
Mascot	5827	3,4	T27S	R13W
May Queen	4709	11	T27S	R13W
May Queen No. 2	4709	11	T27S	R13W
Midvale Placer	4877	9	T27S	R9W
Moose	5303	3	T27S	R13W

Morrison No. 2	4876	8	T27S	R13W
Nana	4754	3	T27S	R13W
Neptune	5394	4	T27S	R13W
New Years	4492A	3	T27S	R13W
New Year's Spring	4492B	34	T26S	R13W
Olga	4709	11	T27S	R13W
Ophir	4492A	3	T27S	R11W
Pathfinder	4709	11	T27S	R13W
Puritan	4673	2,3	T27S	R13W
Purity	4492A	3	T27S	R13W
Quartz No. 1**	5303	34	T26S	R13W
Raleigh	5303	3	T27S	R13W
Regulator	4709	11	T27S	R13W
Regulator No. 2	4709	11	T27S	R13W
Royalist	5303	2	T27S	R13W
Ruby Lode	5205	14	T27S	R13W
San Antonio	4492A	3	T27S	R13W
Sapho	4709	11	T27S	R13W
Saturn	5394	4	T27S	R13W
Scorpion	5199	11	T27S	R13W
Scorpion No. 1	5199	11	T27S	R13W
Sun	5394	4	T27S	R13W
Texas Mining Claim	4492A	3,4	T27S	R13W
Townsite	4755	3,10	T27S	R13W
Townsite Extention	4753	10,11	T27S	R13W
Triumphant	5303	2	T27S	R13W
Tunnel	4611	3,4	T27S	R13W
U Bet	5303	2	T27S	R13W
Uncle Sam	4709	2	T27S	R13W
Union	4752	3	T27S	R13W
Venus	5394	4	T26S	R13W
Volcanic	5827	3	T27S	R13W
W. P. J.	4709	10	T27S	R13W
West Dip	4492A	3	T27S	R13W

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Note: The listed township and ranges are all according to the Salt Lake Base & Meridian. The section numbers are listed for convenience in locating a particular claim and do not indicate that the entirety of a particular claim lies within the listed section or sections. All of the claims are located in the Pruess or San Francisco Mining Districts. Most of the mining claims were located and surveyed before the area was surveyed according to the public land survey system. Thus, a formal, updated survey would be necessary to precisely locate the claims within the public land survey system.

THE HORN UNPATENTED CLAIMS

Claim Name	BLM Serial Number	Section(s)	Township & Range	Location Notice (County Entry #)
SF 1	UMC426435	20;21	T27S R13W	258176
SF 2	UMC426436	20;21	T27S R13W	258177
SF 3	UMC426437	21	T27S R13W	258178
SF 4	UMC426438	21	T27S R13W	258179
SF 5	UMC426439	21	T27S R13W	258180
SF 6	UMC426440	21	T27S R13W	258181
SF 7	UMC426441	21	T27S R13W	258182
SF 8	UMC426442	21	T27S R13W	258183
SF 9	UMC426443	21	T27S R13W	258184
SF 10	UMC426444	21	T27S R13W	258185
SF 11	UMC426445	21	T27S R13W	258186
SF 12	UMC426446	21	T27S R13W	258187
SF 13	UMC426447	21	T27S R13W	258188
SF 14	UMC426448	21	T27S R13W	258189
SF 15	UMC426449	21	T27S R13W	258190
SF 16	UMC426450	21	T27S R13W	258191
SF 17	UMC426451	21;22	T27S R13W	258192
SF 18	UMC426452	21;22	T27S R13W	258193
SF 19	UMC426453	16;17;20;21	T27S R13W	258194
SF 20	UMC426454	16;21	T27S R13W	258195
SF 21	UMC426455	16;21	T27S R13W	258196
SF 22	UMC426456	16;21	T27S R13W	258197
SF 23	UMC426457	16;21	T27S R13W	258198
SF 24	UMC426458	16;21	T27S R13W	258199
SF 25	UMC426459	16;21	T27S R13W	258200

