



Nelson
Resources
L I M I T E D

And Its Controlled Entity
(ABN 83 127 620 482)

Annual Financial Report
for the year ended 30 June 2018

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CORPORATE INFORMATION**ABN 83 127 620 482**

Directors	Peter Cook	Chairman/Non-Executive Director
	Adam Schofield	Executive Director
	Brett Clark	Non-Executive Director

Company secretary	Stephen Brockhurst
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Registered office	Level 11
	216 St Georges Terrace, Perth WA 6000
	Telephone: (08) 9481 0389
	Fax: (08) 9463 6103

Principal place of business	Level 11
	216 St Georges Terrace, Perth WA 6000

Share register	Security Transfer Registrars Pty Ltd
	770 Canning Highway
	Applecross WA 6153

Solicitors	Price Sierakowski
	Level 24, St Martin's Tower
	44 St Georges Terrace Perth WA 6000

Lavan Legal
Level 20, The Quadrant
1 William Street Perth WA 6000

Banker	National Australia Bank
	1232 Hay Street
	West Perth WA 6005

Auditor	Criterion Audit Pty Ltd (formerly named Regency Audit Pty Ltd)
	Suite 1 GF
	437 Robert Road
	Subiaco WA 6008

CHAIRMAN'S LETTER

Dear Shareholders

It is with pleasure that I present you the inaugural Annual Report of Nelson as a listed public company.

The Company successfully listed on the ASX on 7 of December 2017 following the completion of a capital raising of \$5,000,000. This itself was a major milestone for its shareholders, historic and new as the pre-IPO process and activities in the Company presented some difficulties.

The listing provided the catalyst and funding for the exploration of the Company's portfolio of gold assets in the prolific eastern goldfields region of WA.

Our first drill program was at the Yarrie prospect and encountered numerous excellent gold intercepts worthy of follow up.

Our second drill program was at the Socrates Prospect and it also returned some excellent results giving us hints of commercial gold discovery. The second follow up drill program has commenced at Socrates with first result due in the September quarter of FY2018/2019.

Our other prospects have had reconnaissance geological programs completed and works programs and plans for them have been generated.

I commend our team headed up by Adam Schofield and newly appointed Exploration Manager, Donald Thompson for their efforts during the year and the demeanour and care with which they have looked after shareholder's funds and invested them.

I look forward to an exciting forward year where our early exploration encouragement could come to fruition. To you, our shareholders I thank you for the patience and support you have placed in the Board and our team and we want you to know that we are focussed in creating wealth for you through our exploration success.



Mr P Cook
Chairman

DIRECTORS' REPORT

The Directors present their report together with the annual financial report of Nelson Resources Limited (“the Company”) for the year ended 30 June 2018.

Directors

The names of Directors who held office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Peter Cook	Chairman/Non-Executive Director
Mr Adam Schofield	Executive Director
Mr Brett Clark	Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the exploration and development of natural resources. There have been no other significant changes in the activities of the Company during the year other than matters noted in this report.

REVIEW OF OPERATIONS

Australian assets

Based in Perth, Nelson Resources Limited (“Nelson” of “the Company”) is a minerals exploration company with a portfolio of 5 wholly owned gold tenements in the Eastern Goldfields of Western Australia, covering a total of 20km².

Nelson successfully listed on the ASX in December 2017, raising A\$5 million. It is the Company’s objective to identify, delineate and develop viable gold resources and is actively seeking new ways of increasing its gold asset base.

Figure 1. Current Projects and New project



DIRECTORS' REPORT (CONTINUED)

- **Socrates Gold Project** lies 155kms southeast of Kalgoorlie and 110km northeast of Norseman. Socrates lies over the reworked Archaean margin adjacent to the Albany-Fraser Province.
- **Grindall Project** – New acquisition post reporting period. Grindall is located 24km south of the Company's Socrates Gold Project.
- **Yarrie Project** is located 30kms north of Saracen Minerals' Carosue Dam Operations and 9kms west of its Red October haul road. Yarrie is comprised of three exploration licences: Wallaby, Gibberts and Great Banjo.
- **Wilga Well** is located 9kms east of AngloGold Ashanti's Sunrise Dam Project.
- **Woodshed Well** lies 20kms east of Leonora.
- **Divestment** – Happy Jack

Projects**Socrates Gold Project**

Nelson completed its maiden drilling program of 23 RC drill holes for a total of 1,210m at the Socrates Gold Project.

Exceptional results were returned including 23.5 g/t Au for 2m from 28m. With 19 of the 23 holes returned intercepts > 0.5g/t Au, the Company viewed its initial Socrates drilling program a technical success, further validating its view of the orientation of the mineralisation at Socrates.

Significant results included:

- SDH003 – 5m @ 5.95g/t Au from 12m (Including 2m @ 11.63g/t Au from 13m)
- SDH004 – 8m @ 2.85g/t Au from 14m (Including 2m @ 8.35g/t Au from 15m)
- SDH007 – 2m @ 4.42g/t Au from 28m
- SDH013 – 3m @ 8.13g/t Au from 40m (Including 1m @ 15.2g/t Au from 41m)
- SDH014 – 9m @ 2.28g/t Au from surface
- SDH014 – 15m @ 2.67g/t Au from 31m (Including 4m @ 4.7g/t Au from 38m)
- SDH016 – 14m @ 6.96g/t Au from 20m (Including 2m @ 14.7g/t Au from 24m and 2m @ 23.5g/t Au from 27m)
- SDH019 – 2m @ 16.72g/t Au from 48m

Drilling to date has tested approximately 120m of a total of 300m strike length which was defined by previous soil geochemical surveys and has highlighted the shallow, high grade nature of what the Company believes to be a considerable gold mineralised system.

Initial indications are that the gold is hosted by silica-pyrite altered dolerite and quartz dolerite and is typical Archaean orogenic style mineralisation.

A Ground Magnetic Survey ("GMAG") was carried out following the maiden drill program to gain a better understanding of the structural setting at Socrates. The completion of the GMAG provides the Company with further data to assist with target generation of future drilling programs targeting Socrates.

The GMAG was conducted on 25m line spacing's for a total of 225 line kilometres and took seven days to complete.

Post period the Company announced that phase two follow up drilling had commenced at Socrates, which will test the tenor and extent of mineralisation.

Grindall

The latest acquisition carried out by the Company (post period) was for the Grindall Prospect (EL28/2679), located 24km south of the Company's Socrates Gold Project. Grindall is interpreted to be located on the western edge of the Fraser Range mobile belt.

The Grindall Project covers the Sipa and Newmont's Heraclitus prospect where the companies have historically spent circa \$2.6 million on exploration. Historic Auger calcrete and RAB drilling have defined a gold anomaly extending for approximately 8km.

