Alt Resources Limited

ABN:57 168 928 416

Annual Report

For the Year Ended 30 June 2018

Alt Resources Limited
ACN 57 168 928 416

Corporate Directory

Business Address
11-13 Baggs Street
JINDABYNE NSW 2627

Telephone: 1300 66 0001
+61 2 6456 2915
Email: info@altresources.com.au
Web: www.altresources.com.au

Registered Office Address
64 Industrial Drive
MAYFIELD NSW 2304

Australian Business Number:
57 168 928 416

Share Registry
Boardroom Limited
Grosvenor Place
Level 12, 225 George Street
SYDNEY NSW 2000

Telephone: 1300 737 760
+61 2 9290 9600

Stock Exchange
Australian Securities Exchange Limited
Home Branch Perth
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

ASX CODE – ARS

Auditor
Hardwickes
6 Phipps Close
DEAKIN ACT 2600

Directors
William H Ellis – Chairman
Clive N Buckland – Company Secretary
Neva Collings – Non Executive Director
Andrew Sparke – Corporate Finance

Chief Executive Officer
James Anderson

Chief Financial Officer
Tim Symons

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Letter from the Chairman

Dear Shareholders

I would like to take this opportunity to thank you for your continued support of the Company and the exploration and development projects we hold.

This time last year the Board and Executive undertook a review of operations and our portfolio of assets and as part of this process defined a strategy to transform the Company from an exploration operation to a near term emerging gold developer.

Over the past 12 months we have implemented the strategy, firstly acquiring the Bottle Creek Gold Project located in the Mt Ida gold belt in the northern goldfields of WA via an Option to Purchase Agreement. The Bottle Creek mining leases were the key strategic asset in the Mt Ida area and upon securing these assets it enabled the successful negotiation to acquire the significant package of tenements surrounding Bottle Creek mining leases from ASX listed Latitude Consolidated Limited, creating the Mt Ida Gold Project covering an area of 360 square kilometres.

Drilling at Bottle Creek commenced in March 2018 delivering consistent outstanding high grade gold and silver results across the project area which has been very evident in the company reporting of exploration results to the ASX confirming our view that Bottle Creek is an extremely robust high quality asset.

Since the acquisition of Bottle Creek we have produced the first maiden resource from Bottle Creek of 110,000oz of Au and 650,000oz of Ag adding to the existing Mt Ida resources of 97,000oz Au. The staff have delivered this result in less than 5 months and at a cost of under $10.00 per resource ounce which is an outstanding effort. Additionally we have recently completed a second stage of RC drilling at Bottle Creek that in the near future will provide a resource upgrade which will be announced when completed.

More importantly we have delivered approximately 75,000oz of 110,000oz in the indicated category which at optimization will then fall into the probable category as an ore reserve in a mining cycle, creating significant uplift in value as the project progresses.

The Board and Executive of the Company remain aligned with our shareholders in that we are all shareholders in the Company. The Directors and Executive all accept shares in lieu of reduced cash payments for their service.

Our focus over the next 12 months is to progress the Bottle Creek and Mt Ida Gold Project into a development project with particular emphasis on expanding the gold resources to a level that will sustain a 500,000 ton per annum processing plant for a minimum of 5 years. The Company will fast track and expand operations at the Bottle Creek and Mt Ida projects in WA and will continue to evaluate gold opportunities in this state. WA is recognised as one of the top 3 jurisdictions globally to operate mining and exploration and Australia is the second largest gold producer.

The Company intends to undertake an independent valuation of the Paupong project in 2019 and may offer the project up for larger companies to vend into the project. The Board and geological staff consider that the Paupong IRG system is a large scale project with potential for significant mineral system discovery.

The Company has a dedicated team of exploration staff who are integral in the success of our projects and their development. We are a small Company delivering some very good results with limited resources and I would like to take this opportunity to thank them for their hard work over the past year.

I take this opportunity to welcome Mr Andrew Sparke to the Board of the Company as Executive Director of Corporate Finance. The Board is confident that his knowledge and experience will be of great value to our company in our transition to an emerging gold developer.

We look forward to an exciting future with our projects and recent acquisitions and to your continued support.

Kind Regards

Bill Ellis
Chairman

14 September 2018

Corporate Governance Statement

The Board of Directors of Alt Resources Limited (The "Company") is responsible for Corporate Governance of the Company. To the extent they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations – 3rd Addition" ("The ASX Principles"). 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.

The Board of Directors

The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board operates in accordance with the broad principles set out in its charter which is available in the corporate governance information section of the Company's website at www.altresources.com.au.

The Company's constitution provides that the number of directors shall not be less than three and not more than nine. There is no requirement for any shareholding qualification.

The membership of the Board, its activities and composition, is subject to periodic review. Under the company's constitution the tenure of a director is (other than managing director) subject to reappointment by shareholders not later than the third anniversary following his or her appointment. A managing director may be appointed for any period and on any terms the directors deem fit and, subject to the terms of any agreement entered into, may revoke any appointment.

The board considers that the company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees (other than an Audit and Risk Committee) at this time. The board as a whole is able to address the governance aspects of the full scope of the company's activities and to ensure it adheres to appropriate ethical standards.

Role of the Board

The board is responsible for oversight of management and the overall corporate governance of the company including its strategic direction and establishing goals for management and monitoring the achievement of these goals.

Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The directors understand that mining exploration is an inherently risky business and that operational strategies adopted should be directed towards improving or maintaining net worth of the company.

ASX Principles of Corporate Governance

The board has reviewed its current practices in light of the current ASX Corporate Principles and Recommendations with a view to making amendments where applicable after considering the company's size and the resources it has available.
As the company's activities develop in size, nature and scope, the size of the board and the implementation of any additional formal corporate governance committees will be given further consideration.
The following table sets out the company's present position in relation to each of the ASX Corporate Principles and Recommendations.

	ASX Principle	Status	Reference / Comment
Principle 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	A	The Company has a Board Charter which specifies responsibilities of the Board and delegated responsibility to senior management. For matters reserved for the board and those delegated to management please refer to the Company website (www.altresources.com.au) in the Corporate Governance Section.
1.2	A listed entity should: Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and Provide security holders with all material information in its possession relevant to a decision on whether to or not to elect or re-elect a director.	A A	The board follows its own Remuneration and Nomination Policy which specifies the procedure for checking / evaluating potential candidates for the board. Refer to the Company website (www.altresources.com.au) in the Corporate Governance Section. The board provides all relevant material to security holders on elections and re-elections. Also refer to the company's 2018 annual report.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	A	The company does have current, written agreements with each director along with the company secretary and CEO.
1.4	The company secretary of the listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the board.	A	The company secretary is accountable directly to the board, through the chair, on all matters to do with proper functioning of the board.

1.5	A listed entity should: Have a diversity policy which includes requirements to set measurable objectives for achieving gender diversity and assess annually the objectives and progress; Disclose the policy; Disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the board in accordance with the policy and progress towards achieving them	A (in part) A N/A	The company has adopted a diversity policy however, given the size of the Company's business and the current stage of its development, the Board has not set measurable objectives for achieving gender diversity. Refer to the Company website (www.altresources.com.au) in the Corporate Governance Section. The company will disclose how we are tracking in line with our policy and towards gender diversity in our 2018 annual report.
1.6	A listed entity should; Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and Disclose in relation to the reporting period, whether an evaluation was undertaken in the reporting period in accordance with that process	A A	The company has a process for periodic evaluation of the board, its committees and directors. Refer to the company's 2018 annual report. An annual performance review was conducted for the period. Refer to the company's 2018 annual report.
1.7	A listed entity should: Have and disclose a process for periodically evaluating its senior executives; and Disclose, in relation to the reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process	A A	Key performance indicators are set annually with performance appraised by the Chairman of the Board. Refer to the company's 2018 annual report. An annual performance review was conducted for the period.
Principle 2:	**Structure the Board to add value**		
2.1	The board of a listed entity should: have a nomination committee	N/A	The company does not have a nomination committee. The board undertakes the role of the nomination committee. Given the size of the Company's business, the Board believes this is acceptable at this stage of the Company's development.

2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity the board currently has.	N/A	The company does not have a board skills matrix. Given the size of the Company's business, the board believes this is acceptable at this stage of the Company's development.
2.3	A listed entity should disclose: The names of the directors considered by the board to be independent directors; The length of service of each director.	N/A A	Given the size of the Company's business and the current stage of its development, the Board comprises of three Directors, none of which are independent directors. The Board believes this is acceptable at this stage of the Company's development. Refer to the company's 2018 annual report.
2.4	A majority of the board of a listed entity should be independent directors.	N/A	Given the size of the Company's business and the current stage of its development, the Board comprises of three Directors, none of which are independent directors. The Board believes this is acceptable at this stage of the Company's development.
2.5	The chair of the board should be an independent director; and, should not be the same person as the CEO.	N/A A	The chair of the board is not an independent director. Given the size of the Company's business and the current stage of its development, the Board believes this is acceptable at this stage of the company's development. The chair and the CEO are not the same person.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors.	A (in part)	The company has a board comprised of three Directors. New directors will be inducted based on the specific needs of each director. Professional development is available to directors on a case by case basis.
Principle 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	A A	The Board of the Company actively promotes ethical and responsible decision-making. The standard of ethical behaviour for directors, officers and employees is set out in the Code of Conduct. Refer to the Company website (www.altresources.com.au) in the Corporate Governance Section.

Principle 4:	**Safeguard integrity in financial reporting**		
4.1	The board of a listed entity should: Have an audit committee which has at least three members, all of which are non-executive directors and the majority of whom are independent directors and is chaired by an independent director; and Disclose the charter of the committee; The relevant qualifications and experience of the members of the committee, and In relation to each reporting period, the number of times the committee met and the individual attendances of the members at those meetings.	A (in part) N/A A A A	The board has established an audit committee. However, there are two committee members and both are executive directors. Given the current size and complexity of the Company's business, the Board believes this is acceptable at this stage of the Company's development. Refer to the Company website (www.altresources.com.au) in the Corporate Governance Section. Refer to the company's 2018 annual report. Refer to the company's 2018 annual report.
4.2	The board of a listed entity should, before it approves the entities financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the company have been properly maintained and that the financial statements comply with 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.	A	The board has received a written declaration from the CEO and CFO confirming the appropriateness of the financial records and accounting standards as well as confirming they give a true and fair view of the financial position based on a sound system of risk management and internal control.
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.	A	The company's external auditor is invited to attend and does attend its AGM.

Principle 5:	**Make timely and balanced disclosure**		
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	A A	The Company understands it obligations under the Corporations Act and ASX Listing Rules and does have a Continuous Disclosure Policy. Refer to the Company website (www.altresources.com.au) in the Corporate Governance Section.
Principle 6:	**Respect the Rights of Shareholders**		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	A	The Company has developed and implemented a website which contains information about itself and its governance. Refer to the Company website (www.altresources.com.au).
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	A	The Company has an investor relations program including an investor relations contact in our Jindabyne office who can be contacted via mail, phone or email. Investors are kept informed of developments affecting the Company. Disclosure is through regular shareholder communications, the Annual Report, Quarterly Reports, The Company website and distributions of specific releases covering major transactions and events.
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.	A	The Company has formulated a Shareholder Communication and Investor Relations Policy. Refer to the Company website (www.altresources.com.au) in the Corporate Governance Section.
6.4	A listed entity should give security holders the options to receive communications from, and send communications to, the entity and its security registry electronically.	A	Security holders are given the option of receiving communications from the Company electronically and the security holders are provided with the electronic contact details of the Company and its security registry.
Principle 7:	**Recognise and Manage Risk**		
7.1	The Board of a listed entity should have a committee to oversee risk of at least three members, a majority of whom are independent directors; and is chaired by an independent director; and disclose: the charter of the committee;	A N/A N/A A	The Company takes a proactive approach to risk management. The Board has in place a separate Audit and Risk Committee. The committee has two members and they are not independent directors and the chair is not an independent director. Given the current size and complexity of the Company's business, the Board believes this is acceptable at this stage of the Company's development.

	the members of the committee, and the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	A A	Refer to the Company website (www.altresources.com.au) in the Corporate Governance Section. Refer to the Company's 2018 Annual Report. Refer to the Company's 2018 Annual Report.
7.2	The committee should review the entities risk management framework at least annually to satisfy itself it continues to be sound; and, disclose, in relation to each reporting period, whether such a review has taken place.	A A	The Audit and Risk Committee reviewed the Company's risk management framework in 2018 reported to the Board in the May 2018 Board meeting that the framework was sound and risks were being managed.
7.3	A listed entity should disclose: it has an internal audit function, how the function is structured and what role it performs; or if it does not have an internal audit function, that fact and the process it employs for evaluating and continually improving the effectiveness of its risk management and internal control.	N/A A	The Board has in place a separate Audit & Risk Committee however it does not have an internal audit function. The chair of the Committee along with the CFO and Office Manager continually review and improve Company policies, processes, tools to ensure they are adequate to maintain internal control and manage risk.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	A	The Company does not currently have any material exposure to environmental and social sustainability risks. However, economic sustainability of an Exploration Company which does not have a revenue stream is a significant risk and is constantly managed by the Board and senior executives. Refer to the Company's 2018 Annual Report – Directors Report Section.
Principle 8:	**Remunerate Fairly and Responsibly**		
8.1	The Board should establish a remuneration committee; Has three members, the majority are independent directors, and is chaired by an independent director. If not disclose that fact and the process it employs for setting the level and composition of remuneration for directors and senior executives and	N/A A	Matters typically considered by a committee are dealt with by the full board. The Company intends to establish a separate committee once the Company's operations are of sufficient magnitude. The Board has adopted a remuneration policy. Refer to the Company website (www.altresources.com.au) in the Corporate Governance Section. Also refer to the

	ensuring compensation is appropriate and not excessive.		Remuneration Report in the Company's 2018 Annual Report
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of its directors and senior executives.	A	Refer to the Company website (www.altresources.com.au) in the Corporate Governance Section. Also refer to the Remuneration Report in the Company's 2018 Annual Report
8.3	A listed entity which has an equity based remuneration scheme should; have a policy whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme; and, disclose that policy.	A	The Company has a Securities Trading Policy. Refer to the Company website (www.altresources.com.au) in the Corporate Governance Section.

A = Adopted
N/A = Not Adopted

Directors' Report including Remuneration Report

The directors present their report on Alt Resources Limited for the Year from 1 July 2017 to 30 June 2018.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
William Hugh Ellis	Executive Director & Chairman	Appointed: 11 April 2014
Clive Napier Buckland	Executive Director & Company Secretary	Appointed: 11 April 2014
Neva Collings	Non-Executive Director	Appointed: 11 April 2014
Andrew Sparke	Executive Director	Appointed: 1 Sept 2018

Directors have been in office since the start of the Year to the date of this report unless otherwise stated. Detailed information on directors and senior management is located at page 15.

Neva Collings will retire by rotation at the next annual general meeting and has advised that she will seek re-election. Andrew Sparke was appointed by the board on 1st September 2018 and will seek confirmation of his appointment from the shareholders at the next Annual General Meeting.

Principal activities

The principal activity of the Group during the financial year was to continue exploration activity in Western Australia and New South Wales (NSW).

Alt Resources Limited has discontinued its agreements with Ironbark Zinc Pty Ltd. The Company continued its exploration activities with Mount Roberts Mining Pty Ltd as part of the farm -in requirements earning a 51% interest in a joint venture. Alt Resources limited also commenced the purchase of the Bottle Creek mining tenements and purchased MGK Resources Pty Ltd and its adjoining tenements from Latitude Consolidated Limited to increase its activities and interests in Western Australia. Further details in review of operations.

Alt Resources Limited has also continued exploration activity at its 70% owned joint venture project in New South Wales (NSW).

No other significant changes in the nature of the Company's activity occurred during the financial year.

Operating results

The deficit of the Group after providing for income tax amounted to $(3,375,080) (2017: $ (672,232)).

Dividends

No dividends have been paid during the year and none is recommended.

Review of operations (summary)

A review of the operations of the Company during the year and the results of those operations show a loss of $(3,375,080) incurred mainly due to exploration activities in our two main projects and to a lesser degree by through negotiating arrangements to generate revenue in future periods. A detailed review is located at page 25.

Significant changes in state of affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

i) An additional $4,151,456 after transaction costs has been raised in share capital during the year to fund operations.

ii) Alt Resources Limited purchased MGK Resources Pty Ltd from Latitude Consolidated Limited to form a consolidated group.

Future developments and results

The Company plans to continue raising working capital to continue and expand its exploration program. Any significant information will be released in the market and to shareholders.

Options

The Company has granted 3,110,900 (2017: 3,500,000) options to key management personnel as approved at the Annual General Meeting held on 27 November 2017.

The Company has granted 1,000,000 options to the nominees of Canary Capital Pty Ltd as approved at the General meeting held on 8 January 2018.

The Company has granted 3,250,000 options to Latitude Consolidated Ltd as part of the acquisition cost of MGK Resources Pty Ltd as approved at the General Meeting held on 26 April 2018.

Significant events after the balance sheet date

The Group announced its maiden JORC resource estimate at the Emu and Southwark deposits at Bottle Creek on 16th August 2018. This has increased the reserve estimates to 206,800 oz Gold (Au) and 650,000 oz Silver (Ag). Further detail is provided in the Directors' report at the Review of operations.

Since the end of the year, the Directors have not become aware of any other mattes or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent years, the financial effects of which have not been provided for in the 30 June 2018 financial statements.

Risk Management

The company has an Audit and Risk Management Committee which has two members: Clive Buckland is the chair of the committee and Bill Ellis is the other member.

The committee undertakes an annual review of its risk management framework to satisfy itself that it continues to be sound. The results of the review are tabled at one of the company's board meetings. The review determined the risk management system in place is working and is sound.

The company does not have an internal audit function. The chair of the Audit and Risk Committee, the Chief Financial Officer and the Office Manager performs the role of checking internal policies, processes and tools used to control and administer the finances of the company. The purchase of a new accounting software package, that was implemented 1 July 2017, was the most significant change and improvement in our control posture to date.

In relation to management of material exposure to economic, environmental and social sustainability risks the directors would like to make the follow comments:

Economic Sustainability Risk:

The nature of the exploration activity undertaken by the company is inherently risky. The risk relative to the ability to continue as a going concern is outlined in note: 1 (d) of the financial statements.

Environmental Sustainability Risk:

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory other than the environmental and planning laws of New South Wales and Western Australia.

