BLACK OAK MINERALS LIMITED

(formerly Southern Cross Goldfields Limited)

ABN 71 124 374 321

DIRECTORS' REPORT
and
FINANCIAL REPORT
for the year ended
30 JUNE 2015

BLACK OAK MINERALS LIMITED
ABN 71 124 374 321

DIRECTORS' REPORT AND FINANCIAL REPORT – 30 JUNE 2015

Contents

CORPORATE DIRECTORY

DIRECTORS	Jon Parker	(Non-executive Chairman)
	David Sproule	(Executive Director)
	Ken Osland	(Non-executive Director)

COMPANY SECRETARY

David Kinsman

REGISTERED OFFICE

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ACN

124 374 321

SHARE REGISTRY

Computershare Investor Services Pty Limited
117 Victoria Street
WEST END QLD 4101

AUDITORS

Deloitte Touche Tohmatsu
Level 25, 123 Eagle Street
BRISBANE QLD 4000

STOCK EXCHANGE LISTING

The Company's shares are listed and quoted on the Australian Securities Exchange Limited ("ASX").

Home Exchange: Sydney, NSW

ASX Code: BOK

CHAIRMAN'S LETTER

Dear Shareholder

The Company changed its name to Black Oak Minerals Limited in December following the merger of Southern Cross Minerals and Polymetals Limited. The change reflected a series of initiatives and transactions that fundamentally reshape the Company and deliver a clear path for the future.

Into production of silver and gold

During the year, Black Oak entered the ranks of precious metal producers with the acquisition and re-commissioning of the now-named Manuka Silver Project. And we've developed the Mt Boppy Gold Project. As of this date, first gold ore is being delivered to the Manuka Plant for processing.

The Manuka process plant is now running satisfactorily with fuel and other input costs below plan. However, silver recovery is lower than expected due to unexpected mineral presentation, and a review of Reserves/Resources has led to a restatement below levels reported by previous owners.

Mt Boppy development is complete with first gold pour due as scheduled in coming weeks. Over two years the project is planned to produce a total of 65,000 oz of gold.

Recapitalisation enables project development

The TrailStone transaction announced in early FY2015, and then approved by shareholders, involved a funding package encompassing a $25 million gold loan, a $35 million credit facility and $1 million in new equity plus warrants. This, along with a capital raising, supported acquisition and development of Manuka plus development of the Mt Boppy Mine.

Marda tolling option being assessed

The Marda Gold Project located near Southern Cross in Western Australia has all mining approvals to hand and is ready for development. While project economics are favourable, it is prudent to proceed with caution and tightly manage risk in light of market uncertainties and the short life of the project. Accordingly, the Board is looking at development options including toll treatment.

Rationalisation of assets

We continued to divest non-core tenements during the year. Most recently we announced the sale of British Hill and Battler tenements in the Marda region for $4.0m. This is particularly pleasing as it will ease cash management concerns and enable exploration investment across our extensive tenement holdings within the under-explored Marda region which has outstanding upside.

Challenging market conditions … a period of great opportunity

Challenging market conditions for the mining sector continued through the year. Low levels of demand, low commodity prices and price volatility were partially offset by a weaker AUS:US dollar exchange rate.

You will have noticed that the investment community's current conservative view on mining investment risk has brought on a slow burn of selling out of mining stocks.

This has been particularly hard on juniors. The negative sentiment may wash out soon and give rise to a period of great opportunity for investors.

Your Board remains committed to getting the best out of the assets and building value for shareholders. I thank all Board members and management for their hard work and commitment, and shareholders for their on-going support. The year ahead has its complexities and we will be diligent in working through these in the interests of all shareholders.

Jon Parker
Chairman

29 September 2015

DIRECTORS' REPORT

The directors of Black Oak Minerals Limited ("BOK") present their report on the consolidated entity consisting of BOK and the entities it controlled at the end of, or during, the year ended 30 June 2015. Throughout the report the consolidated entity is referred to as the group or the Company.

Directors

The names and relevant details of directors of the Company in office during and since the end of the financial year are as follows:

Directors

Jon Parker BSc.(Hons), Grad. Dip. Bus. *Non-executive chairman*	
Experience and expertise	Mr. Parker has strong corporate experience and a reputation for accomplishment in the resource and energy sectors. He has over 30 years of experience in commercial, development and strategy roles, preceded by 10 years in technical roles.
Other current directorships	Non-executive director of Sphere Minerals Limited since May 2012.
Former directorships in last 3 years	Non-executive director of Polymetals Mining Limited from 2011 to 2013. Non-executive chairman of Anova Metals Limited from 2012 to 2013.
Special responsibilities	Chairman
Interests in shares and options	Indirect - Ordinary shares – 129,167 Indirect - Options – 41,667 unlisted options exercisable at 39 cents each expiring 31/12/2019