DIRECTORS' REPORT (CONTINUED)

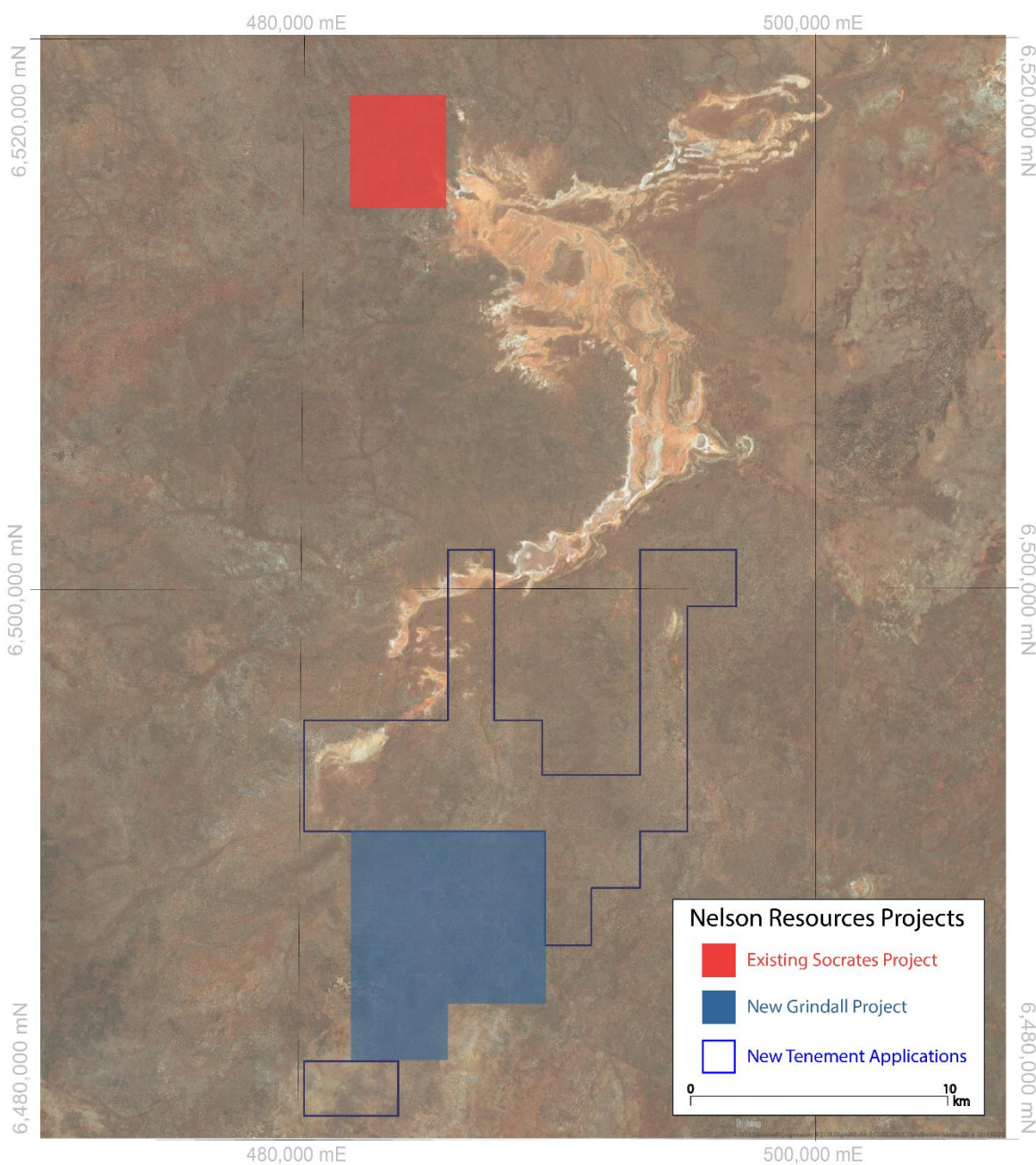
Interpreted to be the transition between Archaean greenstone belt rocks and the Proterozoic Albany Frances Province, the mineralisation is thought to dip moderately to the south and is hosted in biotite + garnet gneiss.

Historic results include:

- HRC001 – 93 to 94m at 9.1g/t Au*
- WDR108 – 32 to 33m at 1.51g/t Au*
- WDR109 – 20 to 21m at 1.62g/t Au*
- HRC002 – 28 to 32m at 1.1g/t Au*
- HRC004 – 41 to 42m at 1.1g/t Au*

Nelson has also applied for 2 additional exploration licences E28/2768 and E28/2769, which are adjacent to the Grindall tenement. The acquisition of the Grindall tenement plus the tenement applications (if granted) will take the Company's landholding in this highly prospective area from 13 km² to approximately 150 km².

Figure 2. Socrates, Grindall Project and new tenement applications



DIRECTORS' REPORT (CONTINUED)

Historical announcements regarding the above results areas follows:

*

Title: Clarification Woodline drilling Announcement

Date: 19 February 2010

Competent Person: Mr M G Doepel MSc, DIC, MAusIMM

Link: http://www.sipa.com.au/irm/PDF/977_0/ClarificationWoodlinedrillingAnnouncementdated18Feb

*

Title: Woodline Drilling Update

Date: 21 September 2010

Competent Person: Mr M G Doepel MSc, DIC, MAusIMM

Link: http://www.sipa.com.au/irm/PDF/1019_0/WoodlineDrillingUpdate

Yarrie

The Yarrie Project is made up of three key prospect areas:

- Wallaby
- Great Banjo
- Gibberts

Nelson carried out its first drilling program post listing on the ASX (November 2017) at the Wallaby Prospect and the Company was delighted that it returned several significant gold intercepts, upgrading the prospectivity of Wallaby. 19 RC holes were completed for a total of 1,183m and the results demonstrated a much broader alteration halo than first considered by Nelson and proved that depth continuity of the high grades beneath the historic Wallaby mine workings.

Highlight results of the drill program included:

- WDH002 – 1m @ 10.8g/t Au from 15m
- WDH003- 2m @ 4.87g/t Au from 13m
- WDH009 – 5m @ 10.67g/t Au from 52m
- WDH015 – 1m @ 2.17g/t Au from 16m

Following the drilling program, Nelson engaged a surveyor to conduct a Drone Survey which included a drill hole collar survey, high resolution terrain model and aerial imagery.

Late in the reporting period, Nelson commenced ground magnetic surveys on all three Yarrie tenements to gain a better understanding of the structural setting prior to determining future drilling plans.

Wilga Well / Woodshed Well

To date, the Company has not carried out any exploration at these projects.

Corporate

Appointment

In June the Company announced the appointment of an experienced exploration manager, Mr Donald Thomson, who will oversee and conduct all geological and technical work across the Nelson Resources portfolio of prospective gold tenements. Mr Donald Thomson has over 30 years' experience in gold, nickel-copper-cobalt, iron ore and base metals exploration in Australia and internationally. He is experienced in mineral resource estimation and has extensive experience in areas of; Native Title negotiations, project management and development planning, application of satellite imagery, ground magnetics and geological mapping.