The company is not aware of any significant risk arising from non-compliance.

Social Sustainability Risk:

Given the size and complexity of the company's business and the fact that the company is not involved in the design or production of any material the concept of Social Sustainability is not yet a relevant risk to our operations.

Information on Directors

William Hugh Ellis	***Executive Chairman***
Qualifications	BCom
Experience and Expertise	Mr Ellis is a graduate of the University of Melbourne and has practiced as a public accountant in excess of 40 years having been a member of both the Institute of Chartered Accountants and the Institute of Public Accountants. Registration currently held include Registered Tax Agent, Registered Self-Managed Superannuation Fund Auditor and member of The Institute of Public Accountants.
Other current Directorships	Nil
Former Directorships in last three years	Nil
Special Responsibilities	Member of Audit and Risk Committee Compliance with corporate and taxation law
Interest in Shares and Options at the date of this report	890,500 fully paid ordinary shares 944,400 Options

Clive Napier Buckland	***Executive Director and Company Secretary***
Qualifications	BEcon
Experience and Expertise	Mr Buckland graduated from the University of Sydney and joined IBM Australia where during 32 years he held a number of management and senior professional positions in Finance and Administration, Consulting and Professional Services. He is also a certified project management professional with a diverse range of experience across banking, telecommunications and information technology sectors.
Other current Directorships	Nil
Former Directorships in last three years	Nil
Special Responsibilities	Company Secretary Chairman of Audit and Risk Committee
Interest in Shares and Options at the date of this report	692,500 fully paid ordinary shares 944,400 Options

Information on Directors continued

Neva Collings	***Non-Executive Director***
Qualifications	LLB, BEcon, LLM
Experience and Expertise	Ms Collings is a sole practitioner solicitor in NSW with expertise in environmental and planning law and international law. Ms Collings has worked for the United Nations Office of the High Commissioner for Human Rights in Geneva and participated in meetings of the United Nations Convention on Biological Diversity. Ms Collings is principal Solicitor and owner of Orange Door Legal and former solicitor of the NSW Environmental Defenders Office. Ms Collings is a member of the Australian Institute of Company Directors Committee and former Board member of the Australian Institute of Aboriginal and Torres Strait Islander Studies, former Director of the Forest Stewardship Council Australia. Presently she sits on the board of the NSW Aboriginal Housing Office and is a sitting member of the NSW Housing Appeals Committee
Other current Directorships	Nil
Former Directorships in last three years	Nil
Special Responsibilities	Environmental overview of exploration activities
Interest in Shares and Options at the date of this report	2,082,350 fully paid ordinary shares 944,400 Options

Andrew Sparke	***Executive Director***
Qualifications	BBus. (Marketing)
Experience and Expertise	Mr Sparke is the Managing Director of Olive Capital Pty Ltd with over 15 years experience in IPO's, private placements, secondary market transactions and listed company compliance. Mr Sparke has advised numerous ASX listed companies on capital raising and corporate transactions. He is also a member of the Australian Institute of Company Directors and is a director of a number of private and publicly listed companies.
Other current Directorships	LWP Technologies Ltd
Former Directorships in last three years	Torian Resources Limited
Special Responsibilities	Corporate Finance

Andrew Sparke cont..	***Executive Director***
Interest in Shares and Options at the date of this report	Nil fully paid shares Nil Options

Meetings of directors

During the financial year, 10 meetings of directors (and two Audit & Risk committee meeting) were held. Attendances by each director during the year were as follows:

	Audit & Risk Committee Meetings	Directors' Meetings	
		Number eligible to attend	Number attended
Neva Collings	N/A	10	10
Clive Napier Buckland	2	10	10
William Hugh Ellis	2	10	10
Andrew Sparke		0	0

Performance of the Board, its Committees and Individual Directors

On an annual basis, each Director of the Board will evaluate the performance of the Board by completing a questionnaire (Alt Resources Ltd Board Evaluation Questionnaire). The questionnaire will focus on how the Board performs as a unit and how the Board Chair performs but not how each Individual Director performs.

Each Director will complete the questionnaire no later than 30 June each year and provide the completed questionnaire to the Company Secretary who will collate the results and present those back to the Board for analysis and review. Issues and follow on actions relating to the performance review are managed as routine agenda items at future Board meetings. The 2018 review was undertaken in accordance with the stated process.

There is only one separate committee, the Audit and Risk Committee. The chair of the Audit and Risk Committee presents to the Board on at least two occasions per year. Evaluating the committee's performance is carried out during the board meetings in which the committee presents to the board. In this reporting period that was two board meetings.

CEO and CFO Declaration

Prior to the board approving the company's financial statements the board received 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 company, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Gender Diversity

The Board did not set specific targets for achieving gender diversity due to the size of the Company's operations and small number of staff. The Board did however develop a policy for gender diversity and during the formation of the Company and ongoing hiring of staff a good balance in gender diversity has been achieved.

At the date of this report, women occupy 25% of all Board positions, 33% of all senior management positions and across the whole organisation women are 33% of the total employees in the Company.

Company Secretary

Clive Napier Buckland	***Company Secretary***
Appointment	11th April 2014
The Company Secretary details are included in the INFORMATION OF DIRECTORS (above)	

Chief Executive Officer

James Anderson	***Chief Executive Officer***
Appointment	1st June 2014
Experience and Expertise	Mr Anderson has held Senior General Executive roles with significant experience in Logistics and Supply Chain management for complex manufacturing business environments with companies of a global scale and several hundred employees. He has held the role of Chief Executive officer at SMP USA and Australia, GM of Aloha Surf and Sunseeker International and has run a private Consulting firm since 2000. In 2011 Mr Anderson formed and became a Director GFM Exploration Pty Ltd with the responsibility of driving the exploration and discovery of the Paupong mineralised system and development of the project and Joint Venture arrangement with Alt Resources Limited and its subsequent listing on the ASX.
Interest in Shares and Options at the date of this report	7,996,409 Fully paid ordinary shares 5,500,700 Options

Chief Financial Officer

Tim Symons	***Chief Financial Officer***
Appointment	1st July 2014
Qualifications	BFinAdmin, FIPA
Experience and Expertise	Mr Symons holds a Bachelor of Financial Administration degree from University of New England. He has worked in a variety of financial and management accounting roles for various companies such as Myer Department Stores, the University of New South Wales, BHP Stainless, BHP Limited at Port Kembla and the University of Wollongong. In 2002 Mr Symons joined a Public Accounting firm and became Registered Tax Agent specialising in business accounting. He currently holds membership as a Fellow of the Institute of Public Accountants.
Interest in Shares and Options at the date of this report	112,500 Fully paid ordinary shares Nil Options

Indemnification and insurance of officers and auditors

No indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of Alt Resources Limited.

The company maintains a policy of insurance to cover the risk related to directors' and officers' liability.

External Auditor

The board has invited our eternal auditor (Hardwickes) to the AGM. We expect they will be available to answer questions from security holders relevant to the audit.

Remuneration Report

The Remuneration Report outlines the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The Remuneration Report is set out under the following main headings:

Principles used to determine the nature and amount of remuneration

Service agreements

Details of remuneration for the year ended 30 June 2018

- Cash Benefits
- Equity based compensation

Additional disclosure relating to key management personnel.

Principles used to determine the nature and amount of remuneration

The Board of Alt Resources Limited acts as the Remuneration Committee (as per the Corporate Governance Statement) to allow the Company to maintain its ability to attract and retain the best executives and Directors to run and manage the entity, as well as create alignment between Directors, executives and shareholders. The remuneration policy is not based on the Company's income, as the Company does not generate income or earnings from its exploration activities.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel comprise the Chairman and Directors of the Company and the Chief Executive Officer (CEO) for the Company.

The Company has performed well in 2017-18 maintaining its low-cost administration and cost efficient discovery.

A continuing objective of the Board has been to minimise the number of Board members and senior executives it employs to maintain the total remuneration of such executives at a level that is commensurate with the size of the Company and the cash resources of the Company.

The Company maintains an employee share schemes approved by shareholders in 2015. Remuneration policy for Directors and senior executives is reviewed annually by the Board and includes a mix, as determined by the Board and depending on the nature of employment agreements, of fixed remuneration, superannuation, fringe benefits, short term incentives, long term incentives including securities, subject to any necessary shareholder or regulatory approvals.

Reviews consider the entity's performance, Executive and Non-Executive Director performance and comparable information from industry, including other listed companies in the resources sector. Criteria for executive and director appraisal include:

a) maintaining high standards of work place health and safety, environmental compliance and community liaison
b) leading the development of strategy, and communicating this to stakeholders
c) maintaining and adding to capital resources necessary to execute the company's strategy, with minimal dilution and costs to shareholders
d) technical advancement in the exploration potential of the project areas
e) acquisition of new assets to improve shareholder value
f) managing operations and expenditure to efficient levels and within budgets,
g) preserving financial and business integrity and managing risk under difficult industry conditions
h) recruiting, managing and training personnel to ensure access to high levels of skill in the industry
i) managing investor relations and Company communication
j) ability to multi-skill and cover as much of the company's skill needs from in-house resources

The Company's policy in respect of senior executives is to remunerate them on the basis of their job function, taking into account their qualifications and experience. The level of remuneration has been determined by the Board taking into account the position and responsibilities for which each Board member and senior executive is charged.

Developing and retaining exploration personnel expertise, therefore enabling the best possible examination and enhancement of the Company's exploration portfolio is considered to be a primary objective and this is required to be done whilst operating to high standards of governance, including work place safety.

The Board is aware of the need to maintain competitive remuneration to reward performance, which benefits shareholder and advances the Company. To this end the Company will maintain short term and long-term incentive programs to motivate and reward those people who create shareholder value and make the greatest contribution to the Company.

Service Agreements

The Service Agreement for the Chief Executive Officer was renewed for a period of three years up to 10 May 2018. Executive Director Clive Buckland and Chairman Bill Ellis Executive Service Agreements continue to 1 October 2018. The Non- Executive Director Service Agreement of Neva Collings continue to 1 October 2018. The Company does not have any retirement benefit obligations upon their cessation as a Director.

Details of Remuneration for the Year Ended 30 June 2018

The remuneration for each Director of the entity and other Key Management Personnel during the year was as follows:

Cash Benefits

Benefits to Directors consisted mainly of cash benefits in the period. A maximum Directors Pool (excluding salaries of Executive Directors) of $200,000 was available in 2017-18 and represents the maximum aggregate payments to Directors, in their capacities as Directors that can be paid in any one year without requiring additional shareholder approval.

The actual Directors pool utilised in the 12-month period was $120,000 in total.

Equity Based Compensation

From time to time, the Board will recommend the issue of shares and options to key management, directors, employees and in some cases contractors to the Company as an additional incentive for them to continue to generate shareholder wealth and to align their interests with those of shareholders of the Company. The Option price is set at a premium above market at the time of grant.

As part of the ongoing efforts to preserve cash whilst retaining the services of Directors the Board has elected to issue shares and options to key management personnel. The Board has elected to issue the equivalent of $8,888 in options to each director and $35,554 in options to the CEO, together with $254,895 in shares to the CEO. The record date of the issue of options will be after the conclusion of the Company annual general meeting (AGM) and the options will be issued as a premium above market prices set on the day of record.

The issue of Shares and Options to Directors and key management received shareholder approval at the General Meeting held on 27th November 2017.

2018	PRIMARY		POST EMPLOYMENT	EQUITY		
NAME	SALARY, FEES, COMMISSIONS	SHORT TERM INCENTIVE	SUPERANNUATION CONTRIBUTIONS	SHARES	OPTIONS	TOTAL
Non-Executive Directors	$	$	$	$	$	$
N Collings	40,000	-	3,800	-	8.888	**52,688**
Executive Directors						
W H Ellis	100,000	-	9,500	-	8,888	**118,388**
C N Buckland	88,333	-	8,392	20,000	8,888	**125,613**
Chief Executive Officer						
P J Anderson	103,500	50,000	9,656	254,895	35,554	**453,605**
	331,833	**50,000**	**31,348**	**274,895**	**62,218**	**750,294**

2017	PRIMARY		POST EMPLOYMENT	EQUITY		
NAME	SALARY, FEES, COMMISSIONS	SHORT TERM INCENTIVE	SUPERANNUATION CONTRIBUTIONS	SHARES	OPTIONS	TOTAL
Non-Executive Directors	$	$	$	$	$	$
N Collings	20,000	-	1,900	20,000	20,000	**61,900**
R J Fountain *	4,417	-	420	-	-	**4,837**
B J Barron *	4,417	-	420	-	-	**4,837**
Executive Directors						
W H Ellis	78,333	-	7,442	20,000	20,000	**125,775**
C N Buckland	63,000	-	5,985	-	20,000	**88,985**
Chief Executive Officer						
P J Anderson	66,833	-	6,683	-	80,000	**153,516**
	237,000	**-**	**22,850**	**40,000**	**140,000**	**439,850**

- Note – Russell Fountain and Jane Barron resigned from their positions as Directors of the Company on 7th October 2016.

Additional Disclosure Relating to Key Management Personnel

Shareholdings

Number of shares held by Key Management Personnel:

	Balance at beginning of year	Shares Issued Remuneration	On exercise of options	Other changes during the year	Balance at end of year
30 June 2018					
Directors					
William Hugh Ellis	890,500	-	-	-	890,500
Clive Napier Buckland	442,500	400,000	-	-	842,500
Neva Collings	2,082,350	-	-	-	2,082,350
Other KMP					
Phillip James Anderson	1,660,650	4,497,907	-	2,487	6,161,044
	5,076,000	4,897,907	-	2,487	9,976,394

	Balance at beginning of year	Shares Issued Remuneration	On exercise of options	Other changes during the year	Balance at end of year
30 June 2017					
Directors					
William Hugh Ellis	890,500	250,000	-	(250,000)	890,500
Clive Napier Buckland	450,000	-	-	(7,500)	442,500
Neva Collings	1,815,500	250,000	-	16,850	2,082,350
Russel John Fountain *	510,000	-		-	510.000
Barbara Jane Barron *	512,500	-		(10,000)	502,500
Other KMP					
Phillip James Anderson	1,792,360	-	-	(131,710)	1,660,650
	5,970,860	500,000	-	(382,360)	6,088,500

- Note – Russell Fountain and Jane Barron resigned from their positions as Directors of the Company on 7th October 2016.

Options

Number of Options issued to Key Management Personnel - 2018	3,110,900 options
Number of Options issued to Key Management Personnel - 2017	3,500,000 options

Executives

Mr James Anderson	**Chief Executive Officer**
Mr Bill Ellis	**Executive Chairman**
Mr Clive Buckland	**Executive Director & Company Secretary**
Mr Andrew Sparke	**Executive Director**

Operational Review

Throughout the year, Alt Resources Limited has carried out various exploration programs across the Company's portfolio of assets in Western Australia and New South Wales. In recent months, Alt's primary aim has been to realise the its vison of expanding existing JORC Resources and making new discoveries in the Mt Ida Gold Belt, and most significantly, moving towards the establishment of a central gold production hub at the Bottle Creek mine site. The first step of this process has been achieved with the publication of a maiden gold and silver Mineral Resource for Bottle Creek, giving **109,500 oz Au and 650,000 oz Ag**[1]. This increases Alt's Resource inventory to **2.8 Mt @ 2.25 g/t Au, for 206,800 oz Au**, including existing resources within the Mt Ida Gold Project.

Specific activity has included extensive RC as well as Diamond and Aircore drilling at the Bottle Creek Project, development of the maiden resource, and initial reconnaissance into the wider Mt Ida Gold Belt.

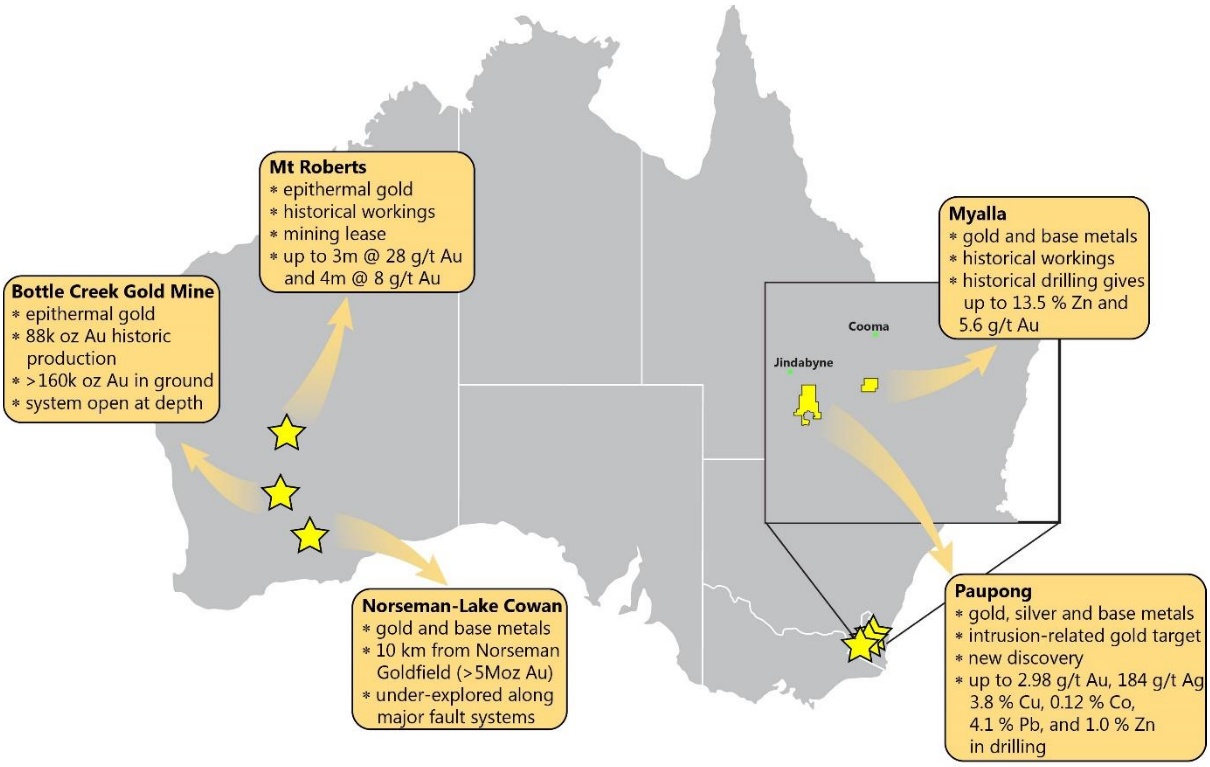


Figure 1. Alt Resources' projects in NSW and WA, including the Bottle Creek Gold Project, and Paupong Gold Projects.