David Sproule B.Eng (Met). AusIMM *Executive director*	
Experience and expertise	Mr. Sproule has over 25 years of experience in the mining industry across diverse domains including project generation and assessment, development, operational and corporate management.
Other current directorships	None.
Former directorships in last 3 years	Non-executive chairman of Polymetals Mining Limited from 2007 to 2013.
Special responsibilities	Managing Director
Interests in shares and options	Indirect - Ordinary shares – 12,052,581 Indirect - Options – 1,866,667 unlisted options exercisable at 39 cents each expiring 31/12/2019

Ken Osland MAICD, LGCC, Grad.Dip.Mgt. *Non-executive director (appointed 8 September 2014)*	
Experience and expertise	Mr. Osland has spent more than 30 years in the global resources industry, with experience in a range of sectors including coal, bauxite, gold, mineral sands, copper and uranium. He has experience in Commercial, HR, procurement and logistics.
Other current directorships	None
Former directorships in last 3 years	None
Special responsibilities	Chairman of the Audit Committee
Interests in shares and options	Indirect - Ordinary shares – 123,333 Indirect - Options - 25,000 unlisted options exercisable at 39 cents each expiring 31/12/2019

Frank Terranova was a director from the beginning of the financial year until his resignation on 8 September 2014.

Company secretary

Mr David Kinsman CA, B.Com. B. Econ. was appointed to the role of Company secretary on 16 January 2014. Mr Kinsman is Chief Financial Officer of the group and held the corresponding roles at Polymetals Mining Limited.

Officers

The names and roles of other Officers of the Company during the year are disclosed in the Remuneration Report on page 9 of this report.

Directors' Meetings

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2015, and the numbers of meetings attended by each director were:

	Full Meetings of Directors		Meetings of Audit Committee	
	A	**B**	**A**	**B**
J Parker	10	10	2	2
D Sproule	10	10	2	2
K Osland	5	5	2	2
F Terranova	1	4	-	-

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year.

Change of name

At the Annual General Meeting held on 28 November 2014, shareholders passed a resolution to change the Company's name from Southern Cross Goldfields Limited to Black Oak Minerals Limited.

Principal activities

The principal activities of the Company during the financial year consisted of mining and production of precious metals and associated minerals exploration in Australia.

Result

The net loss after income tax for the Group for the financial year was $15,004,000 (2014 loss of $5,414,000).

The Company increased its debt exposure during the year from $5,000,000 to $30,000,000 to fund acquisition and development of its silver and gold operations at Manuka and Mt Boppy in NSW. At 30 June 2015, development upgrades and mining had been completed at Manuka and much of the Mt Boppy cut-back had been completed.

This has contributed to the net loss position for the year and has also delivered a net liability position of $3,920,000 (2014 net assets $7,046,000).

With the development and mining expenditure complete at Manuka, and commencement of silver production in March 2015 along with imminent gold production, the Company is entering a period of operational cashflows which should commence to release the value inherent in the operational assets that is not recognised in the Financial Statements.

Review of operations and activities

The Company's main activities during the 2015 financial year comprised:

- Acquisition of the Manuka Silver Project in central NSW in September 2014, which recommenced silver production in March 2015 and provides infrastructure to process BOK's nearby Mt Boppy gold ore.
- Pre-development activities and review of the optimum development path for the Company's gold assets at Marda in Western Australia;

- Rationalisation of the Company's Western Australian exploration tenement portfolio to conserve cash reserves to focus exploration on the most prospective targets.
- Recapitalisation of the Company with $60 million in finance facilities secured from the TrailStone Group in September 2014 along with an associated $4.3 million capital raising,
- Repositioning the Company for a new phase of life, advancing rapidly to the ranks of producer with a fully funded project pipeline. Key aspects of the transition made during the period:
  - Appointment of David Sproule as Managing Director in November 2014 to focus on bringing the Company's projects into production commencing with the Manuka Silver and Mt Boppy Mines.
  - Renaming of the Company to Black Oak Minerals Limited (ASX:**BOK**) reflecting the multi-commodity and national nature of the Company's assets.

Manuka Silver Project

During finalisation of the recapitalisation activity in September 2014, BOK secured the acquisition of the Manuka (formerly Wonawinta) Silver Project in central NSW. For $375,000 cash plus the replacement of $5.8 million in environmental rehabilitation bonds, BOK acquired a 650,000 tpa processing facility previously operated by Cobar Consolidated Resources Limited.

BOK upgraded the processing facility to address recovery issues experienced by the previous owners. Since commencement of silver production in late March 2015 this has shown limited success. Silver recovery is less that forecast by independent metallurgical testwork prior to start-up. Actual silver recovery to the end of June of 70% compared to the forecast of 85% is disappointing. Presentation of mineralogical ore types is not as expected.