Mr Thomson was key to the discovery and/or advancement of significant projects including: the Gilbeys deposit at Dalgaranga for Newcrest Mining, Rosemont at Duketon for Johnsons Well Mining, the prefeasibility study at Koolan Island for Aztec Resources, Wingellina for Acclaim Exploration and Chaketma phosphate project in Tunisia for Celamin Holdings.

DIRECTORS' REPORT (CONTINUED)

Divestment

Happy Jack

Post reporting period, Nelson advised shareholders that following detailed technical reviews of the Happy Jack Project, the Company has elected to divest its interest in the prospect. Nelson will continue to hold a 1% NSR royalty from any gold produced on the tenement.

Happy Jack was a single prospecting licence and accounted for 5% of the Company's planned exploration spend.

OPERATING RESULTS

For the year ended 30 June 2018, net loss of the Company, after providing for income tax, amounted to \$1,145,673 (30 June 2017: net loss after income tax \$675,639). Lower losses were incurred for the previous year due to lower activity levels when the Company was unlisted.

FINANCIAL POSITION

The net assets of the Company at 30 June 2018 were \$5,026,049 (30 June 2017: \$433,300). The improvement in net assets was attributable to capital raising and the acquisition of 79 Exploration Pty Ltd.

Cash and cash equivalents have increased by \$3,435,565 (from \$212,725 at 30 June 2017 to \$3,648,290 at 30 June 2018) due to the capital raising completed with the IPO.

DIVIDENDS

No dividends were paid or declared during the year ended 30 June 2018 (30 June 2017: nil).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the year under review were as follows:

The Company was successfully admitted to the Australian Securities Exchange on the 7 December 2017. The Company acquired 79 Exploration Pty Ltd being the holder of four gold projects based in Western Australia. Purchase consideration for 79 Exploration Pty Ltd was 5,500,000 ordinary shares of \$0.20 per ordinary share totalling \$1,100,000.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen, since the end of the financial year, which have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years, other than:

The Company has acquired a new tenement E28/2679 (Grindall) for a cash payment of \$3,200 to the Vendor. The Grindall project tenement is located in the general vicinity of the Company's existing exploration licence E28/2633 (Socrates) and covers the Sipa and Newmont's Heraclitus prospect. The Company has also applied for 2 additional exploration licences E28-2768 and E28-2769, which are adjacent to the Grindall tenement. The acquisition of the Grindall tenement plus the tenement applications (if granted) will take the Company's landholding in this highly prospective area from 13 km² to approximately 150 km². Furthermore, on 10 July 2018 the Company disposed of the Happy Jack tenement for \$1,500 to the original Vendor in consideration of a 1% net smelter return royalty if any gold is eventually produced from the tenement.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There are no likely development of which the Directors are aware of which could be expected to significantly affect the results of the Company's operations in subsequent financial periods not otherwise disclosed in the 'Principal activities' and 'Review of operations' or the 'Significant events after the balance sheet date' sections of the Directors' report.

ENVIRONMENTAL LEGISLATION

The Company is subject to significant environmental and monitoring requirements in respect of its natural resources exploration activities. The Directors are not aware of any significant breaches of these requirements during the year.

DIRECTORS' REPORT (CONTINUED)

INFORMATION ON DIRECTORS

Mr Adam Schofield

Executive Director (age: 45)

Qualifications: Dip (MechEng)

Experience and expertise

Mr Schofield is an Executive Director with over 20 years' experience in the resources sector in Africa and Australia. He is a Mechanical Engineer with significant experience in conducting feasibility studies and taking projects from feasibility stage into operations. Mr Schofield has an extensive experience in gold, mineral sands, iron ore and copper.

Other current directorships

None

Former directorships in last three years

None

Special responsibilities

CEO

Interests in shares and options

75,000 fully paid ordinary shares

37,500 \$0.20 30 September 2019 options

Length of service

2 years

Mr Brett Clark

Non-Executive Director (age: 55)

Qualifications: B Eng, Dip Finance

Experience and expertise

Mr Clark's career, of over 25 years' experience, comprised of directorships and senior executive roles in mining and energy sectors involving in funding, operations and advisory. Mr Clark's experience ranging from project development to operations and sales and marketing in gold, copper, nickel, coal, iron ore, industrial minerals and upstream oil and gas across a number of continents. Mr Clark also has vast experience in the United States and Asian capital markets, including middle markets and structured debt, mezzanine and equity transactions.

Other current directorships

Avenira Limited ASX (appointed 14 December 2017)

Great Lakes Graphite Inc TSX (appointed 27 November 2017)

Former directorships in last three years

Ardea Resources Limited ASX (appointed 3 April 2018; resigned 30 June 2018)

Surefire Resources NL ASX (appointed 8 March 2016; resigned 17 August 2017)

Equatorial Mining and Exploration PLC LSE NEX (appointed 21 February 2017; resigned 31 May 2017)

Special responsibilities

Independent Non-Executive Director

Interests in shares and options

None

Length of service

2 years

DIRECTORS' REPORT (CONTINUED)

INFORMATION ON DIRECTORS (CONTINUED)

Mr Peter Cook

Non-Executive Director (age: 55)

Qualifications: MSc (Min. Econ) BSc (Appl Geol) MAusIMM

Experience and expertise

Mr Cook is a highly experienced and successful mining company executive with over 30 years relevant experience in exploration, mining, project development and management. In recent years he has been the co-founder, Managing Director and Chairman of Metals X Limited and is currently the Managing Director of the newly demerged Westgold Resources Limited which operates the gold division of what was previously the diversified Metals X's portfolio. He was also the founder and Non-Executive Chairman of a small gold producer, Pantoro Limited, resigning from that position to focus on the advancement of Westgold Resources without conflict.

Other current directorships

Westgold Resources Limited (demerger from Metals X Ltd)

Former directorships in last three years

Metals X Ltd (appointed 23 July 2004; resigned 2 February 2017)

Pantoro Limited (formerly Pacific Niugini Limited) (appointed 31 August 2009; resigned 4 October 2016)

Brainchip Holdings Limited (formerly Aziana Limited) (appointed 30 May 2011; resigned 10 September 2015)

Special responsibilities

Chairman

Interests in shares and options

1,584,001 post consolidation ordinary shares in Nelson Resources Limited held by Ajava Holdings Pty Ltd (Mr Cook is a director and a shareholder in Ajava Holdings Pty Ltd)

625,000 \$0.20 30 September 2019 options

Length of service

5 years

Mr Stephen Brockhurst

Company Secretary

Mr Stephen Brockhurst replaced Mr Cook as Company Secretary on 22 June 2017. Mr Brockhurst has over 15 years of experience in the finance and corporate advisory industry, which include corporate and capital structuring, capital raising, ASX and ASIC compliance requirements and company secretarial services. Mr Brockhurst has served on the board and acted as company secretary for numerous listed entities in Australia.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report on the effectiveness and relevance of these measurable objectives. However, due to the current size of the Board and management, these measurable objectives have not yet been set.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT

Introduction

The Directors present the Remuneration Report for the Consolidated Entity for the period ended 30 June 2018. This Remuneration Report forms part of the Directors' Report in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Parent Entity.