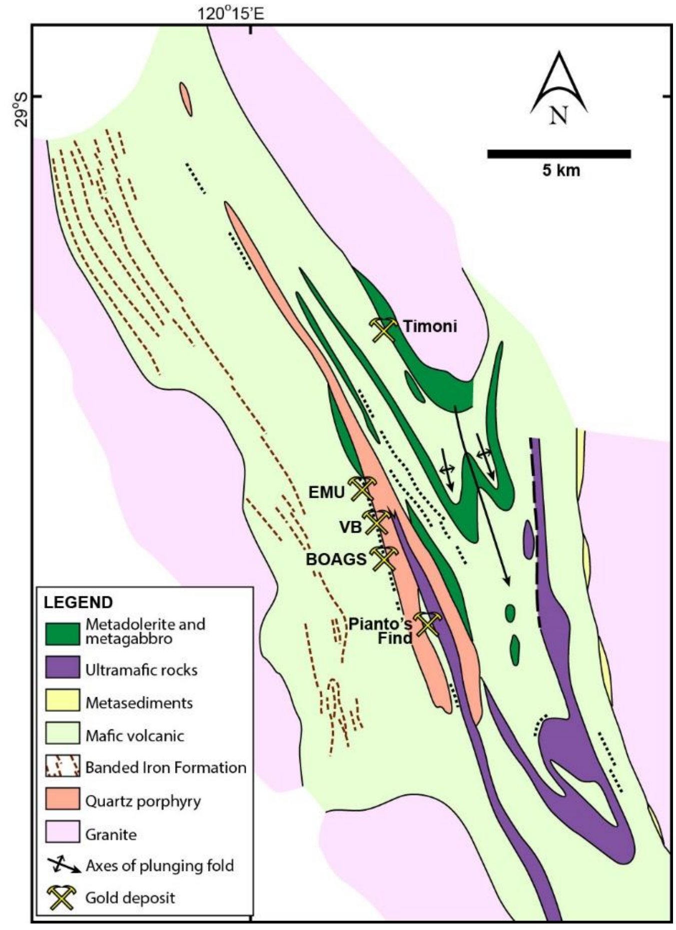
Bottle Creek Project

M29/150 and M29/151

Alt Resources executed a binding Option to Purchase Agreement for the Bottle Creek Gold Mine on the 3rd November, 2017. The Option provides exclusive rights to the Company to acquire 100% of the Bottle Creek Gold Mine for a period of 12 months.

[1] See ARS announcement 16th August, 2018: https://www.altresources.com.au/wp-content/uploads/2018/08/Maiden-Gold-Resource-for-Emu-and-Southwark-increases-Bottle-Creek-Gold-Project-to-206800oz.pdf

The Bottle Creek gold mine lies 100 km north west of Menzies in the Mt Ida gold belt. The project is located on the northern extremity of the Mt Ida-Ularring greenstone belt extending from Davyhurst to Mt Alexander. The Ularring greenstone belt forms the western part of the Norseman-Wiluna Province of the Yilgarn Craton.



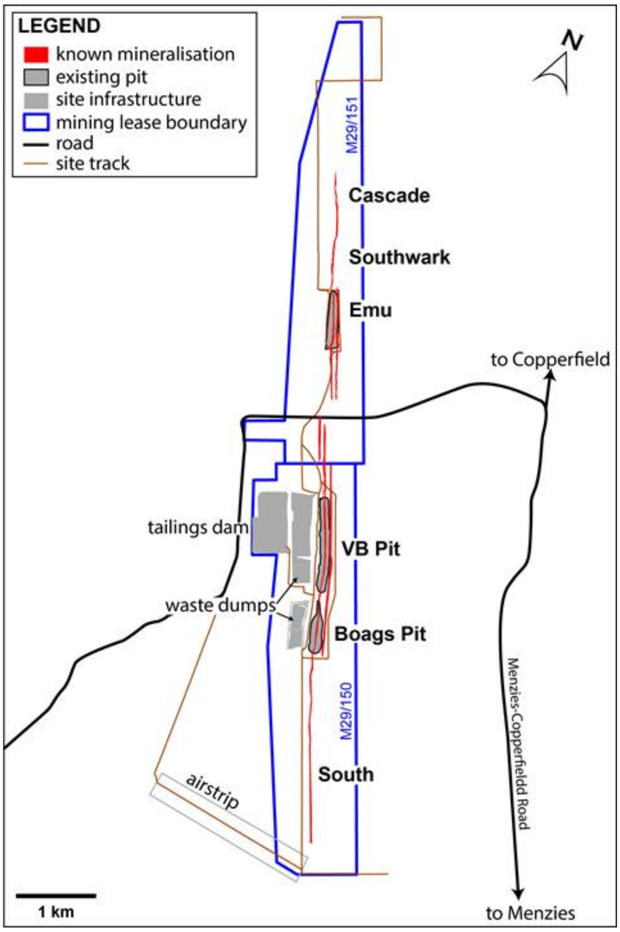


Figure 2. Geological setting of the Bottle Creek project. Modified from Legge et al. (1990). Figure 3. Site layout at Bottle Creek, showing historical VB and Boags open pits as well as the location of un-mined mineralisation at Emu, Southwark and Cascade.

Locally, gold and silver mineralisation is hosted in carbonaceous, sulphidic shales, within a larger package of interbedded basaltic volcanics, sediments and ultramafic rocks. The area is tightly folded and metamorphosed, with intrusion of younger dolerite dykes. Defined gold mineralisation at Bottle Creek occurs over a strike length of 7km (Figures 2 and 3), running north-west south-east and is interpreted to be nearly vertical, to steeply west-dipping.

During historical operation from 1988-1989, 90,000 oz Au was produced from two open pits (Boags and VB). Significant historical drilling also outlined the Emu, Southwark and XXXX (now named Cascade) deposits (Figure 3) which were never mined. The historical RC drill fences were spaced at 100m, with infill drill line spacing at 50m and 25m at various locations. The majority of drilling targeted oxide mineralisation and reached no deeper than 80m vertically below surface.

It has been the Company's intention to fast track Bottle Creek to a Pre Feasibility Study (PFS) and to bring the project into JORC 2012 compliance. Alt has in hand all the published and unpublished historical data from the entire previous exploration and operational mining cycle. This encompasses all the Post Mine Assessments, including but not limited to:

- Pre-Feasibility Studies
- Original Metallurgical Studies
- Geotechnical Studies
- Operational Studies
- Comprehensive Final Feasibility Study
- Post Mine Assessment Reports – including Operation Mining Reports:
    - Plant Design
    - Crusher and Ore Conveying
    - Milling and Thickening
    - CIP Circuit and In Situ Leaching
- Tailings and Disposal
- Carbon Strip Plant
- Gold Room and Laboratory
- Bore fields
- Power Station
- Stores and Purchasing
- Engineering and Equipment
- Staff, Training and Administration
- Review of Design Procedures, Costs and Flow Sheet
- Feasibility Conclusions

The historical records provide significant cost savings to Alt Resources as it progresses the planning and development of the Bottle Creek Project and surrounding areas.

Significant drilling was carried out throughout the year at Emu and Southwark deposits (details below) and Alt has since completed a second round of RC drilling of 45 holes for ~2,400m in July 2018. The drilling was designed to validate historic results and test the mineralisation extensions of south of Emu and infill existing drill fences between Emu and Southwark. In addition, Alt has completed the first modern diamond drilling program at Bottle Creek comprising 14 new holes; 7 from surface and 7 being diamond tails extending recently drilled RC holes.

Emu Deposit

During the year, Alt completed 8,500m of RC drilling for 96 holes ahead of schedule at the un-mined Emu Deposit. Emu lies approximately 4 km to the north of the VB pit (Figure 3**Error! Reference source not found.**). Individual gold assays of up to **55.6 g/t Au** were received from Emu with significant results listed below. Further detail on these results can be found in Alt's ASX announcements from March to June, 2018.

High grade gold zones occur within and alongside broad, consistently graded zones such as **27m @ 5.6 g/t Au**[2] (EMRC024). These broad zones of Au mineralisation are a positive feature for potential future mining operations, ensuring a minimal 'nugget' effect and a more easily extracted bulk target.

[2] See ARS announcement, 11th April 2018: https://www.altresources.com.au/wp-content/uploads/2018/04/ARS-Announcement-Additional-High-Grade-Results-Emu-Deposit-11Apr18.pdf

The broad high grade zones continue at the north end of Emu indicating mineralisation is open along strike and at depth. Assay results from this area include **9m @ 3.95 g/t Au** (EMRC086) and **11m @ 2.57 g/t Au**[3] (EMRC087). This zone of gold mineralisation north of Emu has not been closed off by either modern or historical drilling along strike towards the Southwark deposit, 600m to the north. As such, Alt is currently undertaking infill RC drilling between Emu and Southwark to test the extent of mineralisation.

Figure 4 illustrates cross-sections with new drilling and significant intercepts through the north end of the Emu deposit. These sections are located approximately 4 km north of the VB pit and 600m south of the Southwark deposit. The potential for continuity of mineralisation along strike towards the Southwark deposit is evident, given these results are encountered at the northern margin of established mineralisation at Emu. Further potential is evident at depth, where gold mineralisation has not yet been closed out by current drilling.

- **EMAC001: 20m @ 4.1 g/t Au from 40m**
  - **including 7m @ 7.8 g/t Au from 47m**
- **EMRC003: 23m @ 4.0 g/t Au from 31m**
  - **including 1m @ 10.2 g/t Au from 71m**
- **EMRC006: 7m @ 3.0 g/t Au from 28m**
  - **and 8m @ 4.7 g/t Au from 41m**
- **EMRC007: 21m @ 3.1 g/t Au from 43m**
  - **and 9m @ 5.4 g/t Au from 46m**
- **EMRC009: 26m @ 2.3 g/t Au from 33m**
  - **including 7m @ 7.1 g/t Au from 45m**
  - **including 1m @ 21.8 g/t Au from 48m**
- **EMRC013: 22m @ 6.3 g/t Au from 52m**
  - **including 5m @ 10.6 g/t Au from 60m**
- **EMRC018: 5m @ 5.1 g/t Au from 23m**
- **EMRC019: 29m @ 4.0 g/t Au from 39m**
  - **including 5m @ 7.2 g/t Au from 60m**
- **EMRC022: 5m @ 5.2 g/t Au from 19m**
- **EMRC023: 24m @ 4.0 g/t Au from 22m**
  - **including 2m @ 16.2 g/t Au from 42m**
- **EMRC024: 6m @ 19.3 g/t Au from 73m**
  - **including 2m @ 51.7 g/t Au from 73m**
- **EMRC025: 27m @ 5.6 g/t Au from 34m**
  - **including 3m @ 10.5 g/t Au from 35m**
  - **including 1m @ 15.2 g/t Au from 40m**
- **EMRC026: 19m @ 3.0 g/t Au from 38m**
- **EMRC027: 4m @ 8.5 g/t Au from 39m**
  - **and 7m @ 9.9 g/t Au from 49m to EOH**
  - **including 1m @ 23.8 g/t Au from 52m**
- **EMRC029: 1m @ 2.3 g/t Au from 42m**
  - **and 11m @ 8.2 g/t Au from 46m**
  - **including 4m @ 12.6 g/t Au from 49m**
- **EMRC032: 19m @ 5.0 g/t Au from 59m**
  - **including 4m @ 11.8 g/t Au from 63m**
- **EMRC033: 15m @ 5.6 g/t Au from 76m**
  - **Including 1m @ 17.6 g/t Au from 76m**
- **EMRC035: 11m @ 4.5 g/t Au from 60m**
- **EMRC038: 5m @ 4.3 g/t Au from 88m**
- **EMRC041: 4m @ 3.8 g/t Au from 67m**
- **EMRC060: 20m @ 3.4 g/t Au from 63m**
  - **including 3m @ 8.1 g/t Au from 66m**
  - **and including 3m @ 9.6 g/t Au from 79m**
- **EMRC066: 4m @ 3.8 g/t Au from 49m**
  - **including 1m @ 13.2 g/t Au from 49m**

[3] See ARS announcement, 21st June 2018: https://www.altresources.com.au/wp-content/uploads/2018/06/ARS-ASX-Emu-Final-RC-Holes-21Jun18.pdf

- EMRC067: 9m @ 3.7 g/t Au from 34m
    - including 4m @ 6.7 g/t Au from 36m
- EMRC073: 2m @ 4.8 g/t Au from 87m
- EMRC074: 11m @ 11.7 g/t Au from 82m
    - including 6m @ 18.4 g/t Au from 82m
- EMRC079: 18m @ 3.8 g/t Au from 53m
    - including 3m @ 8.4 g/t Au from 53m
- EMRC082: 18m @ 4.8 g/t Au from 58m
    - including 1m @ 31.8 g/t Au from 58m
    - and including 5m @ 5.8 g/t Au from 64m
- EMRC083: 24m @ 5.8 g/t Au from 56m
    - including 2m @ 27.5 g/t Au from 57m
- EMRC084: 9m @ 3.4 g/t Au from 95m
- EMRC085: 10m @ 4.4 g/t Au from 39m
    - including 4m @ 7.8 g/t Au from 41m
    - and 7m @ 4.3 g/t Au from 65m
    - including 2m @ 11.7 g/t Au from 66m
- EMRC086: 9m @ 4.0 g/t Au from 37m
    - and 3m @ 3.0 g/t Au from 85m

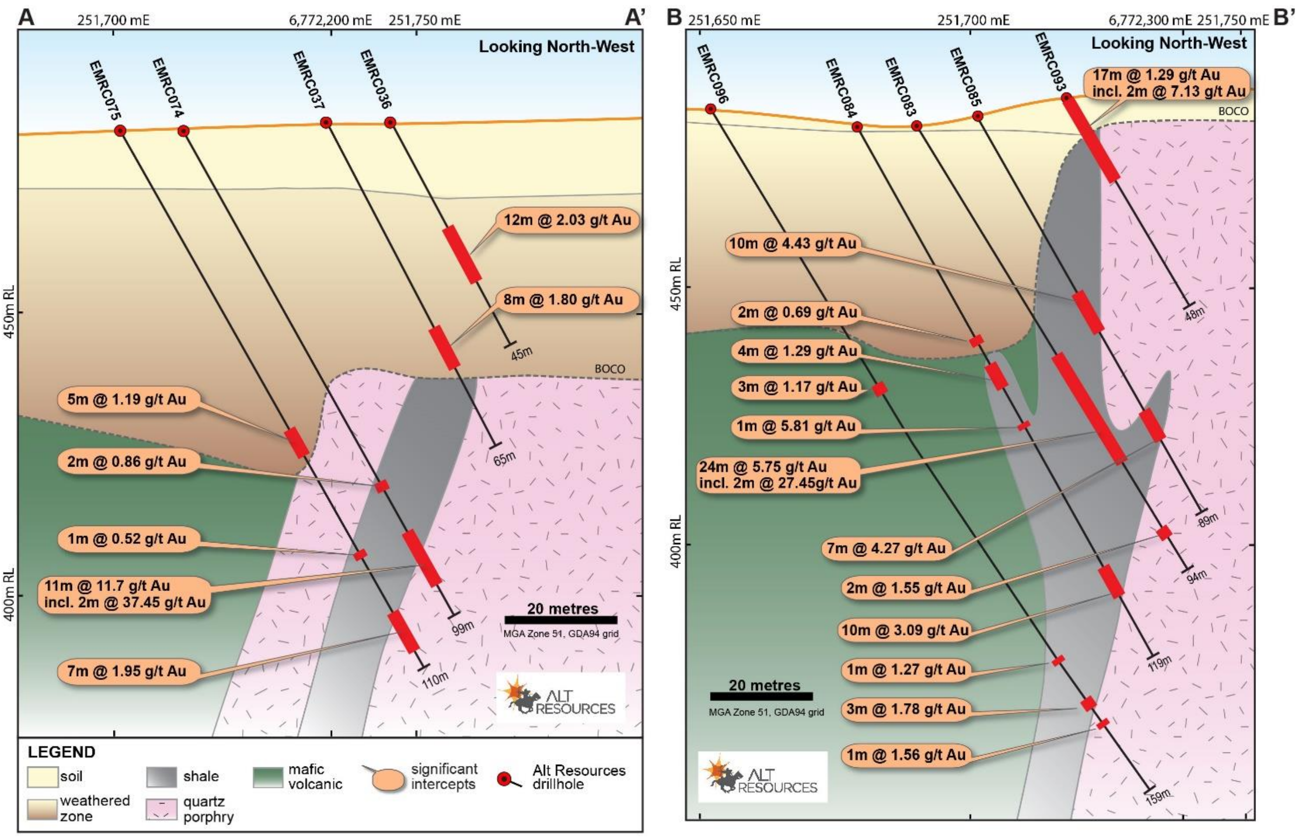


Figure 4. Cross-sections AA' and BB' through the Emu Deposit, with new drilling by Alt Resources. Section locations are shown in Figure 5.

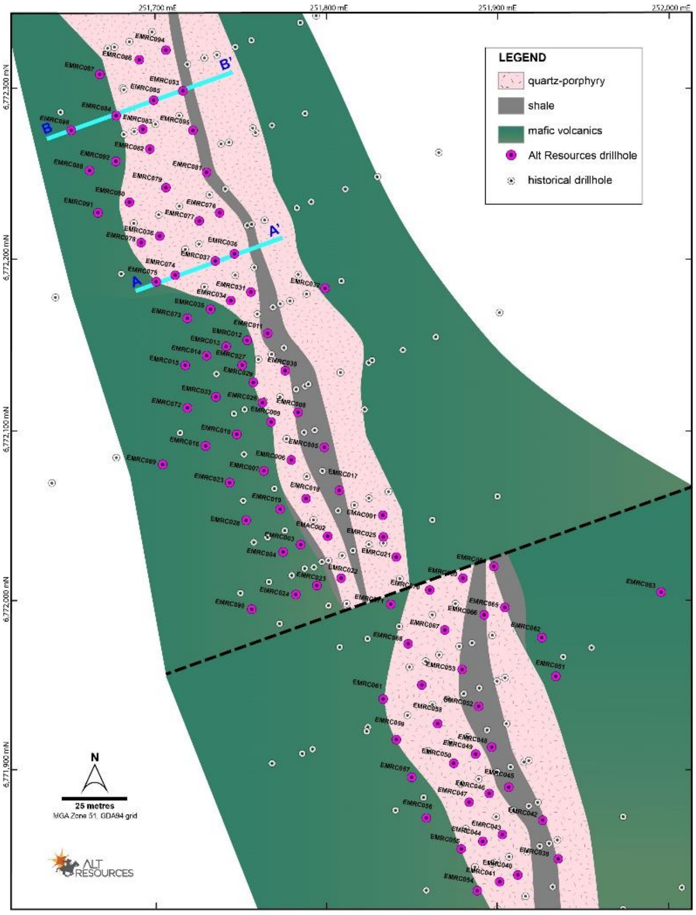


Figure 5. Plan map of the Emu Deposit showing the location of all new RC drilling carried out during the reporting period by Alt Resources. The location of cross-sections shown in Figure 4 is indicated by the blue lines.