Total silver production for the financial year (from March 2015) was 476,093 oz. Silver sales over the corresponding period totalled 399,780 oz at an average price of $20.97 delivering $8 million in revenue.

With mining completed ahead of schedule in May 2015 (614,000 tonnes of ore at 84g/t), incremental project processing and administration costs at around $12.70 per oz generate positive cashflow from silver operations. Project to date Cash Operating Cost (C1) at 30 June 2015 is $18.61 per oz.

Mt Boppy Gold Project

The acquisition of the Manuka plant and infrastructure was partly driven by the economic benefits it would bring in enabling BOK to process gold ore from its Mt Boppy Gold Mine approximately 100 kilometres to the north-east.

BOK previously had planned to redevelop the mine and upgrade the Mt Boppy plant to start gold production in 2015. Ore is now being trucked 150 kilometres by road to the Manuka plant for processing, eliminating the need to upgrade the Mt Boppy plant and reducing up-front capital expenditure by around $9 million.

During the financial year, the Company progressed the necessary permits to enable transportation of the gold ore from Mt Boppy to Manuka and commence mining operations. Mining of the pre-strip commenced in March 2015, and as at 30 June 2015, 386,000 tonnes of material had been mined, placing the project on schedule for first gold production at Manuka in September 2015.

Marda Gold Project

In October 2014, the Company received approval to proceed with the development of the Marda Gold Project located north of Southern Cross in Western Australia.

The Project, based on a 495,000 ounce gold Resource at 1.9 g/t and a 175,000 ounce Reserve at 2.3 g/t, involves open cut mining to produce around 167,000 gold ounces over 4 years.

During the year the Company reviewed the staging of the project and as a result has entered into an agreement to sell the southern Battler and British Hill tenements for $4 million cash payable over two years, reducing the Ore Reserves by approximately 25,000 ounces.

In addition, with regional activity across the industry slowing, access to toll milling opportunities have emerged and economic review of these options is being undertaken. Toll milling provides the opportunity to reduce capital development costs, time to production and project risk.

Exploration

Manuka (100%)

In addition to the mining lease for the Manuka Silver Project (ML 1659), the Company acquired seven Exploration Licences (ELs 6155, 6302, 6623, 6482, 7345, 7515 & 7516) over an area of 845km^2 within trucking distance from the mine. These licences are located within and adjacent to the highly prospective Cobar Superbasin which hosts several historical and current mines including Elura, CSA and McKinnons mines.

A further Exploration Licence application (EL 5158) covering an area of 140km^2 was applied for in mid-March and currently remains pending. Following a review BOK decided to allow EL 7516 to expire in April.

Exploration potential exists for additional silver resources along with untested gold and base metals potential at various underexplored prospects. It is considered that significant potential remains for the discovery of similar to the recently mined at Manuka, Mississippi Valley Type (MVT) mineralisation, along with the potential for "company maker" Cobar style precious-base metal mineralisation.

BOK has developed an exploration program to actively explore its tenement portfolio at Manuka. This involved:

- assessing near minesite prospectivity at Manuka Mine with the intention of adding incremental silver resources; and
- developing a prioritised exploration strategy for testing pre-existing enhanced and newly generated regional exploration silver, gold and base metals exploration targets on the wider Manuka Project.

Exploration activity in 2014-2015 included:

- assessing a large amount of previous exploration data spanning a period of over thirty years, including examining the current drilling database for the potential to add silver resources close to the existing mine;
- target generation by means of a regional structural/geochemical interpretation involving re-contouring of existing geochemical data and generating new targets identified from Shuttle Radar Topography (SRTM) and available geophysics; and
- multi-element assay of soil samples collected from several areas close to the Manuka Silver Mine by the previous project owners Cobar but not assayed; subsequent additional soil and rock chip sampling has been carried out by BOK.

BOK will continue with its current staged approach to include activity close to the Manuka mine with regional prospects prioritised for further exploration work in the upcoming year.

Mt Boppy/Canbelego (100%)

Exploration work on the Mt Boppy and Canbelego exploration/mining tenements has been limited to a detailed review of regional prospectivity, including a focus on assessment of known prospects. This has resulted in high level, yet to be fully costed proposed programs consisting of reprocessing of geophysics and planning of limited drilling at known from previous exploration, but not fully and/or poorly tested, relatively advanced stage target areas. These include precious and base metal prospects, Birthday, Geweroo, Central Structural Zone, Anomaly C2A, Native Cat (West), Native Dog, Native Orange, Scrubby Tank and Scrubby Tank (West) located on EL 5842.

More recently BOK has been undertaking a review of the potential to find immediate extensions to the gold mineralisation at the Mt Boppy Mine. A review of the previous diamond drilling within and adjacent to the current mining area is being carried out. This combined with a better understanding of the geology being revealed in the Mt Boppy pit as it is actively being mined will likely lead to reassessment and the planning of a forward drilling program.