Remuneration Policy

The Company Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors has been set at an amount not to exceed \$250,000 per annum. The remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee.

Remuneration Report Approval at FY2018 AGM

The remuneration report for the period ended 30 June 2018 will be put to shareholders for approval at the Company's AGM which will be held during October 2018.

Information on Key Management Personnel Compensation

Details of remuneration provided to Directors and other key management personnel for the year ended 30 June 2018 are as follows:

Key management personnel	Directors' fees	Consulting	Post employment – superannuation	Share-based payments	Total	Performance related (%)
Directors						
Mr Peter Cook	69,740	-	6,600	-	76,343	-
Mr Adam Schofield	124,500	-	11,875	-	136,375	-
Mr Brett Clark	47,500	-	4,560	-	52,060	-
Total	241,740	-	23,035	-	264,775	-

Details of remuneration provided to Directors and other key management personnel for the year ended 30 June 2017 are as follows:

Key management personnel	Directors' fees	Consulting	Post employment – superannuation	Share-based payments	Total	Performance related (%)
Directors						
Mr Peter Cook	43,000	-	1,710	-	44,710	-
Mr Adam Schofield	103,250	-	2,968	-	106,218	-
Mr Brett Clark	34,500	-	1,140	-	35,640	-
Total	180,750	-	5,818	-	186,568	-

Consultancy Agreements

Adam Schofield is engaged as an executive director pursuant to a consultancy agreement with the Company. The consultancy agreement commenced on 1 April 2017 and will continue until it is terminated in accordance with its terms.

For his role as an executive director, the Company will pay Adam Schofield a fee of \$136,875 per annum, including superannuation. As stated in the Replacement Prospectus dated 22 September 2017, it was proposed that Adam Schofield would also receive 2,500,000 Executive Options and this is to be approved at the Company's 2018 AGM.

DIRECTORS' REPORT (CONTINUED)

In his role as executive director, Adam Schofield will, among other things:

- act with professional skill with a view to promoting, advancing and improving the business of the Company;
- implement strategic and tactical plans of the Company;
- review and initiate continuous improvement in support and administrative functions;
- use best endeavours to achieve the corporate objectives of the Company;
- formulate strategies to promote and improve the financial performance of the Company; and
- advise the Board in relation to all relevant issues affecting the Company and its performance.

Either party may terminate the agreement without cause by providing the other party with no less than 3 months' written notice. The Company may terminate the agreement by summary notice to Adam Schofield with cause in circumstances considered standard for agreements of this nature in Australia.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

Other Director and KMP Transactions

None

End of Audited Remuneration Report.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors (including meetings of committees of Directors) held during the year and the numbers of meetings attended by each Director were as follows:

Directors	Meetings of Directors	
	Eligible	Attended
Mr Peter Cook	3	3
Mr Adam Schofield	3	3
Mr Brett Clark	3	3

SHARE OPTIONS

There have been no options granted over unissued shares or interests of any controlled entity within the Company during or since the end of the reporting year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all of the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

DIRECTORS' REPORT (CONTINUED)

NON-AUDIT SERVICES

Criterion Audit Pty Ltd was appointed as the Company's auditor on 24 October 2016 and has not provided any non-audit services to the Company since its appointment.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14.

The report is made in accordance with a resolution of the Directors.



Mr A Schofield
Director
Perth, Western Australia,
28 September 2018

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 2138 SUBIACO WA 6904

Suite 1 GF, 437 Roberts Road
SUBIACO WA 6008

Phone: 6380 2555 Fax: 9381 1122

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Nelson Resources Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 28th day of September 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30 June 2018 \$	30 June 2017 \$
Revenue			
Interest income		16,978	81
Other income	7	-	649,341
		<u>16,978</u>	<u>649,422</u>
Expenses			
Administration and other expenses		(178,536)	(83,890)
Accounting and audit fee		(93,522)	(110,090)
Consulting fees		(10,000)	(118,923)
Depreciation	8	(481)	-
Directors' fees		(264,775)	(154,513)
Dispute settlement	7	(100,000)	-
Impairment of receivables	7	(405,113)	(624,025)
Legal expenses		(53,394)	(112,931)
Marketing expenses		(9,000)	(52,266)
Occupancy expenses		(14,000)	(25,743)
Travel and accommodation expenses		(14,350)	(31,770)
Tenement expenses		(18,921)	(10,910)
Finance costs		(559)	-
Loss before income tax benefit		<u>(1,145,673)</u>	<u>(675,639)</u>
Income tax benefit	3	-	-
Net loss for the period attributable to owners of the Company		<u>(1,145,673)</u>	<u>(675,639)</u>
Other comprehensive loss for the period, net of income tax		-	-
Total comprehensive loss for the period attributable to owners of the Company		<u>(1,145,673)</u>	<u>(675,639)</u>
		Cents	Cents
Earnings per share for loss attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share	4	(0.04)	(0.09)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	30 June 2018 \$	30 June 2017 \$
Assets			
Current assets			
Cash and cash equivalents	6	3,648,290	212,725
Receivables	7	24,168	440,777
Prepayments		18,763	-
Total current assets		3,691,221	653,502
Non-current assets			
Plant and equipment	8	12,385	-
Exploration and evaluation expenditure	9	1,463,937	-
Total current assets		1,476,322	-
Total assets		5,167,543	653,502
Liabilities			
Current liabilities			
Trade and other payables	10	132,993	220,202
Provisions	11	8,501	-
Total current liabilities		141,494	220,202
Total liabilities		141,494	220,202
Net assets		5,026,049	433,300
Equity			
Issued capital	12	36,172,915	30,683,493
Reserves	13	249,000	-
Accumulated losses		(31,395,866)	(30,250,193)
Total equity		5,026,049	433,300