Southwark Deposit

In May 2018, Alt completed its first round of RC drilling at the Southwark Deposit (located 1km north of Emu) comprising 40 RC holes for 3,060m. Logging and assay results revealed the Southwark mineralisation to be similar to that at Emu, forming a coherent, steeply dipping ore zone which appears to be open and broadening at depth. Included in the Southwark assay results were bonanza gold grades up to **140 g/t Au** (SWKRC022) as well as broad, moderately to high-grade zones such as **23m @ 3.2 g/t Au**[4] (SWKRC023).

A number of the Southwark holes ended in mineralisation (see below for key significant intercepts), therefore Alt recently completed several diamond tails extending the most significant of these holes. This deeper, broader zone will be subject to continued drilling, both RC and diamond, as the project develops.

[4] See ARS announcement, 14th May 2018: https://www.altresources.com.au/wp-content/uploads/2018/05/Bottle-Creek-Project-Delivers-Bonanza-Gold-Grades-from-the-Southwark-Deposit.pdf

- **SWKRC001: 1m @ 5.8 g/t Au from 41m**
- **SWKRC005: 23m @ 3.1 g/t Au from 79m**
  - **including 12m @ 4.3 g/t Au from 81m**
- **SWKRC007: 6m @ 5.3 g/t Au from 53m**
  - **including 2m @ 14.43 g/t Au from 54m**
- **SWKRC008: 1m @ 7.0 g/t Au from 50m**
- **SWKRC013: 13m @ 3.1 g/t Au from 50m**
  - **including 4m @ 6.4 g/t Au from 51m**
- **SWKRC014: 9m @ 5.6 g/t Au from 71m**
  - **including 4m @ 9.0 g/t Au from 73m**
- **SWKRC016: 13m @ 11.1 g/t Au from 53m**
  - **including 7m @ 18.9 g/t Au from 57m**
  - **including 1m @ 65.6 g/t Au from 61m**
- **SWKRC017: 11m @ 8.5 g/t Au from 51m**
  - **including 5m @ 16.6 g/t Au from 56m**
- **SWKRC018: 13m @ 6.4 g/t Au from 73m**
  - **including 3m @ 12.7 g/t Au from 79m**
  - **and 34m @ 3.4 g/t Au from 35m**
  - **including 3m @ 7.2 g/t Au from 35m**
  - **and including 2m @ 13.1 g/t Au from 46m**
  - **and including 2m @ 16.0 g/t Au from 54m**
- **SWKRC022: 21m @ 10.8 g/t Au from 49m**
  - **including 4m @ 49.0 g/t Au from 61m**
  - **including 1m @ 140 g/t Au from 61m**
- **SWKRC023: 23m @ 3.2 g/t Au from 77m to EOH**
  - **including 4m @ 7.1 g/t Au from 79m**
- **SWKRC027: 16m @ 6.4 g/t Au from 73m**
  - **including 7m @ 10.9 g/t Au from 75m**
- **SWKRC031: 36m @ 1.8 g/t Au from 23m**
  - **including 4m @ 7.0 g/t Au from 55m**
- **SWKRC044: 5m @ 9.1 g/t Au from 79m**

Figure 6 and 7 show selected cross-sections and a plan map for new drilling and significant intercepts through the Southwark deposit during the reporting period. As a whole these sections clearly show the widening of mineralisation with increasing depth. This broadening is not isolated but is a deposit-wide feature. Additional drilling will be planned for later in the year to explore potential beneath the known mineralisation.

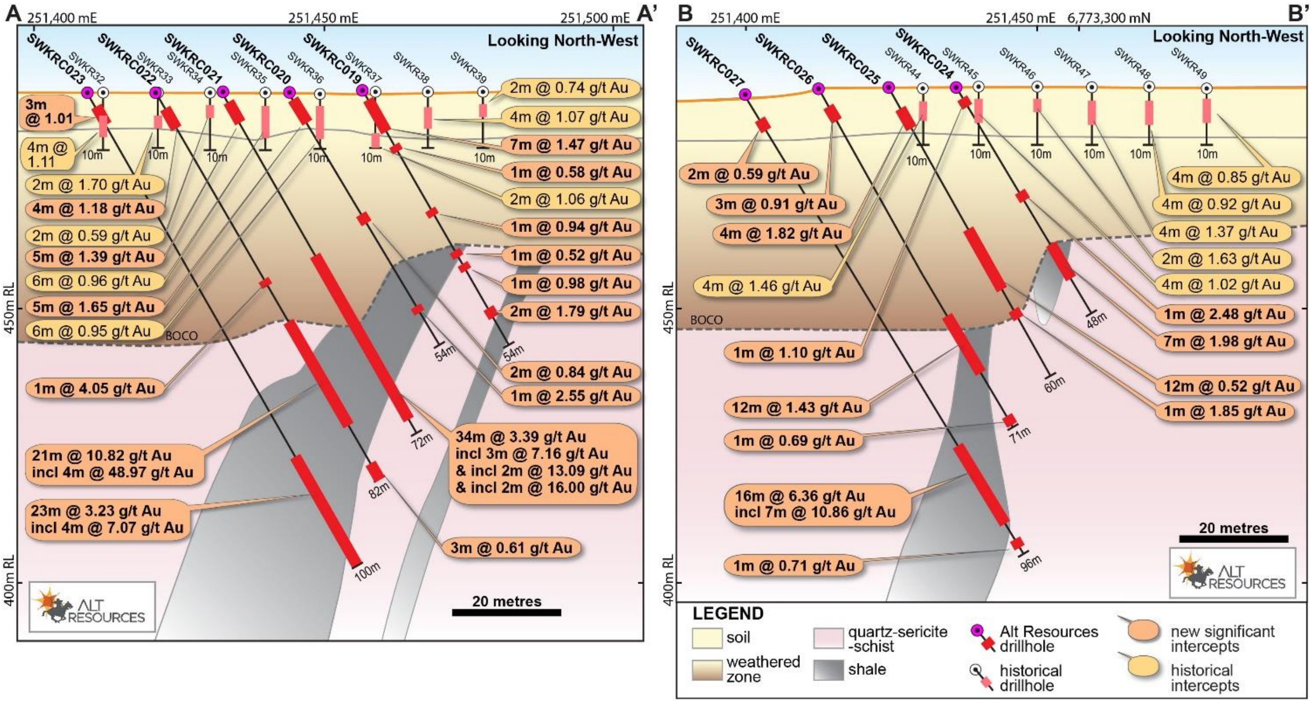


Figure 6. Cross-sections AA' and BB' at the Southwark Deposit showing the results of Alt's new drilling during the reporting period. The location of these cross-sections is shown in Figure 7.

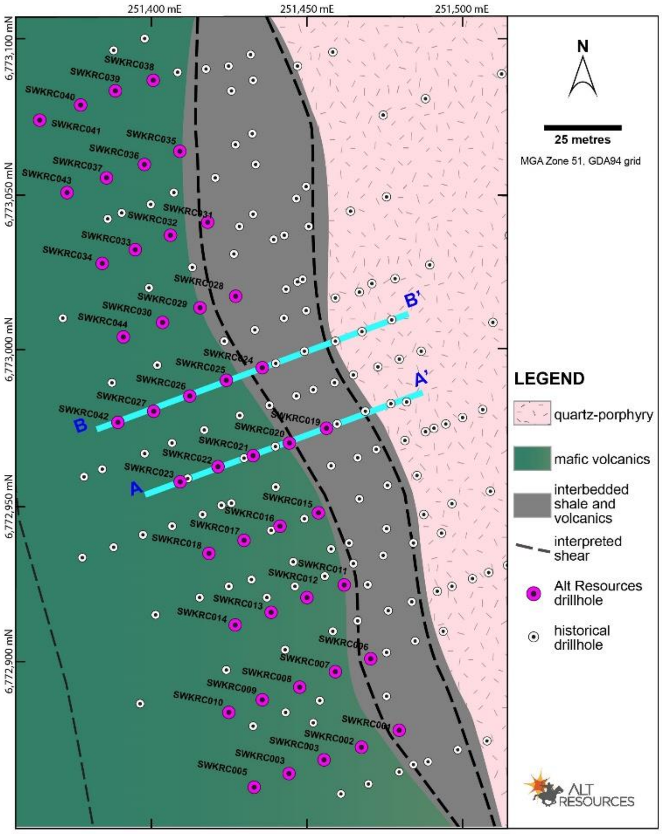


Figure 7. Plan map of the Southwark Deposit showing the location of Alt's new RC drilling during the reporting period. The location of the cross-sections in Figure 6 are shown as blue lines.

Resource Estimation

On the 16th August, 2018, Alt Resources announced the maiden JORC resource for the Emu and Southwark deposits at Bottle Creek[1]. The resulting resource estimate of **1.65Mt @ 2.1 g/t Au, for 109,500 oz gold** including **1.55Mt @ 13.0 g/t Ag for 0.65 Moz silver** constitutes the first modern resource for the Bottle Creek Gold Project and the first resource estimate undertaken by Alt Resources within its larger Mt Ida Gold Project. The Mt Ida Gold Project contains multiple exploration and mining targets. In combination with existing Mineral Resources within the Mt Ida Gold Project[5], at the Quinns and Mt Ida South projects, Alt's combined Mineral Resource Inventory now stands at **2.8 Mt @ 2.25 g/t Au, for 206,800 oz Au.** *Table 1* gives the details of estimated gold mineral resources for Bottle Creek, Quinns and Mt Ida South. *Table 2* gives the silver mineral resource contained within the Bottle creek gold resource.

[5] See ARS announcement, 16th January, 2018: https://www.altresources.com.au/wp-content/uploads/2018/01/ARS_ASX_Mt-Ida-Acquisition-16Jan18-Final.pdf

Table 1. Mineral resource inventory for Alt Resources, including the Bottle Creek Gold Project and Mt Ida Gold Projects (including Quinns and Mt Ida South). Resource estimates for the Mt Ida Project were determined by Latitude Consolidated Ltd (LCD) and announced by LCD on the 14th September, 2016. The grade cutoff for the Mt Ida Project resource estimates is Au > 1 g/t. The cutoff for Alt's new Bottle Creek resource estimate is Au > 0.5 g/t.

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes	Grade (Au g/t)	Oz (Au)	Tonnes	Grade (Au g/t)	Oz (Au)	Tonnes	Grade (Au g/t)	Oz (Au)	Tonnes	Grade (Au g/t)	Oz (Au)
BOTTLE CREEK PROJECT												
Emu				991,004	2.23	71,157	93,063	1.60	4,786	1,084,066	2.18	75,943
Southwark				121,710	0.98	3,823	440,155	2.10	29,741	561,865	1.86	33,564
Bottle Creek Total				1,112,714	2.09	74,980	533,218	2.01	34,537	1,645,931	2.07	109,507
MT IDA GOLD PROJECT												
QUINNS PROJECT												
Boudie Rat				130,000	3.0	12,200				130,000	3.0	12,200
Forrest Belle	130,000	2.5	10,300				30,000	3.6	3,500	160,000	2.7	13,600
Boudie West							100,000	2.1	6,700	100,000	2.1	6,500
Belvidere				30,000	3.8	3,300				30,000	3.8	3,300
Boudie Beach				10,000	2.5	600				10,000	2.5	600
Quinn Hills				20,000	5.	3,900				20,000	5.7	3,900
Matisse East							40,000	1.8	2,100	40,000	1.8	2,100
Matisse West							70,000	1.5	3,200	70,000	1.5	3,200
MOUNT IDA SOUTH PROJECT												
Tim's Find				360,000	2.6	30,900				360,000	2.6	30,900
Spotted Dog North							250,000	1.9	15,200	250,000	1.9	15,200
Spotted Dog South							70,000	2.2	5,100	70,000	2.2	5,100
Mt Ida Total	130,000	2.5	10,300	550,000	2.9	50,900	560,000	2.0	36,100	1,240,000	2.5	97,300
GRAND TOTAL	**130,000**	**2.50**	**10,300**	**1,662,714**	**2.36**	**125,880**	**1,093,218**	**2.01**	**70,627**	**2,885,932**	**2.23**	**206,807**

Table 2. Silver (Ag) Mineral Resource contained within the Bottle Creek gold resource.

Deposit	Classification	Material	Tonnes	Grade g/t Ag	Ounces Ag
Emu	Inferred	*Laterite*	9,865	2.04	646
		Oxide	140,583	6.37	28,801
		Transition	657,993	12.82	271,140
		Fresh	222,630	19.57	140,073
Emu Total			1,031,071	13.29	440,660
Southwark	Inferred	*Laterite*	91,192	1.72	5,037
		Oxide	125,007	3.69	14,846
		Transition	271,025	16.03	139,681
		Fresh	32,306	47.72	49,564
Southwark Total			519,530	12.52	209,127
GRAND TOTAL			1,550,601	13.03	649,787

Aircore Drilling

Alt Resources recently completed a ~320m aircore drilling program across the historical Bottle Creek tailings dams. The 2 tailings dams are approximately 300 x 300 and 400 x 400 metres respectively and contain gold and silver-bearing tailings soil from the historical mining cycle undertaken at Bottle Creek during 1988-1989 operations. Results from this drilling returned results up to **1.28 g/t Au** and **18.4 g/t Ag**[6], revealing that the tailings dams contain some potential for exploitation. A second, systematic aircore program is planned to more effectively delineate a volume that could be incorporated in an overall Bottle Creek gold (+silver) resource.

Additional Activities

Gold-enriched laterites (surficial weathered soil horizon, rich in iron other elements) occur at a number of locations along strike at Bottle Creek. The zones of laterite display consistently anomalous gold mineralisation, which is evident in the assayed results from the recent RC drilling programs[7] and also in historical reports from the previous explorer (see Norgold Ltd open file historical report, 1989, a28505). These shallow gold-enriched zones represent additional targets for Alt's ongoing exploration and resource expansion program.

Additionally, Alt is undertaking a structural geological review of the wider region in order to identify cross cutting structures and splays visible in the magnetics for future drill targeting. The northern end of the Mt Ida shear is a significantly underexplored region with very few diamond holes drilled at depth.

[6] See ARS announcement, 10th August, 2018: https://www.altresources.com.au/wp-content/uploads/2018/08/ARS-ASX-Bottle-Creek-Tailings-Dam-Re-Processing-Potential.pdf
[7] See Alt Quarterly, June 2018 for summary of results: https://www.altresources.com.au/wp-content/uploads/2018/07/ARS-Alt-Resources-June-Quarterly-2018-Final.pdf

Mt Ida and Quinns Projects (Mt Ida Gold Project)

E29/649, E29/748, E29/790, E29/901, E29/921, E29/930, E29/943, E29/969, E29/970, E29/971, E29/973, E29/993, E29/997, E29/998, E29/1007, E29/1008, E29/1014, E29/1016, M29/36, M29/37, M29/65, M29/421

Mt Ida Project acquisition

In January Alt entered a binding Heads of Agreement ("HOA") with Latitude Consolidated Limited to purchase Latitude's Mt Ida Project tenements located approximately 200km northwest of Kalgoorlie in Western Australia. This acquisition was completed in May 2018 following Alt satisfying all terms of the HOA as detailed below:

- Alt to make a cash payment of $400,000 to LCD within seven days of signing the Agreement;
- Alt to issue $750,000 in tradeable fully paid ordinary ARS shares at a deemed price of 6 cents for a total of 12,500,000 shares, with a voluntary escrow period of 6 months as at the 31st March 2018;
- Alt to grant $250,000 of options over fully paid ordinary ARS shares, being 3,125,000

options, with each option having an exercise price of 8 cents and exercisable for 3 years from date of issue. The issue of shares and options pursuant to the acquisition of the LCD assets is subject to shareholder approval; and

- Alt to make a cash payment of $600,000 to LCD on or before the 31st March, 2018.

The Mt Ida Gold Project now consists of an exploration tenement package encompassing the Mt Ida and Ballard Faults (*Figure 8*). The Mt Ida Fault and associated splays host mineralisation at the Bottle Creek Gold Mine. The Ballard Fault and associated splays is host to a near continuous mineralised sequence, including known JORC resources at the Quinns Project (including the Matisse and Quinn Hills deposits, and the Quinns Mining Centre) in the north, and the Mount Ida South Project (including the Spotted Dog and Tim's Find deposits) in the south (Figure 8).

The Mt Ida Gold Project contains the Quinns Mining Centre and the Tims Find prospects which contain a JORC 2012 compliant resource comprising 1.24 Mt @ 2.5 g/t Au for 97,300 oz Au[8]. In addition, numerous historical prospects and workings exist along the known mineralised trend, and represent excellent shallow, walk-up drill targets.