Marda (100%)

In the Marda district BOK has carried out a tenement rationalisation strategy on reducing the tenement portfolio to a core package focused on retaining only exploration holdings most prospective for gold mineralisation, and in doing so having high potential for adding additional gold resources within truckable distance of a development project at Marda Central. To this end by the end of June, the exploration team, in conjunction with Western Areas Ltd (ASX:WSA), holder of 70% nickel rights BOK had reduced the area by total of 42 tenements representing a reduction in the area of the tenements previously held by approximately 30%. These tenements in non-core areas (mostly Bullfinch and Clampton) have either been surrendered or returned to the original titleholders since the process began, resulting in a saving of approximately $475,000 in annual commitments to date.

Due to funding constraints on-ground exploration by BOK has been restricted to low level activities consisting of auger geochemical sampling and accompanying reconnaissance prospecting and geological mapping. Work has been carried out at areas on the Evanston Shear and in the King Brown, Windarling and Golden Orb areas. Activity included:

- infill auger sampling at Broadbents on the Evanston Shear has defined two +100ppb gold geochemical anomalies 500-700m long on separate structures with peak values >500ppb Au;
- preliminary auger drilling and reconnaissance at Windarling has shown cohesive +40ppb gold anomalies confirmed at two locations on the southern limb of the Windarling fold closure; and
- identification of the sub-parallel Rattle trend in the Golden Orb area where initial sampling has identified numerous +40ppb Au auger sample results that define geochemical anomalism in several structural positions over a minimum 350m long strike length.

In addition to the above, BOK has already identified numerous prospects for RAB drill testing and potential RC drilling. An overall program has been developed addressing highest priority geochemical targets on the Evanston Shear. These targets currently include White Pointer, Reef, Lancelot and Thresher, along with highly prospective targets in the King Brown area. It is anticipated that a pipeline consisting of these prospects, and currently evolving prospective areas have a high potential to rapidly progress to RC drilling resource definition.

Sandstone (100%)

Exploration work at Sandstone has remained at low levels while the Company has focused on tenement divestment and corporate activities. Divestment of the Sandstone tenement portfolio is still a key objective of the Company to enable direction of resources to key growth assets.

By the end of June BOK held only 6 tenements on the Sandstone Project (reduced from 63 tenements), including the core holdings where retained plant and infrastructure are located (M57/128 & M57/129). This has reduced annual commitments by $1.16M. The implication of this divestment to the Company's resource portfolio is a reduction in resources of 240koz as shown in the announcement "2015 Reserves and Resources Update" release to ASX on 30 July 2015.

Copper Bore Base Metal Project (100%)

No new work has been conducted at Copper Bore. Prioritisation relative to other BOK projects is currently under consideration.

Western Areas Ltd (ASX:WSA) - Nickel Joint Venture (BOK 30% nickel interest, 100% non-nickel interest).

Following initial delays experienced related to permitting and access agreements, weather and then later, divestment to BOK by Cliffs Natural Resources (Cliffs) of the Perrinvale tenement portfolio, Western Areas Ltd (WSA) carried out an exploration program comprising reconnaissance mapping/sampling, a helicopter borne VTEM survey and auger geochemical sampling.

WSA considers that the Perrinvale area is relatively unexplored for nickel sulphides and early indications suggest that the stratigraphy could be similar to that as seen in the Mt Alexander Nickel Project (BHPB/WSA JV).

The initial work by WSA has identified a number of interesting magnetic features that were followed up with the electromagnetic survey (VTEM) and most recently auger soil geochemistry. Early results have highlighted a number of EM anomalies, some of which are interpreted to represent stratiform, sedimentary derived conductors, and more discrete and isolated anomalies that may be more indicative of potential nickel sulphide mineralisation. The potential surface expression of the EM anomalies are being tested by targeted geochemical sampling, whilst the broader stratigraphy is also being screened of indications of potential nickel sulphide mineralisation.

Financing

Following the merger of Southern Cross Goldfields Limited and Polymetals Mining Limited in 2013, the Company continued to seek funding for development of its flagship gold projects, at Mt Boppy in NSW and Marda in WA.

This was achieved through a broad recapitalisation of the Company centered on the securing of $60 million in two finance facilities from the TrailStone Group in September 2014, delivering development capital and providing the Company with a key cornerstone relationship.

Key elements of the recapitalisation included:

- drawdown of the $25 million Gold Prepayment Facility which has provided both development and working capital to facilitate a new phase of the Company's growth plans at Manuka and Mt Boppy in NSW;
- an associated $4.3 million capital raising of which TrailStone contributed $1 million;
- issue of 33,333,333 warrants to TrailStone and 5,518,390 options to shareholders in the capital raising exercisable at $0.39c;[1]
- repayment of the Company's existing debt facility of $5 million with RMB Australia Ltd;
- completion of a 1:30 share consolidation in December 2014; and
- drawdown of an initial $5 million funding tranche from the second TrailStone Credit Facility in May 2015 to support mining activities at Mt Boppy.