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Issued capital	Accumulated losses	Reserves	Total equity
	\$	\$	\$	\$
Balance at 1 July 2016	28,575,190	(29,574,554)	-	(999,364)
Issuance of shares	1,176,500	-	-	1,176,500
Share issue costs	(16,800)	-	-	(16,800)
Value of conversion of loan into equity	948,603	-	-	948,603
Loss for the year	-	(675,639)	-	(675,639)
Total comprehensive loss for the year	-	(675,639)	-	(675,639)
Balance at 30 June 2017	30,683,493	(30,250,193)	-	433,300
Balance at 1 July 2017	30,683,493	(30,250,193)	-	433,300
Issuance of shares	6,100,000	-	-	6,100,000
Share issue costs	(610,578)	-	-	(610,578)
Share based payments	-	-	249,000	249,000
Loss for the year	-	(1,145,673)	-	(1,145,673)
Total comprehensive loss for the year	-	(1,145,673)	-	(1,145,673)
Balance at 30 June 2018	36,172,915	(31,395,866)	249,000	5,026,049

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	30 June 2018 \$	30 June 2017 \$
Cash flows from operating activities			
Payments to suppliers and employees		(849,833)	(963,426)
Payments for exploration expenses		(361,966)	-
Interest received		7,917	81
Net cash used in operating activities	6	(1,203,882)	(963,345)
Cash flows from financing activities			
Proceeds from issues of shares, net share issue costs		4,639,447	1,159,700
Net cash provided by financing activities		4,639,447	1,159,700
Net increase in cash held		3,435,565	196,355
Cash and cash equivalents at the beginning of the year		212,725	16,370
Cash and cash equivalents at the end of the year	6	3,648,290	212,725

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) (i) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Nelson Resources Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are presented in Australian dollars and have been prepared under the historical cost convention. The financial statements of the Company also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

(a) (iii) Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(iv) Comparative figures

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

(v) Adoption of new and revised standards

In the year ended 30 June 2018, the Company has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for current annual reporting.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company's accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2018. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company's accounting policies.

(b) Principle of consolidation

The financial statements incorporate the assets and liabilities of all subsidiaries of Nelson Resources Ltd and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company 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 Company. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Company.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany transactions, balances and unrealised gains on transactions between companies 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 Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss, statement of financial position and statement of changes in equity respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Nelson Resources Ltd.

When the Company ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Nelson Resources Ltd.

(d) Revenue recognition

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

Interest revenue is recognised using the effective interest rate method.

(e) Finance costs

Finance costs comprise interest expense on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised in the profit or loss using the effective interest rate.

(f) Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided using the balance sheet method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all 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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (and tax laws) enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity and not in the profit or loss.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO").

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

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

(h) Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand and term deposits held at call with financial institutions with original maturities of three months or less but exclude any restricted cash. Restricted cash is not available for use by the Company and therefore is not considered highly liquid.

(i) Financial assets – receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. This category generally applies to trade and other receivables. Trade and other receivables are generally due for settlement within no more than 30 days from the date of recognition. Due to their current nature, the carrying amount of trade and other receivables approximates fair value. The carrying amount of trade and other receivables is reduced through the use of an allowance account and the loss is recognised in the profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

(j) Exploration and evaluation costs

Exploration and evaluation expenditure in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - the exploration and evaluation expenditure are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest. Indirect costs that are included in the cost of an exploration and evaluation asset include, among other things, charges for depreciation of equipment used in exploration and evaluation activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Exploration and evaluation costs (continued)

If an area of interest is abandoned or is considered to be of no further commercial interest, the accumulated exploration costs relating to the area are written off against income in the year of abandonment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the reporting period that are unpaid. They are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(m) Contributed equity

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

(n) Earnings per share

(i) Basic earnings per share

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

(ii) 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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. The key estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Exploration and evaluation expenditure

Determining the recoverability of exploration and evaluation expenditure capitalised, in accordance with the Company's accounting policy (refer to Note 1(j)) where a potential impairment is indicated, requires estimates and assumptions as to whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This assessment requires estimates and assumptions about the resources, the timing of expected cash flows and future capital requirements. If, after having capitalised the expenditure under accounting policy, a judgement is made that recovery of expenditure is unlikely, an impairment loss is recognised in the profit or loss.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology and discounted by a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the restoration works.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Recoverability of deferred tax assets

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3 INCOME TAX

	30 June 2018	30 June 2017
	\$	\$
(a) Income tax benefit		
Current income tax	-	-
(b) Reconciliation of income tax benefit to prima facie tax		
Loss before income tax benefit	(1,145,673)	(675,639)
Tax at the Australian tax rate of 27.5% (2017: 30%)	(315,060)	(202,692)
Movements in timing differences not recognised	213,773	(1,008)
Non-deductible expenses	(2,624)	6,200
Current year losses for which no deferred tax asset was recognised	103,911	197,500
Income tax expense	-	-
(c) Deferred tax balances not recognised		
Tax losses	815,445	776,219
Exploration	100,083	-
Business related costs	172,854	71,739
Other	117,519	12,840
	1,205,901	860,798

(d) Tax losses

The tax benefit at 27.5% of estimated unused tax losses is currently under review and it has not been recognised as a deferred tax asset. At 30 June 2018 the tax losses were \$2,965,256 (2017: \$2,587,397). The benefit of deferred tax assets 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 and the conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 4 EARNINGS PER SHARE

Information concerning earnings per share

(a) Earnings used for basic and diluted loss per share are loss after tax of \$1,145,673 (30 June 2017: loss after tax of \$675,639).

(b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share is 32,353,835 ordinary shares (30 June 2017: 7,757,196 ordinary shares). There were no potential ordinary shares that are considered dilutive in the current reporting year.

NOTE 5 SEGMENT REPORTING

Operating segment are determined based on the reports reviewed by the Board of Directors, which are used to make strategic decisions. The Company does not have any operating segments with discrete financial information. All of the Company's assets and liabilities are located within Australia. The Company does not have any customers at this stage. Internal management reports for the Board of Directors' review are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6 CASH AND CASH EQUIVALENTS

	30 June 2018	30 June 2017
	\$	\$
Cash at hand and in bank	3,648,290	212,725
	3,648,290	212,725

Reconciliation of loss for the year to net cash flows from operating activities

Loss for the year	(1,145,673)	(675,639)
Impairment	405,113	-
Depreciation	481	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	425,671	(427,636)
(Increase)/decrease in other current assets	(27,825)	-
(Increase)/decrease in exploration and evaluation expenditure	(782,941)	-
Increase/(decrease) in trade payables and accruals	(87,209)	139,930
Increase/(decrease) in provisions	8,501	-
Net cash used in operating activities	(1,203,882)	(963,345)

NOTE 7 RECEIVABLES

	30 June 2018	30 June 2017
	\$	\$
Receivables from a former company secretary and an alleged contractor ¹	-	368,306
Recovery of GST from a former company secretary and an alleged contractor ¹	-	38,778
Other receivable - Mongolian projects ²	624,025	624,025
Impairment of other receivable - Mongolian projects ²	(624,025)	(624,025)
Other receivables	24,168	33,693
	24,168	440,777

¹ Receivables from a former company secretary and an alleged contractor of the Company represent the former company secretary and alleged contractor's claims for provision of consultancy services and associated expenses incurred by them in relation to maintenance of corporate secretarial records and accounting books and carrying out activities for the planned listing of the Company on the Australian Securities Exchange. The Company reached a settlement with the Company's former secretary and alleged contractor, Messrs Hamilton and Wallace and their related companies (**Former Officers**) in order to have discontinued all litigation proceedings commenced by them for demands in relation to termination of certain agreements totalling \$546,816. A final settlement payment of \$100,000 was made during the year in order for The Former Officers to discontinue all legal proceedings and to release the Company from any claims they have against it.