[8] See ARS announcement, 16th January 2018, and LCD announcement 14th September 2016, for Mt Ida Project Resource statement: https://www.altresources.com.au/wp-content/uploads/2018/01/ARS_ASX_Mt-Ida-Acquisition-16Jan18-Final.pdf

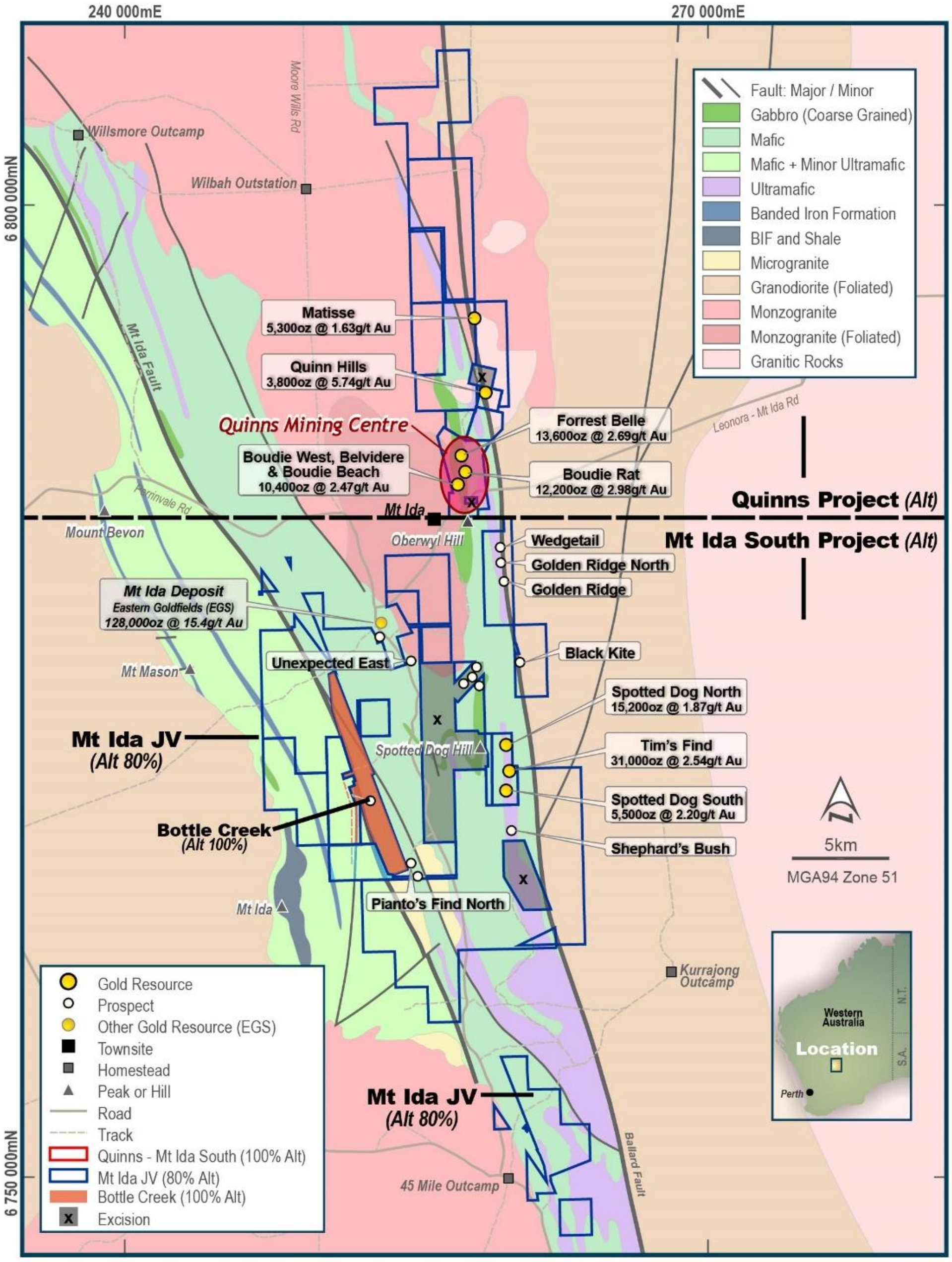


Figure 8. Location of the Quinns, Mt Ida South and Mt Ida JV Projects, in the Mt Ida Greenstone Belt, WA. The position of the licences is shown relative to the Bottle Creek Project.

Mount Roberts Gold Project

M36/279, M36/341, E36/843

The Mount Roberts Project is located 9 km northwest of Leinster and 19 km northeast of the 3.8 Moz Agnew Gold Mine (Gold Fields Ltd) and is held in Joint Venture with Mount Roberts Mining. The project lies within the Agnew-Wiluna Greenstone belt, which is host to several major gold deposits including the Agnew Gold Mine, Lawlers and Vivien, within or near the Agnew Gold Camp.

Gold mineralisation occurs on the sheared contact between the ultramafic and mafic units. It forms a west dipping lens associated stacked quartz veining. Mineralisation has been intersected in historical drilling along a 200m strike length but remains open to the north and south.

Previously, Alt conducted a successful RC drilling campaign in 2016, completing 2,088m at the Mt Roberts project. High grade gold was intersected during this drilling program, confirming a 200m strike length for mineralisation at the Mt Roberts Workings. Significant intercepts included:

- **MRRC0003: 3m @ 28 g/t Au,** including **1m @ 67.4 g/t Au**
- **MRRC0008: 1m @ 20.3 g/t Au**
- **MRRC0009: 1m @ 24.4 g/t Au,** and **4m @ 7.96 g/t Au,** including **2m @ 13.75 g/t Au**

In September 2017 Alt completed a 1,490m RC drilling program, focussed on outlying targets to the south and east of the main Mt Roberts Workings (*Figure 9*). This drilling program brings the total metres drilled by Alt at the project to 3,577m, which satisfies the earn-in requirements for 51% of the project, under the agreement with Mount Roberts Mining Pty Ltd.

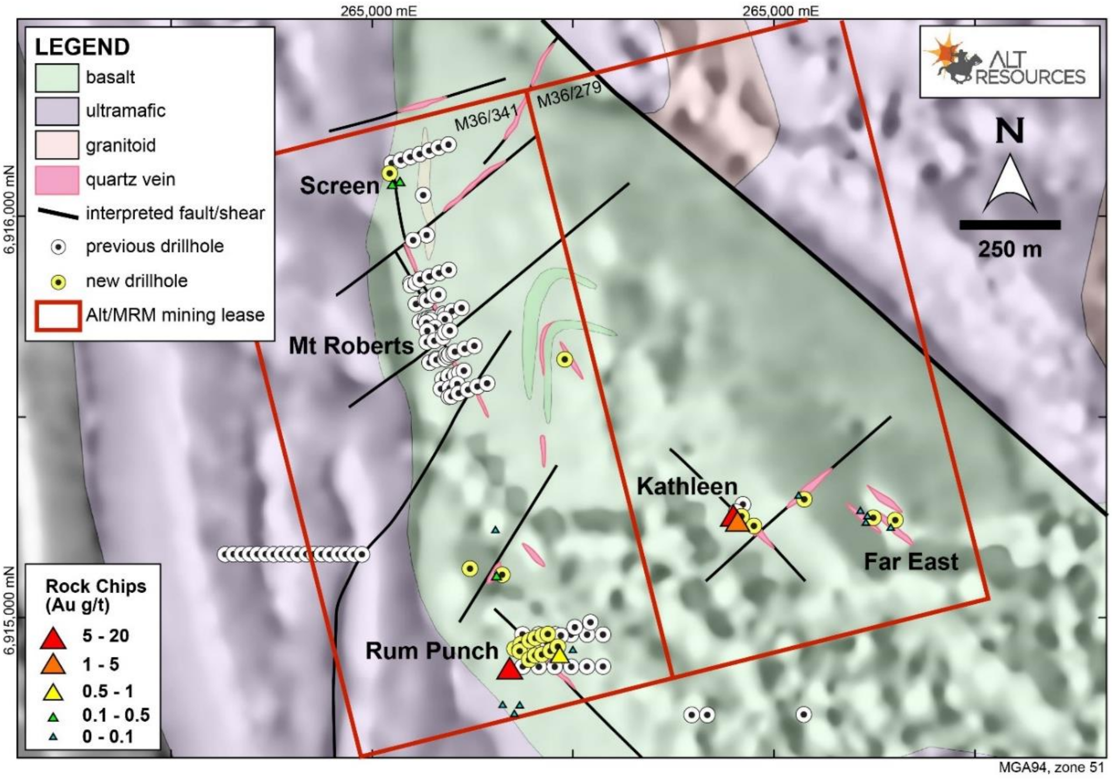


Figure 9. Mt Roberts area, showing the location of key prospects, Alt's new drillholes (yellow), and new rock chip samples (triangles) with interpreted geology in the background, overlain on a greyscale magnetic image derived from the Jubilee aeromagnetic survey, flown in 2000.

This new drilling intercepted significant gold mineralisation along strike to the south of known mineralisation at Rum Punch, with new results up to **9.84 g/t Au** (*Figure 10*). Significant results include:

- **MRRC0039: 6m @ 0.50 g/t Au,** including **1m @ 1.80 g/t Au**
- **MRRC0042: 1m @ 1.19 g/t Au**
- **MRRC0043: 2m @ 1.27 g/t Au**
- **MRRC0044: 1m @ 1.28 g/t Au**
- **MRRC0045: 1m @ 9.84 g/t Au**
- **MRRC0047: 1m @ 1.07 g/t Au,** and **1m @ 1.28 g/t Au**

These results have confirmed gold mineralisation in a combination of historical WMC holes, as well as previous and new Alt Resources drillholes, and have extended mineralisation at least 40m along strike. The surface expression of possible mineralised quartz veins and structures is locally ~150m, with interpreted extension all the way to the Mt Roberts workings, 700m to the north. A gossanous quartz-ironstone rock chip sample was collected from previously un-mapped prospecting pits. This sample assayed at **15.85 g/t Au**.

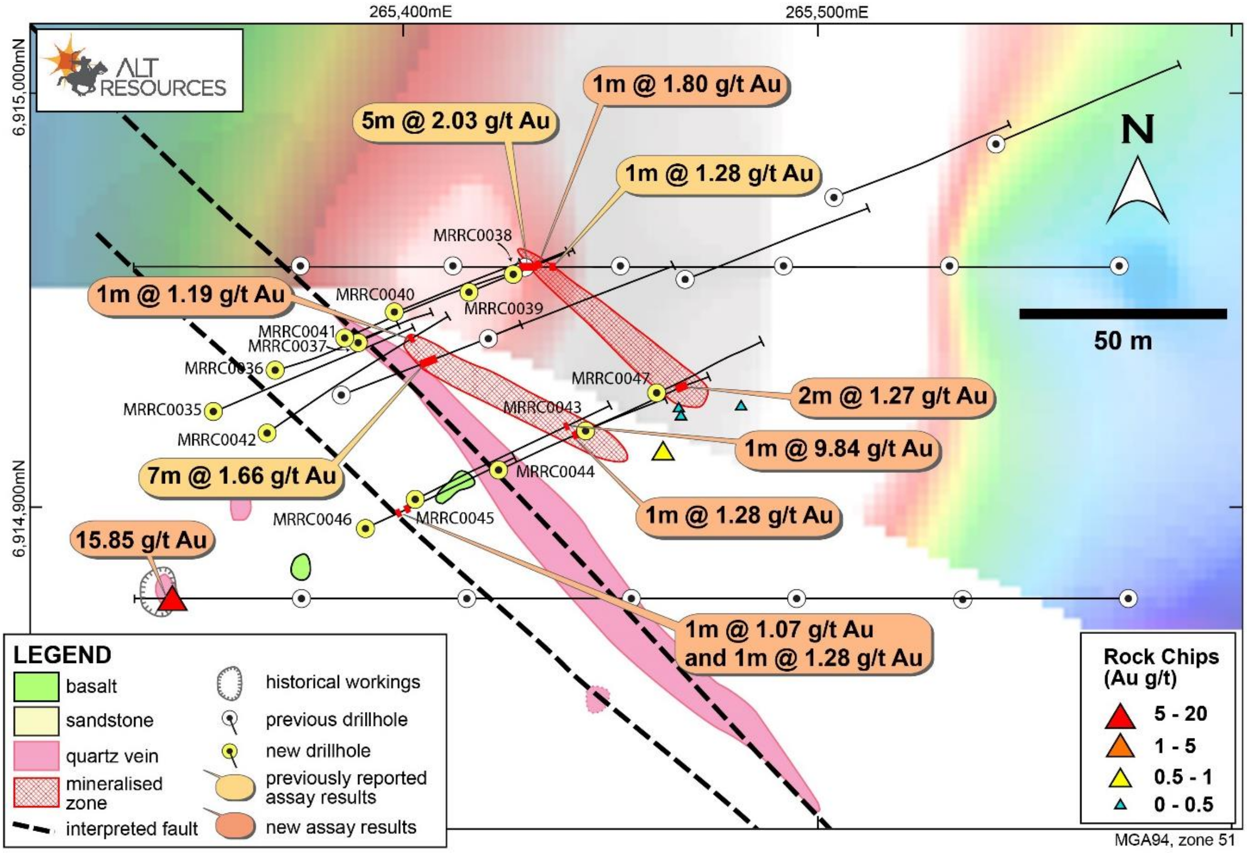


Figure 10. Location of new and previous drilling at Rum Punch (plan view), with significant intercepts shown. New results are highlighted in darker orange. The background image is gridded gold in soils from WMC. Mapped geology is shown as outcrop distributions, with interpreted faults and mineralised zones. New rock chip samples are also shown as triangles, coloured by grade.

Significant intercepts were also recorded for the Kathleen and Far East prospects, to the east of Mt Roberts and Rum Punch[9]. Whilst the grades are modest, the result provides the Company confidence to continue exploration in previously untested areas. Significant intercepts included:

- **MRRC0054 (Kathleen): 1m @ 3.05 g/t Au**
- **MRRC0050 (Far East): 3m @ 0.75 g/t Au,** including **1m @ 1.41 g/t Au**

Planned exploration activities at Mount Roberts include:

- Commence Stage 3 resource drilling program at Mount Roberts Workings to extend mineralisation identified in Stage 1, both at depth and along strike
- Complete native title agreement with the Tjiwarl native title holders for E36/843
- Commence diamond drilling at Mt Roberts and Rum Punch, under the Exploration Incentive Scheme
- Carry out field reconnaissance, mapping, sampling and drilling of targets identified from the prospectivity analysis based on new interpretation of aeromagnetic data.

[9] See ARS announcement, 6th November 2017: https://www.altresources.com.au/wp-content/uploads/2017/11/Announcement-New-Gold-Prospects-Confirmed-At-Mt-Roberts-6Nov17.pdf

Norseman-Lake Cowan Gold Project

E63/1843, E63/1849

These contiguous tenements lie on several of the most significant structural corridors of the Norseman Gold Field, including the Mission Fault, Mt Barker Fault, Wheel Fault, Fram Island Fault and the Mission Sill.

The tenement package straddles the Jimberlana Dyke to the north and south and lies adjacent to two Lake Cowan projects drilled historically by Western Mining in the 1990's.

E63/1843 was granted to Alt Resources on the 2nd October, 2017. E63/1849 remains under application.

With a strong focus on other key project, Alt intends to relinquish the Norseman-Lake Cowan tenements.

Myalla Gold and Base Metals Project, NSW

EL8416

The Myalla Project is located in southern NSW and encompasses historical gold workings at the Rock Lodge Prospect (Figure 11).

The Company completed a small RC drilling program early in 2018 to test historical intercepts of massive sulphides with recorded grades up to **4.28 g/t Au, 35 g/t Ag, 0.79% Cu and 13.5% Zn**.

Six holes (MYRC001 to MYRC006; *Figure 11*) were drilled for 557m, targeting mineralisation beneath historical workings and adjacent historical holes aiming to confirm significant intercepts from the 1980s. Alt's RC program represents the first modern exploration at the Rock Lodge Prospect in over 25 years.

Significant intercepts included:

- **MYRC001: 3m @ 2.1 g/t Au, 3.7 g/t Ag** and **174 g/t Bi** from 17m, and

2m @ 2.7 g/t Au, 11.8 g/t Ag, 300 g/t Bi and **0.48% Cu** from 62m

- **MYRC003: 1m @ 5.4 g/t Au, 55.6 g/t Ag** and **212 g/t Bi** from 40m
- **MYRC004: 1m @ 1.1 gt/t Au, 8.0 g/t Ag, 0.21% Cu** and **0.11% Zn** from 32m
- **MYRC005: 2m @ 1.6 g/t Au, 9.5 g/t Ag** and **903 g/t Bi** from 19m, and

1m @ 1.4 g/t Au, 37.5 g/t Ag, 163 g/t Bi and **1.56% Pb** from 23m, and
1m @ 4.8 g/t Ag, 0.48 % Pb and **1.46 % Zn** from 57m

- **MYRC006: 1m @ 3.0 g/t Au, 11.4 g/t Ag** and **685 g/t Bi** from 38m

Drilling results confirmed the system as polymetallic, with possible Intrusion-Related Gold System affinities given the presence of anomalous Bismuth in most holes (up to **0.12% Bi** in drillhole MYRC005). This is similar to Alt's interpretation for the nearby Paupong mineralised system.

Following on from these results, Alt is planning a deeper diamond drilling program to test IP and EM (induced polarisation and electro-magnetic) anomalies identified in geophysical surveys undertaken in 2016-2017.