Since the end of the financial year, in August 2015 the Company drew down the second $5 million tranche of the Credit Facility to support Mt Boppy mining working capital (*Refer Events Subsequent to Balance Date section below*).

Significant changes in the state of affairs

The state of the Company's affairs is disclosed in detail in this report and the Financial Statements and notes thereto. Other than these, and as noted in the Subsequent Events section, no significant changes in the state of affairs of the group occurred during or since the end of the financial year.

Likely developments and expected results of operations

Likely developments in the operations of the Company are included elsewhere in this Annual Report.

As explained throughout this report the Company is entering a period of operational cashflows underpinned by the investment undertaken in the current and past financial years.

Recognising that there are significant debt repayments to be made in the coming year the Company continues to look for ways to supplement its operational cash reserves, including actively seeking divestment of non-core assets, such as the recent transaction with the Battler and British Hill tenements, In addition, the Company is in continuous engagement with its financier the TrailStone group to optimise outcomes in relation to availability of funds for investment and debt repayment.

Underpinning the coming years activities are cash forecasts and plans that are based on a series of assumptions. These assumptions have generally been independently validated and are reviewed by the Company on a regular basis. However in the case where consistent performance from production operations is yet to be established, situations where the technical performance is not achieved could have significant impact on the financial performance of the Company and its ability to repay its debts. The level of gold recoveries and associated ore grades are specific examples.

The directors have concluded that the combination of these circumstances represent a material uncertainty that casts significant doubt about the group's and the Company's ability to continue as a going concern. Nevertheless after making enquiries and considering the uncertainties described above the directors have a reasonable expectation that the group and the Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the financial report.

Events subsequent to balance date

Subsequent to the end of the financial year, but prior to the date of this report, the following additional matters or events have arisen:

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[1] Numbers of warrants and options issued and exercise price are shown post 1:30 share consolidation undertaken in December 2014

1) Sale of Battler and British Hill tenements

The Company entered into an agreement to sell its interests in the tenements at Battler and British Hill, the southern-most regions of the Marda Gold Project in WA, to IMD Gold Mines Ltd ("IMD"). The Company received initial cash payments of $50,000 and $75,000 on 1 September 2015 and 8 September 2015 respectively, with $125,000 due on 13 October 2015. On 1 December 2015 IMD is to pay a further $1.25 million to complete the sale. $1.5 million is to follow on IMD being granted approval to mine (forecast in mid-2016), with a further $1.0 million due over the subsequent 12 months, bringing the total consideration to $4 million. IMD has an option to defer the consideration payable by 1 December 2015, thereby increasing the total price to $5 million plus a trailing royalty. Upon exercise of this option, completion is deferred until receipt of approval to mine when $2 million is payable, which can be no later than 30 September 2016.

The Company has allocated these proceeds specifically to fund exploration activities at both the Marda and Manuka/Mt Boppy projects.

2) Drawdown of second $5 million tranche of funds from the TrailStone Credit facility

The Company has renegotiated its Credit Facility agreement with TrailStone to bring forward the second tranche of funding to meet working capital needs in August. This payment was previously available no earlier than 24 September 2015. As a result of this change the agreement was also amended to include the following:

- TrailStone has waived future commitment fees on the undrawn component ($25M) of the Credit Facility;
- TrailStone to control BOK use of commodity sale proceeds to fund operational expenditure. Proceeds from capital raising for exploration (including from sale of Battler and British Hill tenements) to be excluded from this regime;
- BOK to enter into agreement to toll mill Marda ore within 18 weeks; and
- Credit Facility repayment profile amended to include minimum repayments of $5M by 31 December 2016 and $9.5M (cumulative) by 30 June 2017

3) Commencement of gold production at Mt Boppy

In late August the Company commenced trucking gold ore from the Mt Boppy pit to the Manuka plant for processing. Processing of the ore commenced on 30 August 2015. Production levels in September enabled the Company to meet the first gold repayment to TrailStone due at the end of September 2015.

Environmental regulation and performance

The Company holds various mining and exploration licences to regulate its activities in Australia.

The Company aims to conduct its operations within the ambit of regulatory requirements, standards and codes of practice, and in line with current community expectations for responsible and sustainable practice.

During the 2015 financial year, limits prescribed as part of the environmental monitoring program were exceeded at the Manuka Silver Project. The exceedances were related to levels of cyanide discharge into the tailings dam. In all cases investigations were carried out and appropriate regulatory authorities were notified. Plans remain in place to monitor and mitigate the issue.

Dividends

No dividend has been paid since incorporation and no dividend is recommended for the current financial year.