² On 9 June 2017, the Company entered into an agreement with an independent third party buyer to sell its interest in assets and projects in Mongolia for a cash consideration of USD500,000. Subsequently, the Company received an initial sum of USD20,000 or equivalent of AUD25,316 as a good faith payment, for the sale. The Directors are of the view that the full amount of the receivable is likely to be not recoverable and, therefore, a full provision for impairment has been made. Ownership of the shares has already been transferred.

In the prior year there was an amount of \$649,341 recognised in the statement of profit or loss and other comprehensive income relating to the sale of the asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 8 PLANT AND EQUIPMENT

	30 June 2018	30 June 2017
	\$	\$
Opening written down value	-	-
Additions	12,866	-
Depreciation	(481)	-
Closing written down value	12,385	-

NOTE 9 EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2018	30 June 2017
	\$	\$
Opening balance	-	-
Costs capitalised during the period	363,937	-
Acquisition of 79 Exploration tenements	1,100,000	-
	1,463,937	-

¹ On 28 August 2017, the Company entered into a purchase agreement to acquire 100% of the issued capital of 79 Exploration Pty Ltd ("79 Exploration"), which owns four gold projects based in Western Australia. The Company lodged a prospectus with ASX to enable active exploration and development of the associated projects. The Company was admitted to the official ASX listing on 6 December 2017.

	\$
The purchase consideration is 5,500,000 shares in Nelson Resources Limited at a fair value of \$0.20 per share	1,100,000

The acquisition was determined to be an asset acquisition as 79 Exploration did not constitute a business under AASB 3. The excess consideration over the net assets of 79 Exploration totalling \$1,100,000 is attributed to exploration expenditure and accordingly capitalised on consolidation level

NOTE 10 TRADE AND OTHER PAYABLES

	30 June 2018	30 June 2017
	\$	\$
Trade and other payables	94,340	43,877
Accruals	38,653	176,325
	132,993	220,202

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 11 PROVISIONS

	30 June 2018	30 June 2017
	\$	\$
Annual leave provision	8,501	-
	8,501	-

NOTE 12 ISSUED CAPITAL

	30 June 2018	30 June 2017
	\$	\$
45,592,846 fully paid ordinary shares (30 June 2017: 15,092,846)	37,983,576	31,883,576
Less: share issue costs	(1,810,661)	(1,200,083)
Total issued capital	36,172,915	30,683,493

(a) Movements in fully paid ordinary shares:

	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Shares	Shares	\$	\$
Balance at the beginning of the year	-	142,319,857	-	28,575,190
Cancellation of ordinary shares ¹	-	(4,332,500)	-	-
Issuance of pre-consolidation shares ¹	-	5,215,000,000	-	521,500
Conversion of debt into equity ¹	-	9,486,029,900	-	948,603
Total pre-consolidation ordinary shares	-	14,839,017,257	-	30,045,293
Effect of consolidation of shares ²	15,092,846	9,892,841	30,683,493	-
Issuance of post-consolidation shares ¹	-	5,200,005	-	655,000
IPO Shares	25,000,000	-	5,000,000	-
Vendor Shares	5,500,000	-	1,100,000	-
Share issuance costs	-	-	(610,578)	(16,800)
Balance at the end of the year	45,592,846	15,092,846	36,172,915	30,683,493

¹ At the general meeting of the Company held on 23 November 2016, total of 4,332,500 ordinary shares issued in August 2012 and September 2012 were cancelled. 5,215,000,000 ordinary shares, which were applied for at \$0.0001 and raising \$521,500, have been consolidated into 3,476,666 shares. 9,486,029,900 share conversion was completed on 23 November 2016.

² At the Annual General Meeting of the Company held on 23 November 2016, the shareholders approved the consolidation of shares on a basis of 1,500 shares for each outstanding share.

(b) Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. Due to the nature of the Company's activities, being mineral exploration, it does not have ready access to credit facilities and therefore is not subject to any externally imposed capital requirements, with the primary source of Company funding being equity raisings. Accordingly, the objective of the Company's capital risk management is to balance the current working capital position against the requirements to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 13 RESERVES

	30 June 2018	30 June 2017
	\$	\$
Opening balance	-	-
Share based payments	249,000	-
Closing balance	249,000	-

3,000,000 broker options were granted as part consideration for corporate advisory services. Inputs for the valuation of the \$0.20 unlisted options expiring 30 September 2019 are as follows: exercise price \$0.20; share price at valuation date \$0.20; term 2 years; risk free interest rate 1.67%; share price volatility 75%.

NOTE 14 FINANCIAL INSTRUMENTS

(a) Financial risk management objectives, policies and processes

The Company has exposure to the following risks from their use of financial instruments:

- (i) credit risk,
- (ii) liquidity risk, and
- (iii) market risk (including gold price risk, interest rate and currency risk).

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The Company's principal financial instruments comprise cash. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as receivables and payables which arise directly from its operations. For the year under review, it has been the Company's policy not to trade in financial instruments.

(b) Financial instruments

	30 June 2018	30 June 2017
	\$	\$
Financial assets		
Cash and cash equivalents	3,648,290	212,725
Loan and receivables - receivables	24,168	440,777
	3,672,458	653,502
Financial liabilities		
At amortised cost:		
Trade and other payables	132,993	220,202
	132,993	220,202

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 14 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit risk

Credit risk refers to the risk that 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.

The Company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually.

The Company does not have any significant credit risk exposure to the National Australia Bank. The credit risk on liquid funds is reduced because the counterparty is a bank with high credit rating assigned by international credit rating agencies.

(d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company did not have any undrawn facilities at its disposal as at reporting date.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 year	1 – 2 years	2 – 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$	\$
30 June 2018						
Trade and other payables	94,340	-	-	-	94,340	94,340
Accruals	38,653	-	-	-	38,653	38,653
	<u>132,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,993</u>	<u>132,993</u>
30 June 2017						
Trade and other payables	43,877	-	-	-	43,877	43,877
Accruals	176,325	-	-	-	176,325	176,325
	<u>220,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,202</u>	<u>220,202</u>

(e) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company does not have short or long-term debt and therefore the risk is minimal. The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 14 FINANCIAL INSTRUMENTS (CONTINUED)

(f) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature. The Company's cash and cash equivalents at 30 June 2018 are fixed interest rate financial instruments. Therefore, they are not subject to interest rate risk.