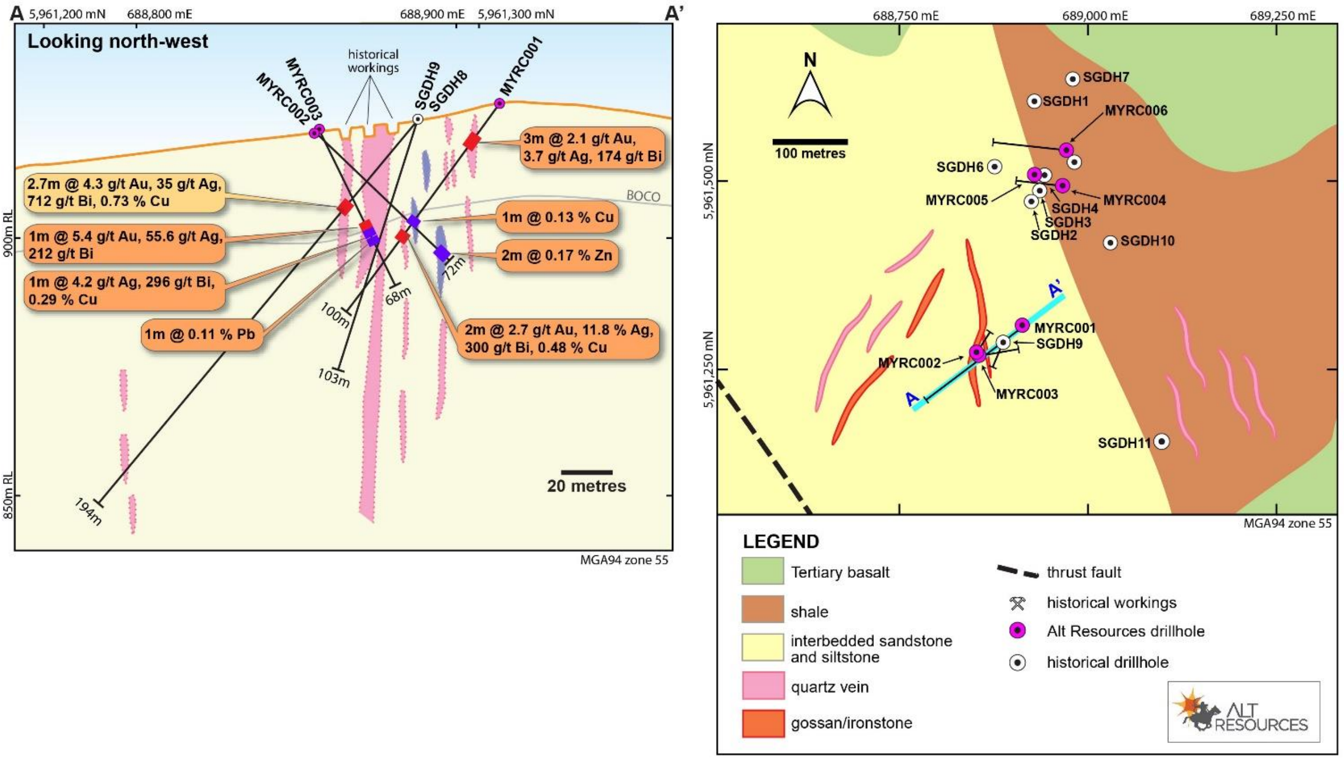


Figure 11. Representative cross-section AA' (left) and plan map (right, showing section location) of Alt's new RC drilling at the Myalla Project. Significant intercepts are shown in Section AA' for both new drilling by Alt Resources, and historical drilling.

Paupong Gold Project

EL7825, EL8645, EL8382

The Paupong Project is located approximately 15 km south-west of the town of Dalgety, 20 km south-east of Jindabyne, and 40 km southwest of Cooma). Paupong is interpreted as an Intrusion-Related Gold System (IRGS) based on geological and geochemical characteristics and forms an 8 x 4 km polymetallic mineralised footprint, with up to **14 g/t Au** and **451 g/t Ag** in rock chips, with associated **Cu (up to 3.8 %), Pb (up to 4.1 %), Zn (up to 1.0 %)** and **Bi (up to 1.4 %)**. Localised anomalous Te is also evident, up to **78 g/t** and zoning of all metals is present on both a local and regional scale.

The project area is characterised by a linear trend of granitoids and granodiorites which have intruded along a faulted zone. These intrusives are more deformed than surrounding massive Kosciuszko and Berridale Batholiths, and show pervasive fracturing, shearing, weak pyrite mineralisation and localised stockwork or sheeted veining with anomalous polymetallic mineralisation.

Drilling by Alt Resources has been conducted over several programs since 2013. Highlights from these programs include:

Kidman Prospect

- 7.5m @ 1.25 g/t Au, 3.1 g/t Ag and 0.23 % Cu
- 2m @ 1.05 g/t Au
- **4.4m @ 1.0 g/t Au, 1.8 g/t Ag, 0.13 % Cu**
- 0.8m @ 1.43 g/t Au, 1.5 g/t Ag, 0.12 % Cu

Windy Hill Prospect

- 0.8m @ 184 g/t Ag, 4.1 % Pb, 1% Zn, 478 g/t Bi
- **0.3m @ 83.6 g/t Ag, 0.17 % Pb, 3.8 % Cu, 0.3 % Bi, 0.4 g/t Au**
- 0.4m @ 1.16 g/t Au, 8.9 g/t Ag

A comprehensive review of geochemical data (including stream sediment samples soil samples, rock chip samples and drilling samples) was conducted for the Paupong Project. The result of this review is the identification of elevated to moderate grade cobalt (up to **0.12% Co**) in drillcore associated with polymetallic Au-Ag-Cu sulphide mineralisation. Cobalt appears to be particularly elevated in the Kidman area which was drilled in 2015-2016. Mineralisation with elevated cobalt occurs in localised occurrences of massive sulphide (pyrite-dominated, plus chalcopyrite) associated with quartz veins.

A review of geophysical data (including aeromagnetic and Induced Polarisation data) is also underway for the Paupong Project. A similar review was conducted for the Mt Roberts Project, with excellent exploration targeting outcomes (described in the Mt Roberts section). The results of the Paupong review will incorporate the new understanding of geophysical signatures obtained from drilling of combined magnetic, IP and geochemical targets at Windy Hill in early 2017. Drilling of geophysical targets at Windy Hill intersected major magnetite + pyrrhotite-bearing alteration, with anomalous, geochemically zoned Au + Ag + Bi + Cu + Pb + Zn mineralisation.

Planned short-term exploration activities at Paupong include:

- Re-analysis and re-processing of 2016 magnetic survey in light of new geological understanding at Windy Hill
- Finalise soil sampling at Lone Ranger
- Continue regional reconnaissance work to expand known areas of prospectivity

Divestments

EL8382 at Paupong expired on the 28th July 2018 and was not renewed by Alt Resources.

With the focus on other key projects, including the significant commitment to undertake resource drilling at Bottle Creek, Alt Resources elected to terminate the Fiery Creek Joint Venture and Farm-In Agreement with Ironbark Zinc Ltd. Similarly, Alt's Board have elected to release the tenements at the 100% Alt-owned Norseman-Lake Cowan project.

Competent Persons Statement

The information in this report that relates to mineral exploration and exploration potential is based on work compiled under the supervision of Dr Helen Degeling, a Competent Person and member of the AusIMM. Dr Degeling is an employee of Alt Resources and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Degeling consents to the inclusion in this report of the information in the form and context in which it appears.

No Representation, Warranty or Liability

Whilst it is provided in good faith, no representation or warranty is made by Alt or any of its advisers, agents or employees as to the accuracy, completeness, currency or reasonableness of the information in this announcement or provided in connection with it, including the accuracy or attainability of any Forward Looking Statements set out in this announcement. Alt does not accept any responsibility to inform you of any matter arising or coming to Alts' notice after the date of this announcement which may affect any matter referred to in this announcement. Any liability of Alt, its advisers, agents and employees to you or to any other person or entity arising out of this announcement including pursuant to common law, the Corporations Act 2001 and the Trade Practices Act 1974 or any other applicable law is, to the maximum extent permitted by law, expressly disclaimed and excluded.

Corporate Update

Placement

In April, the Company raised via placement $2,817,000 before issue costs, following lead managers, Canary Capital and the Company receiving in excess of $5,000,000 in applications for shares from existing, sophisticated and professional investors.

The Placement was conducted in two tranches to sophisticated and professional investors. The Shares under the first tranche to raise $1,791,186 were issued on 26 April 2018 using the Company's available placement capacity under ASX Listing Rules 7.1. and 7.1A.

The second tranche raised an additional $1,025,812.00 with Shares issued following the receipt of necessary shareholder approval.

49,500,000 fully paid ordinary shares in the capital of the Company (Shares) were issued under the Placement at an issue price of $0.057 per Share (Issue Price). The Issue Price represented a 17.63% discount to the Company's Volume Weighted Average Price (VWAP) over the last 15 days the shares traded prior to the issue, being $0.0692.

Under the Placement the Company issued one (1) option to acquire a Share (Option) for every three (3) Shares subscribed for and issued under the Placement. The Options will be exercisable at $0.10 on or before 31 December 2019. Up to an aggregate 16,500,000 Options were issued under the Placement.

Use of Funds

- The funds raised under the Placement will be used as follows:
- To pay Latitude Consolidated Limited the cash payment of $600,000 for the Mt Ida South and Quinns Project acquisition, as announced on 16 January 2018
- To continue RC and diamond drilling programs at the Bottle Creek Gold Project
- To undertake JORC 2012 resource modelling and metallurgical studies
- To commence Pre-Feasibility studies
- To provide general working capital for the Company's current operations

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2018 has been received and can be found at page 88 of the financial report.

This Directors Report is signed in accordance with a resolution of the Board of Directors:

Director: Neva Collings

Director: William Hugh Ellis

Dated 13th September 2018

Financial Statements
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	Note	2018 $	2017 $
Revenue	2	**8,990**	1,256,961
Depreciation and amortisation expense	3, 8(a)	**(22,874)**	(30,769)
Employee benefits expense	3	**(741,821)**	(317,993)
Exploration expenditure	3	**(2,059,262)**	(1,048,856)
Finance costs	3	**(3,538)**	(5,051)
Other expenses		**(556,975)**	(504,069)
Loss before income tax		**(3,375,080)**	(649,777)
Tax expense	4	**-**	-
R & D recoupment tax expense	4(c)	**-**	(22,455)
Net loss for the year		**(3,375,080)**	(672,232)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(3,375,080)**	(672,232)

Consolidated Statement of Financial Position
As At 30 June 2018

	Note	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**708,966**	108,985
Trade and other receivables	6	**198,584**	599,263
Prepayments		**33,329**	36,592
TOTAL CURRENT ASSETS		**940,879**	744,840
NON-CURRENT ASSETS			
Investment in joint ventures and capitalised tenement costs	18	**4,845,017**	4,237,575
Financial assets	7	**66,000**	71,000
Intangible assets	28	**1,551,850**	-
Property, plant and equipment	8	**506,915**	341,978
TOTAL NON-CURRENT ASSETS		**6,969,782**	4,650,553
TOTAL ASSETS		**7,910,661**	5,395,393
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**1,734,757**	212,505
Employee benefits	11	**84,740**	47,374
Financial liabilities	10	**197,799**	12,467
TOTAL CURRENT LIABILITIES		**2,017,296**	272,346
NON-CURRENT LIABILITIES			
Employee benefits	11	**43,102**	13,926
Financial liabilities	10	**5,086**	15,828
TOTAL NON-CURRENT LIABILITIES		**48,188**	29,754
TOTAL LIABILITIES		**2,065,484**	302,100
NET ASSETS		**5,845,177**	5,093,293
EQUITY			
Issued capital	12	**12,901,678**	8,750,222
Accumulated losses	13	**(7,056,501)**	(3,656,929)
TOTAL EQUITY		**5,845,177**	5,093,293

Alt Resources Limited

ABN: 57 168 928 416

Consolidated Statement of Changes in Equity

For the year ended 30 June 2018

2018

	Note	Ordinary Shares $	Accumulated losses $	Total $
Balance at 1 July 2017		**8,750,222**	**(3,656,929)**	**5,093,293**
MGK Resources Pty Ltd Carried Forward Losses	13		**(24,492)**	**(24,492)**
		-		
Deficit attributable to members of the entity	13		**(3,375,080)**	**(3,375,080)**
Shares issued during the year	12	**4,310,081**	**-**	**4,310,081**
Transaction cost on share issued	12	**(158,625)**	**-**	**(158,625)**
Balance at 30 June 2018		**12,901,678**	**(7,056,501)**	**5,845,177**

2017

	Note	Ordinary Shares $	Accumulated losses $	Total $
Balance at 1 July 2016		7,266,217	(2,984,697)	4,281,520
		-		
Deficit attributable to members of the entity	13		(672,232)	(672,232)
Shares issued during the year	12	1,575,920	-	1,575,920
Transaction cost on share issued	12	(91,915)	-	(91,915)
Balance at 30 June 2017		8,750,222	(3,656,929)	5,093,293

Alt Resources Limited

ABN: 57 168 928 416

Consolidated Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
GST refunds received from ATO		**156,293**	141,251
Payments to suppliers and employees		**(1,486,102)**	(2,611,366)
Income received		**8,990**	1,256,961
Interest paid		**(3,538)**	(5,051)
Net cash provided by (used in) operating activities	21	**(1,324,357)**	(1,218,205)
Purchase of plant and equipment	8(a)	**(245,424)**	(33,389)
Proceeds from sale of assets		**5,000**	-
Purchase of equity-accounted investments	18	**(614,435)**	(406,599)
Increase in Intangible Assets	28	**(1,551,850)**	-
Decrease / (increase) in Loan receivables		**5,000**	-
Net cash used by investing activities		**(2,401,709)**	(439,988)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		**174,591**	(19,692)
Proceeds from issue of shares	12	**4,310,081**	1,575,920
Transaction cost on share issue	12	**(158,625)**	(91,915)
Net cash used by financing activities		**4,326,047**	1,464,313
Net increase (decrease) in cash and cash equivalents held		**599,981**	(193,880)
Cash and cash equivalents at beginning of year		**108,985**	302,865
Cash and cash equivalents at end of financial year	5	**708,966**	108,985

1 Summary of Significant Accounting Policies

The consolidated financial statements of the Group as at and for the year ended 30th June 2018 comprise the Company and its subsidiary (together referred to as the "Consolidated Entity" or "Group"). The Consolidated Entity is comprised of for-profit Companies limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Alt Resources Limited is Australian dollars.

The financial statements were authorised for issue on 14th September 2018 by the directors of the Company and Group.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit consolidated entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Basis of Consolidation

Subsidiaries

The consolidated financial statements comprise of the assets and liabilities of Alt Resources Limited and its subsidiary, MGK Resources Pty Ltd at 30 June 2018 and the results of the subsidiary for the period then ended. A subsidiary is any entity controlled by Alt Resources Limited.

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the Group 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 deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Goodwill upon consolidation has been created by the consolidation of Alt Resources and MGK Resources Pty Ltd. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period which Alt Resources Limited has control.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquisition. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

1 Summary of Significant Accounting Policies continued

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(c) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest in net assets are classified as a joint venture and accounted for using the equity method.

Investments in joint ventures are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the joint ventures. In addition, the Group's share of the profit or loss of the joint ventures is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the joint ventures. Any discount on acquisition, whereby the Group's share of the net fair value of the joint ventures exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

When the Group's share of losses in joint ventures equals or exceeds its interest in the joint ventures, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures. When the joint ventures subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

1 Summary of Significant Accounting Policies continued

(d) Going concern

This report has been prepared on going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.
The Group has incurred a loss of $3,375,080 (2017 loss: $672,232) funded by raising share capital.

The ability of Group to continue as a going concern is dependent on:

i) the completion of the capital raising program;

ii) the ability to meet projected revenue levels; and

iii) the retention of overheads at budgeted levels.

The directors have reviewed the Group's financial position and cash flow forecasts for the next twelve months, which shows that the Group will be able to meet its debts as and when they fall due and payable and are, therefore, of the opinion that the use of the going concern basis of accounting is appropriate. This is based on the belief that the Group will complete its capital raising program, it will meet projected revenue from its mining activity, and that the Group will be able to retain overheads at budgeted levels.

Should the Group not achieve the matters set above, there is uncertainty whether the Group will continue as a going concern and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments to assets and liabilities that may be necessary if the Group is unable to continue as going concern.

(e) Income Tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

1 Summary of Significant Accounting Policies continued

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Alt Resources Limited and its wholly-owned subsidiary have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the "stand-alone taxpayer" approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiary are immediately transferred to the parent entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 12th January 2018.

(f) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

(g) Comparative Figures

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

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(h) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

1 Summary of Significant Accounting Policies continued

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(i) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

(j) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(m) for further discussion on the determination of impairment losses.

(k) Plant and Equipment

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

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(m) for details of impairment).

1 Summary of Significant Accounting Policies continued

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	22.5%
Computer Equipment and Software	25%-66.67%
Leasehold Improvements	10%-22.22%
Plant & Equipment	13.33%-66.67%
Office Equipment	40%-66.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(l) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

1 Summary of Significant Accounting Policies continued

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group’s intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised,

1 Summary of Significant Accounting Policies continued

the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a company of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (include: loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

1 Summary of Significant Accounting Policies continued

(m) Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(o) Employee benefits

(i) Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

(ii) Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

1 Summary of Significant Accounting Policies continued

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(p) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(q) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(r) Exploration and development expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

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

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project 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 structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

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.

1 Summary of Significant Accounting Policies continued

(s) Critical accounting estimates and judgments

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

Impairment – general

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgements

(i) Issuing of Shares

The Board of Directors of Alt Resources Limited resolved to issue fully paid shares with issue prices of 5, 5.7, 6 and 8 cents per share. See Note 12 for details of shares issued.

A share Purchase plan with a discounted share price of 5 cents per share was over-subscribed by shareholders during December 2017.

(ii) Exploration and evaluation expenditure

The Group capitalizes expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. See Note 18 for details of capitalized exploration costs.

(t) New Accounting Standards and Interpretations

Accounting Standards and Interpretations issued by the AASB that are not yet mandatory applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

1 Summary of Significant Accounting Policies continued

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116 : Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15 : *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8 : Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements in AASB 118 and the related interpretations. 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 the goods or services. Revenue is recognised through a five-step process that notably involves identifying a contract with customer and the related performance obligations and recognising revenue (as a portion of transaction price allocated to such performance obligations) as and when the performance obligation is satisfied.

The key areas of change that may impact the Group's financial statements have been identified below:

- identification and categorisation of performance obligations on each contract, which would influence the timing of revenue recognition on each contract deliverable;
- capitalisation of costs incurred in procuring a contract that is expensed under the existing accounting policies;

1 Summary of Significant Accounting Policies continued

- upfront estimation of credit risk applicable to each customer and factoring the same in the revenue recognition of each contract;

- estimation of the variable consideration in the transaction price and including that portion in the revenue recognition on the contract for the current year; and

- additional qualitative and quantitative disclosures regarding contracts and the related amounts.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

The assessment of the financial impact due to the above changes in accounting policies is still in progress and as such that impact is not known at this stage.