SF 26	UMC426460	16;21	T27S R13W	258201
SF 27	UMC426461	15;16;21;22	T27S R13W	258202
SF 28	UMC426463	10	T27S R13W	258269
SF 29	UMC426464	10	T27S R13W	258270
SF 30	UMC426465	10;15	T27S R13W	258271
SF 31	UMC426466	10;11	T27S R13W	258272
SF 32	UMC426467	10;11;14;15	T27S R13W	258273
SF 33	UMC426468	11	T27S R13W	258274
SF 34	UMC426469	11;14	T27S R13W	258275
SF 35	UMC426470	11;14	T27S R13W	258276
SF 36	UMC426471	15;16	T27S R13W	258277
SF 37	UMC426472	15	T27S R13W	258278
SF 38	UMC426473	15	T27S R13W	258279
SF 39	UMC426474	15	T27S R13W	258280
SF 40	UMC426475	15	T27S R13W	258281
SF 41	UMC426476	15	T27S R13W	258282
SF 42	UMC426477	15	T27S R13W	258283
SF 43	UMC426478	15	T27S R13W	258284
SF 44	UMC426479	10;15	T27S R13W	258285
SF 45	UMC426480	10;15	T27S R13W	258286
SF 46	UMC426481	15	T27S R13W	258287
SF 47	UMC426482	10;15	T27S R13W	258288
SF 48	UMC426483	15	T27S R13W	258289
SF 49	UMC426484	10;15	T27S R13W	258290
SF 50	UMC426485	15	T27S R13W	258291
SF 51	UMC426486	15	T27S R13W	258292
SF 52	UMC426487	14	T27S R13W	258293
SF 53	UMC426488	14;15	T27S R13W	258294
SF 54	UMC426489	14	T27S R13W	258295
SF 55	UMC426490	14	T27S R13W	258296
SF 56	UMC426491	14	T27S R13W	258297
SF 57	UMC426492	14	T27S R13W	258298
SF 58	UMC426493	14	T27S R13W	258299
SF 59	UMC426494	14	T27S R13W	258300
SF 60	UMC426495	14	T27S R13W	258301
SF 61	UMC426496	14	T27S R13W	258302
SF 62	UMC426497	15;22	T27S R13W	258303

SF 63	UMC426498	15	T27S R13W	258304
SF 64	UMC426499	15;22	T27S R13W	258305
SF 65	UMC426500	14;15	T27S R13W	258306
SF 66	UMC426501	14;15;22;23	T27S R13W	258307
SF 67	UMC426502	14;23	T27S R13W	258308
SF 69	UMC426503	14;23	T27S R13W	258309
SF 70	UMC426504	23	T27S R13W	258310
SF 71	UMC426505	14;23	T27S R13W	258311
SF 72	UMC426506	23	T27S R13W	258312
SF 73	UMC426507	14;23	T27S R13W	258313
SF 74	UMC426508	23	T27S R13W	258314
SF 75	UMC426509	14;23	T27S R13W	258315
SF 76	UMC426510	23	T27S R13W	258316
SF 77	UMC426511	15;22	T27S R13W	258317
SF 78	UMC426512	15;22	T27S R13W	258318
SF 79	UMC426513	15	T27S R13W	258319
SF 80	UMC426514	15	T27S R13W	258320
SF 81	UMC426515	10	T27S R13W	258321
SF 82	UMC428569	15	T27S R13W	259887
SF 83	UMC428570	15;22	T27S R13W	259888
SF 84	UMC428571	15;22	T27S R13W	259889
SF 85	UMC428572	15;22	T27S R13W	259890

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THE CACTUS UNPATENTED CLAIMS

Claim Name	BLM Serial Number	Section(s)	Township & Range	Location Notice (County Entry #)
CT 1	UMC426677	11	T27S R13W	258648
CT 2	UMC426678	11	T27S R13W	258649
CT 3	UMC426679	11	T27S R13W	258650
CT 4	UMC426680	11	T27S R13W	258651
CT 5	UMC426681	11	T27S R13W	258652
CT 6	UMC426682	11	T27S R13W	258653
CT 7	UMC426683	11	T27S R13W	258654