(g) Fair value measurements

The fair values of cash, receivables, trade and other payables approximate their carrying amounts as a result of their short maturity.

NOTE 15 CONTINGENT LIABILITIES

At 30 June 2018, the Company's contingent liabilities were \$Nil (30 June 2017: \$546,816) in relation to counter demands by the former company secretary and alleged contractor of the Company against the Company relating to termination of certain agreements. There were no other contingent liabilities at 30 June 2018.

The Directors are not aware of any significant breaches of environmental legislation and requirements during the year.

NOTE 16 EXPLORATION COMMITMENTS

The Company has certain statutory requirements to undertake a minimum level of exploration activity in order to maintain rights of tenure to its various exploration tenements. These requirements may vary from time to time, subject to approval of the relevant government departments and are expected to be fulfilled in the normal course of operations of the Company to avoid forfeiture of any tenement. The Company has a 100% share of tenements rental and expenditure commitments.

	30 June 2018	30 June 2017
	\$	\$
These exploration commitments are not provided for in the financial statements and are payable		
Within one year	-	35,241
Later than one year but not later than five years	-	54,745
More than five years	-	-
	-	89,986

NOTE 17 CAPITAL COMMITMENTS

The Company had no capital expenditure contracted at the reporting date (30 June 2017: nil). The Directors are not aware of any capital commitments at 30 June 2018.

NOTE 18 AUDITOR'S REMUNERATION

	30 June 2018	30 June 2017
	\$	\$
Auditor of the Company – Criterion Audit Pty Ltd		
Audit and review of financial reports	21,000	25,000
Total remuneration for audit service	21,000	25,000
Total auditor's remuneration	21,000	25,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 19 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Names and positions held of the Company's key management personnel in office at any time during the financial year are:

Mr Peter Cook	Chairman/Non-Executive Director
Mr Adam Schofield	Executive Director
Mr Brett Clark	Non-Executive Director

(b) Key management personnel compensation

	30 June 2018	30 June 2017
	\$	\$
Directors' fees	241,740	180,750
Post-employment - superannuation	23,035	5,818
Former company secretary and alleged contractor's claims for provision of consultancy services	-	279,812
Total key management personnel compensation	264,775	466,380

(c) Number of options held by key management personnel

Key management person	Balance 1.7.2017	Received as compensation	Options exercised	Net change other	Balance 30.6.2018	Balance nominally held
Mr Peter Cook ¹	-	-	-	625,000	625,000	625,000
Mr Adam Schofield	-	-	-	37,500	37,500	37,500
Mr Brett Clark	-	-	-	-	-	-
	-	-	-	662,500	662,500	662,500

There are no options held by key management personnel during the last financial period

(d) Number of shares held by key management personnel

Key management person	Balance 1.7.2017	Received as compensation	Options exercised	Net change other	Balance 30.6.2018	Balance nominally held
Mr Peter Cook ¹	348,001	-	-	1,236,000	1,584,001	1,584,001
Mr Adam Schofield	-	-	-	75,000	75,000	75,000
Mr Brett Clark	-	-	-	-	-	-
	348,001	-	-	1,311,000	1,659,001	1,659,001

	Balance 1.7.2016	Received as compensation	Options exercised	Net change other	Balance 30.6.2017	Balance nominally held
Mr Peter Cook ¹	22,000,000 ²	-	-	(21,657,999)	348,001	348,001
Mr Adam Schofield	-	-	-	-	-	-
Mr Brett Clark	-	-	-	-	-	-
	22,000,000	-	-	(21,657,999)	348,001	348,001

¹ Ordinary shares and options held by Metals X Ltd, of which Mr Cook was a director until 2 February 2017. Ordinary shares held by Ajava Holdings Pty Ltd, which Mr Cook is a director and shareholder of Ajava Holdings Pty Ltd being 1,581,001 shares and 625,000 options

² Shareholding after post consolidation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 20 RELATED PARTY TRANSACTIONS

Ultimate parent entity

Nelson Resources Ltd is the ultimate parent entity of the Company.

Subsidiaries

Interest in subsidiaries is set out in Note 21.

Key management personnel

Disclosures relating to key management personnel are set out in Note 19.

Transactions with related parties

None

NOTE 21 SUBSIDIARIES

Name	Country of incorporation	% Equity interest	
		30 June 2018	30 June 2017
79 Exploration Pty Ltd	Australia	100%	-
MRCMGL LLC	Mongolia	-%	100%
<i>Subsidiaries of MRCMGL LLC:</i>			
Gunbileg Gold LLC	Mongolia	-%	85%
Gunbileg Trade LLC	Mongolia	-%	90%
White Elbow LLC	Mongolia	-%	100%

During the 2013 financial year, operations in Mongolia were discontinued due to deemed loss of control over assets and operations in Mongolia. Accordingly, the Company derecognised related assets, liabilities and non-controlling interests of Mongolian entities. The shares were sold during the 2017 financial year.

On 28 August 2017, the Company entered into a purchase agreement to acquire 100% of the issued capital of 79 Exploration Pty Ltd ("79 Exploration"), which owns four gold projects based in Western Australia.

NOTE 22 PARENT ENTITY INFORMATION

The parent entity's financial performance and financial position are consistent with the information provided in the statement of profit or loss and other comprehensive income and statement of financial position. As such no further disclosure is required in this note.

NOTE 23 EVENTS SUBSEQUENT TO REPORTING DATE

There were no matters or circumstances that have arisen since the end of the reporting period which significantly affected or could significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in future financial periods, other than:

The Company has acquired a new tenement E28/2679 (Grindall) for a cash payment of \$3,200 to the Vendor. The Grindall project tenement is located in the general vicinity of the Company's existing exploration licence E28/2633 (Socrates) and covers the Sipa and Newmont's Heraclitus prospect. The Company has also applied for 2 additional exploration licences E28-2768 and E28-2769, which are adjacent to the Grindall tenement. The acquisition of the Grindall tenement plus the tenement applications (if granted) will take the Company's landholding in this highly prospective area from 13 km² to approximately 150 km². Furthermore, on 10 July 2018 the Company disposed of the Happy Jack tenement for \$1,500 to the original Vendor in consideration of a 1% net smelter return royalty if any gold is eventually produced from the tenement.

DIRECTORS' DECLARATION

1. In the opinion of the Directors:
 - a. the financial statements and notes set out on pages 15 to 32 are in accordance with the *Corporations Act 2001* including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date, and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Mr A Schofield

Director

Perth, Western Australia

28 September 2018

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 2138 SUBIACO WA 6904

Suite 1 GF, 437 Roberts Road
SUBIACO WA 6008

Phone: 6380 2555 Fax: 9381 1122

Independent Auditor's Report

To the Members of Nelson Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Nelson Resources Limited ("the Company"), which comprises the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company.