Notes to the Financial Statements

For the year ended 30 June 2018

2 Revenue and Other Income

	Note	2018 $	2017 $
Other Income			
Interest received		**850**	1,576
Profit on Sale of Assets		**-**	5,846
NSW Government Grants received	22	**-**	168,413
2016 R&D Tax Incentive received	23	**-**	512,421
2017 R&D Tax Incentive receivable	23	**-**	568,705
Other Income		**8,140**	-
		8,990	1,256,961

3 Profit for the Year

Loss before income tax from continuing operations includes the following specific expenses:

		2018 $	2017 $
Interest paid		**3,538**	5,051
Employee benefit expenses		**741,821**	317,993
Depreciation expenses	8(a)	**22,874**	30,769
Superannuation contributions		**33,643**	18,872
Rent paid		**17,207**	8,946
Exploration expenditure		**2,059,262**	1,048,856

4 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

Income tax is payable on the surplus of income less expenses. The aggregate amount of income tax attributable to the financial year differs from the amount prima facie payable on the operating profit. The difference is reconciled as follows:

	2018 $	2017 $
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2017: 28.5%)	**(928,147)**	(185,187)
Add:		
Tax effect of:		
- non-deductible expense	**56,663**	30,303
- change in tax rate	**32,431**	9,229
	(839,053)	(145,655)
Less:		
Tax effect of:		
- Other deductible expenses	**(33,994)**	(34,252)
- Other deductible expenses capital raising	**(58,984)**	(52,087)
- Non assessable Income 2016 R&D tax incentive	**-**	(146,040)
- Non assessable Income 2017 R&D tax incentive	**-**	(162,081)
- Add-back not deductible R&D costs	**-**	286,306
Tax losses not brought to account	**932,031**	253,809
Income tax expense	**-**	-

(b) Deferred Tax Asset not brought to accounts

The amounts of the deductible temporary difference and unused tax losses for which no deferred tax assets have been brought to account:

	2018 $	2017 $
- deductible temporary difference	**37,434**	15,303
- tax losses - operating in nature	**1,863,063**	804,458
	1,900,497	819,761

The benefits of the above temporary differences and unused tax losses will be realised when the conditions for deductibility set out in Note 1(e) occur. These amounts have no expiry date. The 2018 figures have been adjusted to the tax rate of 27.5% (2017 28.5%).

Notes to the Financial Statements
For the year ended 30 June 2018

4 Income Tax Expense continued

c) Clawback – R & D Recoupment Tax

As the Group is eligible to claim the 2017 Research and Development (R & D) Tax Incentive, it is required to pay Clawback – Recoupment tax. This Clawback tax is calculated at a rate of 10% of the eligible R & D expenditure which has qualified for a government recoupment grant.

	2018 $	2017 $
R & D expenditure related to recoupment	-	224,550
Clawback - R & D recoupment tax at 10%	-	22,455

5 Cash and cash equivalents

	2018 $	2017 $
Cash on hand	**10**	10
Cash at bank	**708,956**	108,975
	708,966	108,985

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2018 $	2017 $
Cash and cash equivalents	**708,966**	108,985
Balance as per statement of cash flows	**708,966**	108,985

6 Trade and other receivables

	2018 $	2017 $
CURRENT		
Trade and Other Receivables	**8,954**	-
GST receivable	**136,366**	28,012
R & D Tax incentive tax refund receivable	-	546,251
Sundry receivables	**53,264**	25,000
Total current trade and other receivables	**198,584**	599,263

7 Other financial assets

Loans receivable

	2018 $	2017 $
Department of Resources & Energy Bonds	**66,000**	71,000
	66,000	71,000

No repayment terms have been determined for the above loan. No interest has been charged.

8 Property, plant and equipment

	2018 $	2017 $
Freehold property		
At cost	**199,990**	199,990
Accumulated depreciation	**-**	-
Total freehold property	**199,990**	199,990

	2018 $	2017 $
Computer equipment & software		
At cost	**29,503**	13,023
Accumulated depreciation	**(15,361)**	(11,461)
Total computer equipment & software	**14,142**	1,562

	2018 $	2017 $
Motor Vehicles		
At cost	**163,034**	72,357
Accumulated depreciation	**(35,513)**	(24,635)
Total motor vehicles	**127,521**	47,722

	2018 $	2017 $
Leasehold Improvements		
At cost	**36,056**	24,379
Accumulated depreciation	**(6,246)**	(2,312)
Total leasehold improvements	**29,810**	22,067

	2018 $	2017 $
Plant & equipment		
At cost	**202,289**	134,064
Accumulated depreciation	**(97,154)**	(68,876)
Total plant & equipment	**105,135**	65,188

	2018 $	2017 $
Office equipment		
At cost	**7,185**	10,470
Accumulated depreciation	**(4,920)**	(5,021)
Total plant & equipment	**2,265**	5,449

	2018 $	2017 $
Computer Software		
At cost	**39,680**	-
Accumulated depreciation	**(11,628)**	-
Total computer software	**28,052**	-
Total property, plant and equipment	**506,915**	341,978

8(a) Movements in carrying amounts of property, plant and equipment

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

	Freehold Property $	Computer Equipment & Software $	Motor Vehicles $	Leasehold Improvements $	Plant & Equipment $	Office Equipment $	Total $
Year ended 30 June 2018							
Balance at the beginning of year	199,990	1,562	23,817	7,358	41,676	5,449	279,852
Additions	-	3,343	-	850	-	-	4,193
Disposals	-	-	(8,956)	-	-	(410)	(9,366)
Depreciation expense	-	(1,228)	(3,628)	(1,770)	(13,474)	(2,774)	(22,874)
Balance at the end of the year	199,990	3,677	11,233	6,438	28,202	2,265	251,805

Exploration Assets	Computer Equipment $	Motor Vehicles $	Leasehold Improvements $	Plant & Equipment $	Computer Software $	Total $
Year ended 30 June 2018						
Balance at the beginning of year	-	23,905	14,709	23,512	-	62,127
Additions	13,137	107,817	10,827	69,770	39,680	241,231
Disposals	-	-	-	(145)	-	(145)
Depreciation expense	(2,672)	(15,434)	(2,164)	(16,204)	(11,628)	(48102)
Balance at the end of the year	10,465	116,288	23,372	76,933	28,052	255,110

8(a) Movements in carrying amounts of plant and equipment continued

	Freehold Property $	Computer Equipment & Software $	Motor Vehicles $	Leasehold Improvements $	Plant & Equipment $	Office Equipment $	Total $
Year ended 30 June 2017							
Balance at the beginning of year	197,685	3,382	22,958	914	58,300	2,828	286,067
Additions	2,305	-	7,000	7,724	3,585	4,814	25,428
Disposals	-	-	-	(874)	-	-	(874)
Depreciation expense	-	(1,820)	(6,141)	(406)	(20,209)	(2,193)	(30,769)
Balance at the end of the year	199,990	1,562	23,817	7,358	41,676	5,449	279,852

<u>Exploration Assets</u>	Plant & Equipment $	Motor Vehicles $	Leasehold Improvements $	Total $
Year ended 30 June 2017				
Balance at the beginning of year	23,978	61,110	-	85,088
Additions	11,604	40,216	16,655	68,475
Disposals	-	(60,517)	-	(60,517)
Depreciation expense	(12,070)	(16,904)	(1,946)	(30,920)
Balance at the end of the year	23,512	23,905	14,709	62,126

9 Trade and Other Payables

	2018 $	2017 $
CURRENT		
Trade payables	**525,100**	23,354
Joint Venture Trade Payables	**-**	119,786
Audit Fee accrual	**12,000**	16,000
GST payable	**814**	3,636
Short term Loan payable	**-**	15,000
Superannuation payable	**29,612**	12,985
Payroll Clearing Account	**(6,339)**	
Amounts held from salary and wages	**23,733**	21,744
Sundry Creditors – Subscriptions for share issue in progress	**1,149,837**	-
	1,734,757	212,505

10 Financial Liabilities

	2018 $	2017 $
Current Liabilities:		
Short term convertible note loans	**175,000**	-
Other commercial loans	**22,799**	12,467
Total Current Financial Liabilities	**197,799**	12,467

	2018 $	2017 $
Non-current Liabilities:		
Other commercial loans	**5,086**	15,828
Total Current Financial Liabilities	**5,086**	15,828

11 Employee Benefits

	2018 $	2017 $
Current Liabilities:		
Annual leave provision	**84,740**	47,374
Non-current Liabilities:		
Long service leave provision	**43,102**	13,926

12 Issued Capital

	2018 $	2017 $
1,250,000 (2017: 1,250,000) Ordinary shares of $0.04 each	**50,000**	50,000
68,776,907 (2017: 34,999,000) Ordinary shares of $0.05 each	**3,438,845**	1,749,950
31,424,323 (2017: 0) Ordinary shares of $0.057 each	**1,791,186**	-
12,500,000 (2017: 0) Ordinary shares of $0.06 each	**750,000**	-
19,574,000 (2017: 18,574,000) Ordinary shares of $0.08 each	**1,565,920**	1,485,920
12,294,500 (2017: 12,294,500) Ordinary shares of $0.10 each	**1,229,450**	1,229,450
133,333 (2017: 133,333) Ordinary shares of $0.15 each	**20,000**	20,000
3,375,000 (2017: 3,375,000) Ordinary shares of $0.16 each	**540,000**	540,000
22,943,500 (2017: 22,943,500) Ordinary shares of $0.20 each	**4,588,700**	4,588,700
50 (2017: 50) Ordinary shares of $.20 each	**10**	10
Transaction cost on share issued	**(1,072,433)**	(913,808)
Total	**12,901,678**	8,750,222

(a) Ordinary shares

	2018 No.	2017 No.
At the beginning of the reporting period	**93,569,383**	73,495,383
Shares issued during the year		
Ordinary shares of $0.04 each	**-**	1,250,000
Ordinary shares of $0.05 each	**33,777,907**	-
Ordinary shares of $0.057 each	**31,424,323**	-
Ordinary shares of $0.06 each	**12,500,000**	-
Ordinary shares of $0.08 each	**1,000,000**	18,574,000
Ordinary shares of $0.15 each	**-**	-
Ordinary shares of $0.16 each	**-**	250,000
Ordinary shares of $0.20 each	**-**	-
At the end of the reporting period	**172,271,613**	93,569,383

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of Alt Resources Limited. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

Alt Resources Limited does not have authorised capital or par value in respect of its shares.

12(b) Performance shares

Alt Resources Limited issued 12,000,000 performance shares on 19th December 2017. These shares have no voting rights and no capital rights but will convert to fully paid ordinary shares if the two performance targets included in the purchase agreement for the acquisition of 70% of the Joint Venture with GFM Exploration Pty Ltd are met.

These performance shares are not included in the issued capital reported in the Group's Statement of Financial Position.

12(c) Options

Alt Resources Limited issued 3,110,900 options on 6th December 2017, 1,000,000 options on 17th January 2018 and 3,250,000 options on 11th May 2018. These options have no voting rights and no capital rights but will convert to fully paid ordinary shares in the future at the owners' discretion.

These options are not included in the issued capital reported in the Group's Statement of Financial Position. The total number of options issued by Alt Resources Limited is 10,860,900 (2017 3,500,000).

13 Accumulated Losses

	2018 $	2017 $
Accumulated losses		
Opening balance	**(3,656,929)**	(2,984,697)
Carried Forward Loss for MGK Resources Pty Ltd	**(24,492)**	-
Loss for the year	**(3,375,080)**	(672,232)
	(7,056,501)	(3,656,929)

14 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans receivable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements are as follows:

	Note	2018 $	2017 $
Financial Assets			
Cash and cash equivalents	5	**708,966**	108,985
Trade and other receivables (excluding GST receivable)	6	**62,218**	571,251
Loan receivables	7	**66,000**	71,000
Total financial assets		**837,184**	751,236
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables (excluding GST payable)	9	**1,733,943**	208,869
- Current Financial Liabilities	10	**197,799**	12,467
- Non-Current Financial Liabilities	10	**5,086**	15,828
Total financial liabilities		**1,936,828**	237,164

Financial risk management policies

The Board of Directors monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

Mitigation strategies for specific risks faced are described below:

Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile; managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Group's policy is to ensure no more than 30% of borrowings should mature in any 12-month period.

The following table reflects an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider there is any material risk the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year-end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

14 Financial Risk Management continued

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave and GST)	**(1,733,943)**	(208,869)	**-**	-	**-**	-	**(1,733,943)**	(208,869)
Current Loans	**(197,799)**	(12,467)	**-**	-	**-**	-	**(197,799)**	(12,467)
Non-Current Loans	**-**	-	**(5,086)**	(15,828)	**-**	-	**(5,086)**	(15,828)
	(1,931,742)	(221,336)	**(5,086)**	(15,828)	**-**	-	**(1,936,828)**	(237,164)
Total expected outflows	**(1,931,742)**	(221,336)	**(5,086)**	(15,828)	**-**	-	**(1,936,828)**	(237,164)
Financial assets – cash flows realisable								
Cash and cash equivalents	**708,966**	108,985	**-**	-	**-**	-	**708,966**	108,985
Trade and other receivables (excluding GST)	**62,218**	571,251	**-**	-	**-**	-	**62,218**	571,251
Loan receivables	**-**	-	**66,000**	71,000	**-**	-	**66,000**	71,000
Total anticipated inflows	**771,184**	680,236	**66,000**	71,000	**-**	-	**837,184**	751,236
Net (outflow)/inflow on financial instruments	**(1,160,558)**	458,900	**60,914**	55,172	**-**	-	**(1,099,644)**	514,072

14 Financial Risk Management continued

(b) Market risk

(i)Interest rate risk

The financial instruments that primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents.

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 6.

Credit risk related to balances with banks and other financial institutions is managed by the FOC in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA–. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

The following table details the Group's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

			Past due but not impaired (days overdue)				
	Gross amount	**Past due and impaired**	**< 30**	**31-60**	**61-90**	**> 90**	**Within initial trade terms**
	$	**$**	**$**	**$**	**$**	**$**	**$**
2018							
Trade and other receivables (Excluding GST receivable)	**62,218**	**-**	**-**	**-**	**-**	**-**	**62,218**
Total	**62,218**	**-**	**-**	**-**	**-**	**-**	**62,218**
2017							
Trade and other receivables (Excluding GST receivable)	**571,251**	-	-	-	-	-	**571,251**
Total	**571,251**	-	-	-	-	-	**571,251**

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

14 Financial Risk Management continued

Sensitivity analysis - Interest rate risk

Interest rate risk sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2018 $	2017 $
Change in profit		
- Increase in interest rate by 1%	**$7,090**	$1,090
- Decrease in interest rate by 1%	**$(7,090)**	$(1,090)
Change in equity		
- Increase in interest rate by 1%	**$7,090**	$1,090
- Decrease in interest rate by 1%	**$(7,090)**	$(1,090)

15 Capital Management

The directors control the capital of Alt Resources Limited in order to maintain a debt to equity ratio, provide the shareholders with planned returns and ensure the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets.

The directors effectively manage Alt Resources Limited's capital by assessing the Group's financial risks and adjusting the capital structure in response to changes in these risks. The responses include the management of debt levels, distributions to shareholders and share issues.

The gearing ratio for the year ended 30 June 2018 and 30 June 2017 are as follows:

		2018 $	2017 $
Trade and other payables (excluding GST payable)	9	**1,733,943**	208,869
Less Cash and cash equivalents	5	**(708,966)**	(108,985)
Net (asset)/debt		**1,024,977**	99,884
Equity	11	**12,901,678**	8,750,222
Total capital		**13,926,655**	8,850,106
Gearing ratio		**7.36%**	1.13%

16 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of the Group during the year are as follows:

		2018 $	2017 $
Short-term employee benefits – Earnings and Directors fees		**331,833**	237,000
Short-term employee benefits – Incentives		**50,000**	-
Post-employment benefits – Superannuation contributions		**31,348**	22,850
Share-based payments - Incentives	24	**274,895**	40,000
		688,076	299,850

Further information in relation to KMP remuneration can be found in the directors' report.

Key management personnel shareholdings

The number of ordinary shares in Alt Resources Limited held by each key management person of Alt Resources Limited during the financial year is as follows:

	Balance at beginning of year	Shares Issued	On exercise of options	Other changes during the year	Balance at end of year
30 June 2018					
Directors					
William Hugh Ellis	890,500	-	-	-	890,500
Clive Napier Buckland	442,500	400,000	-	-	842,500
Neva Collings	2,082,350	-	-		2,082,350
Other KMP					
Phillip James Anderson	1,660,650	4,497,907	-	2,487	6,161,044
	5,076,000	4,897,907	-	2,487	9,976,394

Key management personnel shareholdings continued

	Balance at beginning of year	Shares Issued	On exercise of options	Other changes during the year	Balance at end of year
30 June 2017					
Directors					
William Hugh Ellis	890,500	-	-	-	890,500
Clive Napier Buckland	450,000	-	-	(7,500)	442,500
Neva Collings	1,815,500	406,250	-	(139,400)	2,082,350
Russell John Fountain *	510,000				510,000
Barbara Jane Barron *	512,500			(10,000)	502,500
Other KMP					
Phillip James Anderson	1,792,360	281,250	-	(412,960)	1,660,650
	5,970,860	687,500	-	(569,860)	6,088,500

- Note – Russell Fountain and Jane Barron resigned from their positions as Directors of Alt Resources Limited on 7th October 2016.

For details of other transactions with key management personnel, refer to Note 20: Related Parties.