CT 8	UMC426684	11	T27S R13W	258655
CT 9	UMC426685	11	T27S R13W	258656
CT 10	UMC426686	11	T27S R13W	258657
CT 11	UMC426687	11;12	T27S R13W	258658
CT 12	UMC426688	11;12	T27S R13W	258659
CT 13	UMC426689	12	T27S R13W	258660
CT 14	UMC426690	12	T27S R13W	258661
CT 15	UMC426691	12	T27S R13W	258662
CT 16	UMC426692	12	T27S R13W	258663
CT 17	UMC426693	12	T27S R13W	258664
CT 18	UMC426694	12	T27S R13W	258665
CT 19	UMC426695	12	T27S R13W	258666
CT 20	UMC426696	12	T27S R13W	258667
CT 21	UMC426697	12	T27S R13W	258668
CT 22	UMC426698	12	T27S R13W	258669
CT 23	UMC426699	11;14	T27S R13W	258670
CT 24	UMC426700	11;14	T27S R13W	258671
CT 25	UMC426701	11;14	T27S R13W	258672
CT 26	UMC426702	11;14	T27S R13W	258673
CT 27	UMC426703	11;14	T27S R13W	258674
CT 28	UMC426704	11;14	T27S R13W	258675
CT 29	UMC426705	11;12;13;14	T27S R13W	258676
CT 30	UMC426706	12;13	T27S R13W	258677
CT 31*	UMC426707	2;3	T27S R13W	258678
CT 33	UMC426709	3;10	T27S R13W	258680
CT 34	UMC426710	2;3;10;11	T27S R13W	258681
CT 35	UMC426711	10	T27S R13W	258682
CT 36	UMC426712	10;11	T27S R13W	258683
CT 37	UMC426713	10;11	T27S R13W	258684
CT 38	UMC426714	3	T27S R13W	258685
CT 39	UMC426715	3;4; 33	T27S R13W; T26S R13W	258686
CT 40	UMC426716	3; 33;34	T27S R13W; T26S R13W	258687
CT 41	UMC426717	3;4	T27S R13W	258688
CT 42	UMC426718	3	T27S R13W	258689
CT 43	UMC426719	3;4	T27S R13W	258690
CT 44	UMC426720	3	T27S R13W	258691

CT 45	UMC426721	33	T26S R13W	258692
CT 46	UMC426722	4; 33	T27S R13W; T26S R13W	258693
SF 82	UMC426723	15;22	T27S R13W	258694
CT 47	UMC426967	9;10;15;16	T27S R13W	258845
CT 48	UMC426968	15;16	T27S R13W	258846
CT 49	UMC426969	10;15	T27S R13W	258847
CT 50	UMC426970	15	T27S R13W	258848
CT 51	UMC426971	10;15	T27S R13W	258849
CT 52	UMC426972	10;15	T27S R13W	258850
CT 53	UMC426973	9	T27S R13W	258851
CT 54	UMC426974	9	T27S R13W	258852
CT 55	UMC426975	9	T27S R13W	258853
CT 56	UMC426976	9	T27S R13W	258854
CT 57	UMC426977	9;10	T27S R13W	258855
CT 58	UMC426978	9;10	T27S R13W	258856
CT 59	UMC426979	10	T27S R13W	258857
CT 60	UMC426980	10	T27S R13W	258858
CT 61	UMC426981	10	T27S R13W	258859
CT 62	UMC426982	10	T27S R13W	258860
CT 63	UMC426983	10	T27S R13W	258861
CT 64	UMC426984	10	T27S R13W	258862
CT 65	UMC426985	10	T27S R13W	258863
CT 66	UMC426986	10	T27S R13W	258864
CT 67	UMC426987	10	T27S R13W	258865
CT 68	UMC426988	10	T27S R13W	258866
CT 69	UMC426989	10	T27S R13W	258867
CT 70	UMC426990	9	T27S R13W	258868
CT 71	UMC426991	9	T27S R13W	258869
CT 72	UMC426992	9;10	T27S R13W	258870
CT 73	UMC426993	10	T27S R13W	258871
CT 74	UMC426994	10	T27S R13W	258872
CT 75	UMC426995	10	T27S R13W	258873
CT 76	UMC426996	3;4;9;10	T27S R13W	258874
CT 77	UMC426997	3;10	T27S R13W	258875
CT 78	UMC428568	4;9	T27S R13W	259886
NW 1	UMC428552	33	T26S R13W	259870

NW 2	UMC428553	33;34	T26S R13W	259871
NW 3	UMC428554	34	T26S R13W	259872
NW 4	UMC428555	34	T26S R13W	259873
NW 5	UMC428556	34	T26S R13W	259874
NW 6	UMC428557	34	T26S R13W	259875
NW 7	UMC428558	34	T26S R13W	259876
NW 8	UMC428559	34	T26S R13W	259877
NW 9	UMC428560	34	T26S R13W	259878
NW 10	UMC428561	34;35	T26S R13W	259879
NW 11	UMC428562	35	T26S R13W	259880
NW 12	UMC428563	34;35	T26S R13W	259881
NW 13	UMC428564	2;35	T27S R13W; T26S R13W	259882
NW 14	UMC428565	2;3; 34;35	T27S R13W; T26S R13W	259883
NW 15	UMC428566	2; 35	T27S R13W; T26S R13W	259884
NW 16	UMC428567	34	T26S R13W	259885
CT 101	UMC434804	4;5	T27S R13W	261072
CT 102	UMC434805	4	T27S R13W	261073
CT 103	UMC434806	4;5	T27S R13W	261074
CT 104	UMC434807	4	T27S R13W	261075
CT 105	UMC434808	4;5	T27S R13W	261076
CT 106	UMC434809	4	T27S R13W	261077
CT 107	UMC434810	4;5	T27S R13W	261078
CT 108	UMC434811	4	T27S R13W	261079
CT 109	UMC434812	4;5	T27S R13W	261080
CT 110	UMC434813	4	T27S R13W	261081
CT 111	UMC434814	4;5	T27S R13W	261082
CT 112	UMC434815	4	T27S R13W	261083
CT 113	UMC434816	32;33;4;5	T27S R13W; T26S R13W	261084
CT 114	UMC434817	33;4	T27S R13W; T26S R13W	261085
CT 115	UMC434818	32;33	T26S R13W	261086
CT 116	UMC434819	33	T26S R13W	261087
CT 117	UMC434820	32;33	T26S R13W	261088
CT 118	UMC434821	33	T26S R13W	261089
CT 119	UMC434822	32;33	T26S R13W	261090