In our opinion:

- a. The financial report of Nelson Resources Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001;
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 the key audit matter
<p>Exploration and Evaluation Expenditure – \$1,463,937 (Refer to Note 9)</p> <p>Exploration and evaluation is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the balance to the Consolidated Entity's consolidated financial position. • The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. • The assessment of impairment of exploration and evaluation expenditure being inherently difficult. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the consolidated entity holds an interest and the exploration programmes planned for those tenements. • For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable; • We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; • We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest. • We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: <ul style="list-style-type: none"> • the licenses for the right to explore expiring in the near future or are not expected to be renewed; • substantive expenditure for further exploration in the specific area is neither budgeted or planned • decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and • data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be

recovered in full from successful development or sale.

- We assessed the appropriateness of the related disclosures in note 9 to the financial statements.

Other Information

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

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

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

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

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

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

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

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Criterion Audit

CRITERION AUDIT PTY LTD

Watts

CHRIS WATTS CA
Director

DATED at PERTH this 28th day of September 2018

As at 25 September 2018
Issued Securities

	Listed on ASX	Unlisted	Total
Fully paid ordinary shares	36,957,877	8,634,969	45,592,846
\$0.20 unlisted options expiring 30-Sep-19	12,500,000	-	12,500,000
\$0.20 unlisted options expiring 30-Sep-19	-	3,000,000	3,000,000
Total	49,457,877	11,634,969	61,092,846

¹ Exercise price will be the greater of 125% of the market value of the shares on the date on which the options are granted or \$0.20 or the exercise price determined by the Board.

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	376	21,034	0.05%
1,001 - 5,000	64	231,835	0.51%
5,001 - 10,000	166	1,495,911	3.28%
10,001 - 100,000	162	6,098,966	13.38%
100,001 - and over	40	37,745,100	82.79%
Total	808	45,592,846	100.00%

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	Metals X Ltd	5,132,389	11.26%
2.	HSBC Custody Nom Aust Ltd	4,230,427	9.28%
3.	RF Cap PL <RF Cap A/C>	3,705,632	8.13%
4.	Trust Co Aust Ltd <MOF A/C>	3,000,000	6.58%
5.	Jewson Robert Andrew	2,750,000	6.03%
6.	Gianni Peter Romeo	2,750,000	6.03%
7.	Croesus Mining PL <Steinepreis S/F A/>	1,625,329	3.56%
8.	Ajava Hldgs PL	1,584,001	3.47%
9.	Cairnglen Inv PL	1,378,334	3.02%
10.	Citicorp Nom PL	1,261,468	2.77%
11.	Farleigh Richard	1,250,000	2.74%
12.	J P Morgan Nom Aust Ltd	977,206	2.14%
13.	Bell Potter Nom Ltd <BB NOM A/C>	750,000	1.64%
14.	Chuan Ko Kum	666,667	1.46%
15.	Hiang Teo Teng	666,667	1.46%
16.	Khong Lim See	666,667	1.46%
17.	Lim Kah Yan	500,000	1.10%
18.	All-States Finance PL	350,000	0.77%

19.	Leask Damiana	333,334	0.73%
20.	Croesus Mining PL <Second S/F A/C>	300,000	0.66%
Total		33,875,122	74.29%

The number of shareholdings held in less than marketable parcels is 412.

The Company has the following substantial shareholders listed in its register as at 25 September 2018:

Rank	Shareholder	Shares Held	% Issued Capital
1.	Metals X Ltd	5,132,389	11.26%
2.	HSBC Custody Nom Aust Ltd	4,230,427	9.28%
3.	RF Cap PL <RF Cap A/C>	3,705,632	8.13%
4.	Trust Co Aust Ltd <MOF A/C>	3,000,000	6.58%
5.	Jewson Robert Andrew	2,750,000	6.03%
6.	Gianni Peter Romeo	2,750,000	6.03%

Ordinary Shares Voting Rights - Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

Distribution of Listed Options

Spread of Holdings	Number of Holders	Number of Units	% of Total Options
1 - 1,000	-	-	-
1,001 - 5,000	148	739,219	5.91%
5,001 - 10,000	19	161,250	1.29%
10,001 - 100,000	116	3,066,250	24.53%
100,001 - and over	15	8,533,281	68.27%
Total	298	12,500,000	100.00%

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Optionholder	Options Held	% of Total Options
1.	HSBC Custody Nom Aust Ltd	2,112,500	16.90%
2.	Metals X Ltd	1,250,000	10.00%
3.	Croesus Mining PL <Steinepreis S/F A/>	799,031	6.39%
4.	Farleigh Richard	625,000	5.00%
5.	Ajava Hldgs PL	625,000	5.00%
6.	Citicorp Nom PL	625,000	5.00%

7.	Jetosea PL	621,750	4.97%
8.	Bell Potter Nom Ltd <BB NOM A/C>	375,000	3.00%
9.	J P Morgan Nom Aust Ltd	375,000	3.00%
10.	Trust Co Aust Ltd <MOF A/C>	250,000	2.00%
11.	Parlen PL <North Fam S/F A/C>	250,000	2.00%
12.	All-States Finance PL	250,000	2.00%
13.	Balcan PL <T E O'Connor S/F A/C>	125,000	1.00%
14.	Darlington Tresor PL <Darlington Tresor>	125,000	1.00%
15.	SBD Drilling PL	125,000	1.00%
16.	Myall Res PL <Myall Grp S/F A/C>	100,000	0.80%
17.	Plane Sailing Trails PL <PST Super A/C>	81,250	0.65%
18.	Teragoal PL <Gray Fam A/C>	81,250	0.65%
19.	Riverview Corp PL	75,000	0.60%
20.	ZW 2 PL	75,000	0.60%
Total		8,945,781	71.56%

The Company has the following restricted securities on issue as at the date of this report:

Security Type	Number of Securities Escrowed	Escrow Duration	Escrow Date
Fully paid ordinary shares	3,134,969	24 months	07-Dec-19
Fully paid ordinary shares	5,500,000	12 months	04-Dec-18
Unlisted \$0.20 30-Sep-19 options	3,000,000	24 months	07-Dec-19

Use of Funds

Between the date of listing on ASX and the date of this report the Company 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 and as set out in the Replacement Prospectus dated 22 September 2017.

Schedule of Exploration Tenements

Project	Tenement	Interest Held
Socrates	E28/2633	100%
Wilga	P39/5586	100%
Yarrie	P31/2085	100%
Yarrie	P31/2086	100%
Yarrie	P31/2087	100%
Wooshed Well	P37/8597	100%
Wooshed Well	P37/8598	100%
Wooshed Well	P37/8599	100%
Wooshed Well	P37/8600	100%
Happy Jack	P29/2217	100%