REMUNERATION REPORT

The directors are pleased to present Black Oak Minerals Limited's 2015 remuneration report which sets out remuneration information for the Company's non-executive directors, executive directors and other key management personnel.

Key management personnel disclosed in this report

Non-executive and executive directors (refer page 4 for details about current directors)
J Parker D Sproule F Terranova (until 8 September 2014) K Osland (from 8 September 2014)

Other key management personnel

Name	**Position**	
D Kinsman	Chief Financial Officer and Company Secretary	
Ian Jobbins	Chief Operating Officer	(appointed 20 May 2015) (resigned 31 August 2015)

Remuneration policy

The Remuneration committee is a committee of the Board which comprises the Chairman and all non-executive members of the Board. The committee reviews and determines the remuneration policy and structure annually to ensure it remains aligned to business needs, and meets our remuneration principles. The board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparency and easily understood; and
- acceptable to shareholders.

Remuneration framework and elements of remuneration

Element	**Purpose**	**Performance metrics**	**Potential value**	**Changes for FY 2016**
Fixed remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at median market rate	Reviewed in line with market positioning

(i) Fixed annual remuneration (FR)

Executives may receive their fixed remuneration as cash, or cash with non-monetary benefits. FR is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual.

For executives, superannuation is included in FR.

(ii) Short-term and long-term incentive plans

Whilst contemplated in executive employment agreements, the Company does not currently have any incentive plans in place.

Assessing performance

The remuneration committee is responsible for reviewing performance of executive KMP.

REMUNERATION REPORT (continued)

Link between remuneration and performance

The Company has maintained a core group of executive management who hold significant equity positions in the Company. As a result remuneration packages have excluded further equity incentives. Reflecting market conditions, base salary levels have been negotiated at the low to middle end of the market and at this stage no further short term incentives have been negotiated. The Company believes that this model provides sufficient link between remuneration and performance in the current environment.

The factors that are considered to affect total shareholder wealth are summarised below:

	2015	**2014**	**2013**	**2012**	**2011**
Share price at financial year end	$0.30	$0.30	$0.30	$1.20	$1.80
Net loss after income tax ($'000)	($15,004)	($5,414)	($8,957)	($5,738)	($6,192)
Basic earnings per share (cents per share)*	(44.88)	(19.83)	(71.40)	(70.50)	(122.10)

* Note all EPS and share price amounts shown above are disclosed on a post share consolidation basis

Remuneration expenses for executive KMP

The following tables show details of the remuneration received by the group's executive key management personnel for the current and previous financial year measured in accordance with the accounting standards.

2015	**Short-term employee benefits**		**Post-employment benefits**	**Termination payments**	**Share based payments**	
Name	**Cash salary and fees**	**Cash bonus**	**Super-annuation**		**Options**	**Total**
Non-executive directors						
J Parker	14,800	-	1,406	-	-	16,206
K Osland	22,472	-	2,135	-	-	24,607
Sub-total Non-executive directors	37,272	-	3,541	-	-	40,813
Executive directors						
D Sproule	206,667	-	19,633	-	-	226,300
F Terranova	155,473	-	14,770	94,435	-	264,678
Other key management personnel						
D Kinsman	272,249	-	25,864	-	-	298,113
I Jobbins *	159,193	-	15,123	-	-	174,316
Total key management personnel compensation	830,854	-	78,931	94,435	-	1,004,220

* Ian Jobbins was appointed to the position of Chief Operating Officer on 20 May 2015. Prior to this he held the position of General Manager - Development. His remuneration earned whilst holding this position is also included in the table above.

2014	**Short-term employee benefits**		**Post-employment benefits**	**Termination payments**	**Share based payments**	
Name	**Cash salary and fees**	**Cash bonus**	**Super-annuation**		**Options**	**Total**
Non-executive directors						
J Parker	33,333	-	3,083	-	-	36,416
D Sproule	33,333	-	3,083	-	-	36,416
S Tough	20,000	40,000	1,850	-	-	61,850
G Brock	10,000	-	925	-	-	10,925
J Rowe	10,900	-	-	-	-	10,900
Sub-total Non-executive directors	107,566	40,000	8,941	-	-	156,507
Executive directors						
G Jardine	104,965	20,000	39,309	320,000	-	484,274
F Terranova	278,002	-	13,639	-	322,505	614,146
Other key management personnel						
D Kinsman	180,750	-	12,981	-	-	193,731
S Jones	105,412	20,000	10,369	251,157	-	386,938
Total key management personnel compensation	776,695	80,000	85,239	571,157	322,505	1,835,596

REMUNERATION REPORT (continued)

Contractual arrangements with executive KMPs

Component	MD/CEO	Senior executive
Fixed remuneration	$240,000	Range between $225,000 and $250,000
Contract duration	Ongoing contract	Ongoing contract
Notice by the individual/company	3 months	3 months
Change of control with fundamental change to role	6 months	6 months

Non-executive director remuneration policy

The Board policy is to remunerate Non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate directors' fee pool limit is $500,000 and was approved by shareholders on 12 October 2007.