CT 120	UMC434823	33	T26S R13W	261091
CT 121	UMC434824	32;33	T26S R13W	261092
CT 122	UMC434825	33	T26S R13W	261093
CT 123	UMC434826	32;33	T26S R13W	261094
CT 124	UMC434827	33	T26S R13W	261095
CT 125	UMC434828	32;33	T26S R13W	261096
CT 126	UMC434829	32;33	T26S R13W	261097
CT 127	UMC434830	33	T26S R13W	261098
CT 128	UMC434831	33	T26S R13W	261099
CT 129	UMC434832	33	T26S R13W	261100
CT 130	UMC434833	32;5	T27S R13W; T26S R13W	261101
CT 131	UMC434834	5	T27S R13W	261102
CT 132	UMC434835	5	T27S R13W	261103
NW 101	UMC434836	26;27;34;35	T26S R13W	261104
NW 102	UMC434837	26;35	T26S R13W	261105
NW 103	UMC434838	34;35	T26S R13W	261106
NW 104	UMC434839	35	T26S R13W	261107
NW 105	UMC434840	34;35	T26S R13W	261108
NW 106	UMC434841	35	T26S R13W	261109
NW 107	UMC434842	34;35	T26S R13W	261110
NW 108	UMC434843	35	T26S R13W	261111
NW 109	UMC434844	34;35	T26S R13W	261112
NW 110	UMC434845	35	T26S R13W	261113
NW 111	UMC434846	34;35	T26S R13W	261114
NW 112	UMC434847	35	T26S R13W	261115
NW 113	UMC434848	35	T26S R13W	261116
NW 114	UMC434849	26;35	T26S R13W	261117
NW 115	UMC434850	26;35	T26S R13W	261118
NW 116	UMC434851	35	T26S R13W	261119
NW 117	UMC434852	35	T26S R13W	261120
NW 118	UMC434853	35	T26S R13W	261121
NW 119	UMC434854	35	T26S R13W	261122
NW 120	UMC434855	35	T26S R13W	261123
NW 121	UMC434856	35	T26S R13W	261124
NW 122	UMC434857	35	T26S R13W	261125
NW 123	UMC434858	35	T26S R13W	261126

NW 124	UMC434859	35	T26S R13W	261127
NW 125	UMC434860	35	T26S R13W	261128
NW 126	UMC434861	35	T26S R13W	261129
NW 127	UMC434862	35	T26S R13W	261130
NW 128	UMC434863	35	T26S R13W	261131
NW 129	UMC434864	35	T26S R13W	261132
NW 130	UMC434865	35;2	T27S R13W; T26S R13W	261133
NW 131	UMC434866	25;26;35;36	T26S R13W	261134
NW 132	UMC434867	35;36	T26S R13W	261135
NW 133	UMC434868	35;36	T26S R13W	261136
NW 134	UMC434869	35;36;1	T27S R13W; T26S R13W	261137
NW 135	UMC434870	34	T26S R13W	261138
NW 136	UMC434871	27;34	T26S R13W	261139
NW 137	UMC434872	34	T26S R13W	261140
NW 138	UMC434873	34	T26S R13W	261141
NW 139	UMC434874	34	T26S R13W	261142
NW 141	UMC434875	34	T26S R13W	261143
NW 142	UMC434876	34	T26S R13W	261144
CTR 31	UMC434877	2;3	T27S R13W	261145
NW 17	UMC435319	34	T26S R13W	261072
NW 18	UMC435320	34	T26S R13W	261073

* This Claim is likely void ab initio because it's the location monument is located on land owned by the State of Utah. Company is taking corrective actions with respect to the federal land covered by this claim.

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