17 Remuneration of Auditors

	2018 $	2017 $
Remuneration of the auditor of the Group, Hardwickes Chartered Accountants, for:		
- auditing or reviewing the financial report	**16,500**	35,450

18 Joint Arrangements and Capitalised Tenement costs

Joint Ventures

Reconciliation of carrying amount of interest in joint ventures and capitalised exploration costs to summarised financial information for joint ventures accounted for using the equity method:

	2018 $	2017 $
Joint Venture with GFM Exploration Pty Ltd		
Opening balance	**4,147,836**	3,830,977
Investment in Joint Venture at cost	**86,963**	316,859
Carrying amount	**4,234,799**	4,147,836

18 Joint Arrangements and Capitalised Tenement costs - continued

	2018	2017
	$	$
Joint Venture with Mount Roberts Mining Pty Ltd		
Opening balance	**82,746**	-
Investment in Joint Venture and Tenements at cost	**253,957**	82,746
Carrying amount	**336,703**	82,746

	2018	2017
	$	$
Investment in Tenements at Lake Cowan WA		
Opening balance	**6,994**	-
Investment in Joint Venture at cost	**-**	6,994
Exploration costs written off	**(6,994)**	-
Carrying amount	**-**	6,994

	2018	2017
	$	$
Bottle Creek WA Acquisition cost of option to purchase		
Opening balance	**-**	-
Investment in tenements at cost	**125,000**	-
Carrying amount	**125,000**	-

	2018	2017
	$	$
MGK Resources Pty Ltd Investment in Tenements at Mount Ida South and Quinn Hills		
Opening balance	**-**	-
Investment in tenements at cost	**145,000**	-
Carrying amount	**145,000**	-

	2018	2017
	$	$
MGK Resources Pty Ltd Joint Venture with Maincoast Pty Ltd		
Opening balance	**-**	-
Investment in tenements at cost	**819**	-
Carrying amount	**819**	-

18 Joint Arrangements and Capitalised Tenement costs - continued

	2018	2017
	$	$
MGK Resources Pty Ltd Joint Venture with Gazard Investments Pty Ltd		
Opening balance	-	-
Investment in tenements at cost	2,696	-
Carrying amount	2,696	-
Total carrying amount of capitalised investment and tenement costs	4,845,017	4,237,576

Risks associated with the interests in joint ventures

The recoverability of the carrying amount of the exploration development expenditure is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Name	Classification	Place of Business	Participating Share	Free Carried Interest of Joint Venturers	Measurement Method	Carrying Amount
			2018	2018	2018	
			%	%		$
Joint Venture between Alt Resources and GFM Exploration Pty Ltd	Joint Venture	New South Wales	70%	30%	Equity Method	4,234,799
Joint Venture between Alt Resources and Mount Roberts Mining Pty Ltd	Joint Venture	Western Australia	51%	49%	Equity Method	336,703
Joint Venture between MGK Resources Pty Ltd and Maincoast Pty Ltd	Joint Venture	Western Australia	80%	20%	Equity Method	819
Joint Venture between MGK Resources Pty Ltd and Gazard Investments Pty Ltd	Joint Venture	Western Australia	80%	20%	Equity Method	2,696

Alt Resources Limited holds a 70% interest in an unincorporated Joint Venture, a strategic joint arrangement structured between the Company and GFM Exploration Pty Ltd (GFM). The principal place of business of the Joint Venture is New South Wales and the primary purpose of the joint venture is the discovery, location and declineation of Gold and all activities as are necessary or expedient for the purpose of exploring the Joint Venture Area and includes conducting a feasibility studies and all activities to produce the same and all activities as are necessarily or desirable in order to implement and give to facilitate exploration, mining and sale of Gold on behalf of the joint operators.

Alt Resources Limited has continued its joint venture farm-in of two western Australian tenements from Mount Roberts Mining Pty Ltd. Alt Resources Limited has completed the first stage of the farm-in requirement to achieve a 51% holding in these tenements. Alt Resources Limited may choose to complete the second stage farm-in prior to 31 October 2019 to achieve a 80% holding in these tenements.

Alt Resources Limited purchased MGK Resources Pty Limited and therefore control of MGK Resources' tenements in the Mount Ida South and Quinn Hills regions of Western Australia. Eight of these tenements are jointly owned by MGK Resources and Maincoast Pty Ltd or Gazard Investments Pty Ltd. MGK Resources owns 80% of these tenements in a joint venture with each of these companies.

The Joint Ventures are not created as partnerships. The rights, interests, liabilities and obligations of the parties respectively under the Joint Venture are individual and separate and will not be joint or collective and each party is responsible for its own obligations and will be liable only for its own proportionate share of any property and assets of the Joint Venture. The rights and obligation of the parties is several and neither joint nor joint and several. However, in acquiring its interest in the tenements, Alt Resources Limited has entered into an agreement with GFM Exploration Pty Ltd and Mount Roberts Mining Pty Ltd to meet all of the exploration costs of the tenements including those which would otherwise be an obligation of GFM Exploration Pty Ltd or Mount Roberts mining Pty Ld.

19 Fair Value Measurement

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

	2018		2017	
	Net Carrying Value $	Net Fair value $	Net Carrying Value $	Net Fair value $
Financial assets				
Cash and cash equivalents	**708,966**	**708,966**	108,,985	108,,985
Trade and other receivables (excluding GST receivable)	**62,218**	**62,218**	571,251	571,251
Loan Receivables	**66,000**	**66,000**	71,000	71,000
Total financial assets	**837,184**	**837,184**	751,236	751,236
Financial liabilities				
Trade and other payables (excluding GST payable)	**1,733,943**	**1,733,943**	208,869	208,869
Current Financial Liabilities	**197,799**	**197,799**	12,467	12,467
Non-current Financial Liabilities	**5,086**	**5,086**	15,828	15,828
Total financial liabilities	**1,936,828**	**1,936,828**	237,164	237,164

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave and income received in advance which are not considered to be financial instruments.

(ii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at reporting date for similar types of loans and advances. Differences between fair values and carrying values largely represent movements in the effective interest rate determined on initial recognition and current market rates.

20 Related Parties

The Group's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 16: Key Management Personnel Disclosures.

(b) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

(c) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

		2018	2017
		$	$
Orange Door Legal	Consulting Fees & Legal costs	**12,500**	1,100
Orange Door Legal	Exploration costs, consulting fees	**9,000**	7,950
2020 Accountancy Solutions Pty Ltd	Accounting Fees	**78,899**	125,332
		100,399	134,582

21 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2018 $	2017 $
Profit / (Loss) for the year	**(3,375,080)**	(672,232)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**22,874**	30,769
- depreciation – Exploration costs	**48,102**	30,920
- Loss on Disposal of Assets	**4,511**	874
- MGK carried Forward Losses	**(24,492)**	-
- In kind services for shares	**-**	-
- Capitalised exploration costs written off	**6,994**	-
Changes in assets and liabilities,		
- (increase)/decrease in trade and other receivables	**400,679**	(566,451)
- (increase)/decrease in prepayments	**3,262**	(20,551)
- increase/(decrease) in trade and other payables	**1,522,253**	(26,235)
- increase/(decrease) in employee benefits	**66,541**	4,701
Cash flow from operations	**(1,324,357)**	(1,218,205)

22 NSW Government Grants

The Group didn't receive a New Horizons NSW Government grant during 2018.

23 Research and Development Tax Incentives

Alt Resources Limited is conducting an AusIndustry approved Research and Development project as part of its expenditure. It applied for the Research and Development Tax Incentive refund on its 2016 and 2017 income tax returns. The 2016 $512,421 refund was received by the Company in April 2017 and the 2017 $568,705 refund was received in August 2017. Both refunds are included in the Group's 2017 total other income detailed in Note 2.

Alt Resources Limited intends to apply for the Research and Development Tax Incentive refund in its 2018 income tax return.

	2018 $	2017 $
2016 R&D Tax Incentive received	**-**	512,421
2017 R&D Tax Incentive receivable	**-**	568,705
Total R & D Tax Incentive refunds	**-**	1,081,126

24 Share-based Payments

During the year 1 July 2017 to 30 June 2018 the following number of shares were granted to key management personnel (KMP), employees, consultants and suppliers as share-based payments.

		2018 $	2018 Shares	2017 $	2017 Shares
KMPs	16	**274,895**	**4,497,907**	40,000	500,000
Other Employees		**-**	**-**	34,000	425,000
Other Suppliers		**20,000**	**400,000**	132,000	1,400,000
Total		**294,895**	**4,897,907**	206,000	2,325,000

The weighted average fair value of those equity instruments determined by management was $0.0602 (30 June 17 $0.0886).

Included under expenses in the statement of profit and loss is $294,895 (2017: $206,000) which relates to equity settled share-based payment transactions.

Included under transaction cost on the share issue in the statement of Changes in Equity is $0 (30 June 17 $0) which relates to equity settled share-based payment transactions.

25 Subsidiaries

The Consolidated Financial Statements include the financial statements of the Parent Entity, Alt Resources Limited and the subsidiary listed in the following table.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests	
		2018 %	2017 %	2018 %	2017 %
MGK Resources Pty Ltd	Jindabyne, NSW	100	-	-	-

Alt Resources Limited
ABN: 57 168 928 416

Notes to the Financial Statements
For the year ended 30 June 2018

26 Parent Information

	Note	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**708,966**	108,985
Trade and other receivables	6	**198,58**	599,263
Prepayments		**33,329**	36,592
TOTAL CURRENT ASSETS		**940,879**	744,840
NON-CURRENT ASSETS			
Investment in joint ventures and capitalised tenement costs	18, 27	**6,446,502**	4,237,575
Financial assets	7	**338,700**	71,000
Property, plant and equipment	8	**506,915**	341,978
TOTAL NON-CURRENT ASSETS		**7,292,117**	4,650,553
TOTAL ASSETS		**8,232,996**	5,395,393
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**1,734,757**	212,505
Employee benefits	11	**84,740**	47,374
Financial liabilities	10	**197,799**	12,467
TOTAL CURRENT LIABILITIES		**2,017,296**	272,346
NON-CURRENT LIABILITIES			
Employee benefits	11	**43,102**	13,926
Financial liabilities	10	**5,086**	15,828
TOTAL NON-CURRENT LIABILITIES		**48,188**	29,754
TOTAL LIABILITIES		**2,065,484**	302,100
NET ASSETS		**6,167,512**	5,093,293
EQUITY			
Issued capital	12	**12,901,678**	8,750,222
Accumulated losses	13	**(6,734,166)**	(3,656,929)
TOTAL EQUITY		**6,167,512**	5,093,293

	Note	2018 $	2017 $
Revenue	2	**8,990**	1,256,961
Depreciation and amortisation expense	3, 8(a)	**(22,874)**	(30,769)
Employee benefits expense	3	**(741,821)**	(317,993)
Exploration expenditure		**(1,761,419)**	(1,048,856)
Finance costs	3	**(3,538)**	(5,051)
Other expenses		**(556,975)**	(504,069)
Loss before income tax		**(3,077.237)**	(649,777)
Tax expense	4	**-**	-
R & D recoupment tax expense	4(c)	**-**	(22,455)
Net loss for the year		**(3,077,237)**	(672,232)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(3,077,237)**	(672,232)

27 Acquisition of Controlled Entities

Alt Resources Limited made the first $400,000 payment for the acquisition of MGK Resources Pty Ltd from Latitude Consolidated on 5th March 2018.

On 10th May 2018, Alt Resources Limited completed the acquisition of MGK Resources Pty Ltd from Latitude Consolidated Limited with a second payment of $600,000 and the issue of 12,500,000 shares. The total purchase price consisted of:

	$
Cash	1,000,000
12,500,000 shares in Alt Resources Ltd	750,000
Total included in Alt Resources Ltd's Statement of Financial Position	1,750,000
3,125,000 unlisted options in Alt Resources Ltd	250,000
Total purchase price of MGK Resources Pty Ltd	2,000,000

28 Intangible Asset

The consolidated reports for the group include an intangible asset – Goodwill on consolidation.
This is the combination of the acquisition cost of MGK Resources Pty Ltd and the issued capital of MGK Resources Pty Ltd.

Acquisition cost of MGK Resources Pty Ltd	1,750,000
Less: Issued Capital of MGK Resources Pty Ltd	(198,150)
Goodwill on Consolidation	1,551,850

29 Events Occurring After the Reporting Date

The financial report was authorised for issue on 14th September 2018 by the board of directors.

The Group announced its maiden JORC resource estimate at the Emu and Southwark deposits at Bottle Creek on 16th August 2018. This has increased the reserve estimates to 206,800 oz Gold (Au) and 650,000 oz Silver (Ag). Further detail is provided in the Directors' report at the Review of operations on page 33.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

30 Group Details

The registered office of Alt Resources Limited and MGK Resources Pty Ltd is:

Alt Resources Limited
64 Industrial Drive
Mayfield NSW 2304

The principal place of business of Alt Resources Limited and MGK Resources Pty Ltd is:

11-13 Baggs Street
Jindabyne NSW 2627

31 Joint Venture Details

a) Joint Venture with GFM Exploration Pty Ltd

Alt Resources holds 70% of the Joint Venture with GFM Exploration Pty Ltd holding the other 30%. Therefore the Company has beneficial and legal entitlement to 70% of the following tenements:

EL7825 Paupong NSW; EL8266 Paupong NSW; EL8382 Paupong NSW; ELA5492 Paupong NSW; EL8416 Myalla NSW.

The Group's address details provided at Note 30 above are the same for GFM Exploration Pty Ltd.

b) Joint Venture with Mount Roberts Mining Pty Ltd

Alt Resources holds 51% of the Joint Venture with Mount Roberts Mining Pty Ltd holding the other 49%. Therefore, the Company has beneficial and legal entitlement to 51% of the following tenements:

M36/279 Mount Roberts WA; M36/341 Mount Roberts WA.

c) Joint Venture with Maincoast Pty Ltd

Alt Resources owns 100% of MGK Resources Pty Ltd. MGK Resources Pty Ltd holds 80% of the Joint Venture with Maincoast Pty Ltd holding the other 20%. Therefore the Company has beneficial and legal entitlement to 80% of the following tenements:

E29/0901 Mt Ida South WA, E29/0921 Mt Ida South WA, E29/997 Quinn Hills WA, E291014 Mt Ida South WA.

d) Joint Venture with Gazard Investments Pty Ltd

MGK Resources Pty Ltd also holds 80% of the Joint Venture with Gazard Investment Pty Ltd holding the other 20%. Therefore the Company has beneficial and legal entitlement to 80% of the following tenements:

E29/969 Mt Ida South WA, E29/970 Mt Ida South WA, E29/971 Mt Ida South WA, E29/973 Mt Ida South WA.

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Hardwickes
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Hardwickes Partners Pty Ltd
ABN 21 008 401 536

Liability limited by a scheme
approved under Professional
Standards Legislation

Auditors Independence Declaration

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Alt Resources Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

Hardwickes
Chartered Accountants

Hardwickes
R Johnson

Robert Johnson FCA
Partner

Dated: 14 September 2018

Directors Declaration

The directors of the Group declare that:

1. the financial statements and notes for the year ended 30 June 2018 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the Group;

2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Director Neva Collings

Director William Hugh Ellis

Dated 13th September 2018

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Independent Auditor's Report to members

Report on the Audit of the Financial Report

Opinion

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

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

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

(a) We judge that the matter described in Note 1(c) "Going concern basis of accounting" to the financial statements is a key audit matter. There is a significant uncertainty whether the entity will be able to continue as a going concern, and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.The financial report does not include any adjustments relating to the recoverability and classification of recorded amounts or the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern. We have arrived at this position based on our assessment of
- the continued support of shareholders through the capital raising program;
- from our review of the future cash flows and budgets prepared by management to predict the timing of cash outflows and the possible requirement for future capital injections; and
- managements demonstrated ability to operate within set budgets

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

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more than accounting

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(b) We judge that the matter described in Note 18 - Joint arrangements and Capitalised Tenements costs is a key audit matter.
We have audited the expenditure and determined that its treatment is in accordance with the significant accounting policies described under "Note 1(c) - Interest in joint arrangement" and "Note 1(r) - Exploration and development expenditure".

Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

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

Hardwickes
Chartered Accountants

Hardwickes
R Johnson

Robert Johnson FCA
Partner

Dated: 14 September 2018

Canberra

Additional Shareholder Information

The following information set out below was applicable as at 7 September 2018:

SUBSTANTIAL HOLDERS
(holding not less than 5%)

There is one beneficial shareholder holding more than 5% of the total securities, that being Latitude Consolidated Limited with 12,500,000 securities, giving Latitude Consolidated Limited 6.370% of the voting rights.

NUMBER OF HOLDERS OF EACH CLASS OF SECURITIES

There are 845 holders of Fully paid Ordinary Securities
There are 148 holders of Share Options
There is 1 holder of Performance Shares

DISTRIBUTION OF SHAREHOLDERS

No. of shares Held	No. of shareholders	No. of Fully Paid Shares
1 to 1,000	12	1,131
1,001 to 5,000	5	20,004
5,001 to 10,000	158	1,523,151
10,001 to 100,000	388	17,428,563
100,001 and over	282	177,247,482
Total	**845**	**196,220,331**

No. of shares Held	No. of shareholders	No. of Options
1 to 1,000	0	0
1,001 to 5,000	0	0
5,001 to 10,000	2	13,810
10,001 to 100,000	80	4,740,916
100,001 and over	66	25,802,854
Total	**148**	**30,557,580**

No. of shares Held	No. of shareholders	No. of Performance Shares
1 to 1,000	0	0
1,001 to 5,000	0	0
5,001 to 10,000	0	0
10,001 to 100,000	0	0
100,001 and over	1	12,000,000
Total	**1**	**12,000,000**

VOTING RIGHTS

Ordinary shares – On show of hands, every shareholder present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

Options – do not carry any voting rights

Performance Shares – do not carry any voting rights

20 LARGEST SHAREHOLDINGS – ORDINARY SHARES

	Shareholder	Number of Ordinary Shares	% Held of Issued Ordinary Capital
1	Latitude Consolidated Capital	12,500,000	6.370%
2	Mr Phillip James Telford Anderson	7,372,917	3.757%
3	GFM Exploration Pty Ltd	5,115,446	2.607%
4	1215 Capital Pty Ltd	5,115,446	2.607%
5	Raoul Sansonetti & Veronica Sansonetti	3,000,000	1.529%
6	Phychiatric Consulting Services Pty Ltd	2,512,500	1.280%
7	Goldarmour Pty Ltd	2,500,000	1.274%
8	Quartz Mountain Mining Pty Ltd	2,500,000	1.274%
9	Olgen Pty Ltd	2,500,000	1.274%
10	Mr Michael McMahon & Mrs Susan McMahon	2,374,933	1.210%
11	Ms Rhiannon Kate Ellis	2,269,277	1.156%
12	Patina Resources Pty Ltd	2,250,000	1.147%
13	Le Grand Pty Ltd	2,237,000	1.140%
14	Ms Neva Collings	2,082,350	1.061%
15	Printers Envelopes & Business Forms Pty Ltd	1,962,000	1.000%
16	1180 Pty Ltd	1,910,510	0.974%
17	Mr Terence McMahon & Mrs Beverly McMahon	1,825,000	0.930%
18	Mrs Kylee Rochelle Bennett	1,750,000	0.892%
19	P Wallace Super Pty Ltd	1,641,250	0.836%
20	Jayleaf Holdings Pty Ltd	1,500,000	0.764%
20	Mr Andrew William Blackman	1,500,000	0.764%
20	Mr Keiran James Slee	1,500,000	0.764%
20	Cardinal Super Pty Ltd	1,500,000	0.764%
	Total securities of Top 20 Holdings	68,882,312	35.105%

NUMBER OF SHAREHOLDERS HOLDING LESS THAN MARKETABLE PARCEL

251 shareholders at $0.03 per share, the closing price on 7/09/2018

NUMBER OF ORDINARY SHARES SUBJECT TO ESCROW

There are no restricted equity securities on issue.
There are 12,500,000 fully paid ordinary shares on issue, and quoted, subject to voluntary escrow with an end date of 11 November 2018.