Actual remuneration paid to the Company's Non-executive directors is disclosed in previous sections. Remuneration fees for Non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Additional statutory information

(i) Relative proportions of fixed vs variable remuneration expense

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk – STI		At risk - LTI	
	2015	2014	2015	2014	2015	2014
Non-executive directors						
J Parker	100.0%	100.0%	-	-	-	-
K Osland	100.0%	-	-	-	-	-
S Tough	-	100.0%	-	-	-	-
G Brock	-	100.0%	-	-	-	-
J Rowe	-	100.0%	-	-	-	-
Executive directors						
D Sproule	100.0%	100.0%	-	-	-	-
G Jardine	-	100.0%	-	-	-	52.5%
F Terranova	100.0%	47.5%	-		-	-
Other key management personnel of the group						
D Kinsman	100.0%	100.0%	-	-	-	-
I Jobbins	100.0%	-	-	-	-	-
S Jones	-	100.0%	-	-	-	-

(ii) Performance based remuneration granted & forfeited during the year

There have been no remuneration options granted or forfeited during the year.

(iii) Terms and conditions of the share-based payment arrangements

Options - there are no remuneration options on issue that affect the current or future reporting periods.

REMUNERATION REPORT (continued)

(iv) Reconciliation of options and ordinary shares held by KMP

Options

2015 Name	Balance at the start of the year^	Granted during the year as compensation	Acquired during the year	Holding on resignation	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Black Oak Minerals Limited						
J Parker	-	-	41,667	-	41,667	41,667
D Sproule	-	-	1,891,667	-	1,891,667	1,891,667
K Osland	-	-	25,000	-	25,000	25,000
F Terranova	1,333,333	-	-	(1,333,333)	-	-
Total	1,333,333	-	1,958,334	(1,333,333)	1,958,334	1,958,334
Other key management personnel						
D Kinsman	-	-	-	-	-	-
	-	-	-	-	-	-
Total	1,333,333	-	1,958,334	(1,333,333)	1,958,334	1,958,334

There were no ordinary shares in the Company issued on the exercise of remuneration options during the financial year.

Shareholdings

2015 Name	Balance at the start of the year^	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Ordinary shares				
J Parker	45,834	-	83,333	129,167
D Sproule	8,319,248	-	3,733,333	12,052,581
K Osland	-	-	123,334*	123,334
F Terranova	697,828	-	(697,828)	-
D Kinsman	247,501	-	-	247,501
I Jobbins	33,334	-	-	33,334

* At the time of his appointment Mr Ken Osland had an indirect interest in 73,333 ordinary shares (post consolidation).
^ During the financial year the Company undertook a 30 for 1 share consolidation. The balances at the start of the year have been restated to a post consolidation basis.

(v) Loans given to key management personnel

There were no loans to key management personnel during the financial period.

(vi) Other transactions with key management personnel

There were no other transactions with key management personnel.

(vii) Use of remuneration consultants

The Group has not engaged the services of any remuneration consultants during the current or prior financial years.

(viii) Voting of shareholders at last year's annual general meeting

Black Oak Minerals Limited received more than 95% of "yes" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of remuneration report.

Shares under option

Unissued ordinary shares of Black Oak Minerals Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
10/10/2012	10/10/2017	$3.00	1,455,500
10/10/2012	10/10/2015	$3.00	83,334
20/12/2012	23/11/2017	$3.00	166,668
28/11/2013	31/12/2017	$0.90	666,667
28/11/2013	31/12/2017	$1.20	666,667
24/03/2014	24/03/2016	$0.588	2,125,851
17/09/2014	31/12/2019	$0.39	2,438,333
19/09/2014	31/12/2019	$0.39	3,080,057
			10,683,077

No options were granted to the directors or any key management personnel since the end of the financial year.

Shares issued on the exercise of options

There were no ordinary shares of Black Oak Minerals Limited issued during or since the end of the year ended 30 June 2015 on the exercise of options.

Insurance of officers

During the financial year the Company paid an insurance premium of $25,208 to insure directors and officers of the Company.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company.

The Company has not provided any insurance for an auditor of the Company.

Indemnity of auditors

The Company has not agreed to indemnify the auditor under any circumstances.

Proceedings on behalf of the Company

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

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

Non audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditors' expertise and experience with the Company and/or the group are important.

The board of directors has considered the position and, in accordance with the advice received from the audit committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

No amounts were paid or payable to the auditor for non-audit services during the year ($8,750 in 2014 for taxation advice).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 16.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by Australian Securities and Investments Commission, relating to "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases to the nearest dollar.

This report is made in accordance with a resolution of directors.

J Parker
Chairman

Brisbane
29 September 2015

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The Board of Directors
Black Oak Minerals Limited
Level 1, 160 Wharf Street
BRISBANE QLD 4000
Australia

29 September 2015

Dear Board Members

Black Oak Minerals Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Black Oak Minerals Limited.

As lead audit partner for the audit of the financial statements of Black Oak Minerals Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Rowan Smith
Partner
Chartered Accountants

CORPORATE GOVERNANCE STATEMENT

Black Oak Minerals Limited and its board are committed to achieving and demonstrating the highest standards of corporate governance. Black Oak Minerals Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2015 corporate governance statement is dated as at 30 June 2015 and reflects the corporate governance practices in place throughout the 2015 financial year. The 2015 corporate governance statement was approved by the board on 18 February 2015. A description of the group's current corporate governance practices is set out in the group's corporate governance statement. This statement is available on the Company's website and can be viewed at www.blackoakminerals.com.au/governance.php.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
Revenue from continuing operations			
Sale of goods	5	8,031	-
Other income	5	471	6,553
Cost of sales of goods		(8,096)	-
Mining expenses	6	(5,747)	-
Administration and corporate expenses		(3,171)	(2,527)
Borrowing costs	6	(2,336)	(881)
Exploration expenses		(2,128)	(2,974)
Pre-development expenses		-	(1,614)
Share based payments	29	-	(808)
Depreciation and amortisation expense	6	(119)	(153)
Loss on sale of assets	6	(93)	(104)
Write-down of inventory	6	(1,730)	-
Impairment of assets	6	-	(1,862)
Write-off of tenements	6	(116)	(257)
Loss before income tax expense		(15,034)	(4,627)
Income tax expense	7(a)	30	(787)
Loss for the period		(15,004)	(5,414)
Earnings per share (cents per share)			
- Basic earnings/(loss) per share	28(a)	(44.88)	(19.83)
- Diluted earnings/(loss) per share	28(b)	(44.88)	(19.83)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
Loss for the period		(15,004)	(5,414)
Other comprehensive income:			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified to profit or loss		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(15,004)	(5,414)

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	21(b)	1,243	2,718
Trade and other receivables	8	1,410	395
Inventories	9	5,583	-
		8,236	**3,113**
Assets classified as held for sale	4	1,745	469
Total Current Assets		**9,981**	**3,582**
Non-Current Assets			
Property, plant and equipment	11	3,921	4,244
Tenement acquisition costs	12	3,698	6,813
Capitalised mining development costs	13	14,561	-
Other financial assets	10	6,374	523
Total Non-Current Assets		**28,554**	**11,580**
TOTAL ASSETS		**38,535**	**15,162**
LIABILITIES			
Current Liabilities			
Trade and other payables	15	4,281	783
Provisions	16	323	112
Borrowings	17	15,000	5,000
Total Current Liabilities		**19,604**	**5,895**
Non-Current Liabilities			
Provisions	16	7,063	1,434
Deferred tax liability	18	757	787
Borrowings	17	15,031	-
Total Non-Current Liabilities		**22,851**	**2,221**
TOTAL LIABILITIES		**42,455**	**8,116**
NET ASSETS		**(3,920)**	**7,046**
Equity			
Contributed equity	19(a)	43,990	39,952
Option reserve	20(b)	4,608	4,608
Accumulated losses	20(a)	(52,518)	(37,514)
TOTAL EQUITY		**(3,920)**	**7,046**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Equity $'000	Accumulated losses $'000	Option reserve $'000	Total equity $'000
At 1 July 2013		30,381	(32,100)	3,800	2,081
Loss for the year		-	(5,414)	-	(5,414)
Other comprehensive income		-	-	-	-
Total comprehensive loss		-	(5,414)	-	(5,414)
Issue of share capital	19(b)	9,571			9,571
Capital raising expenses	19(b)	-	-	-	-
Share based payments	20(b)	-	-	808	808
At 30 June 2014		39,952	(37,514)	4,608	7,046

	Notes	Equity $'000	Accumulated losses $'000	Option reserve $'000	Total equity $'000
At 1 July 2014		39,952	(37,514)	4,608	7,046
Loss for the year		-	(15,004)	-	(15,004)
Other comprehensive income		-	-	-	-
Total comprehensive loss		-	(15,004)	-	(15,004)
Issue of share capital	19(b)	4,328	-	-	4,328
Capital raising expenses	19(b)	(290)	-	-	(290)
Share based payments	20(b)	-	-	-	-
At 30 June 2015		43,990	(52,518)	4,608	(3,920)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		8,032	-
Interest received		265	179
Payments to suppliers		(24,822)	(8,583)
Research and development incentive		3	1,290
Income tax refund		-	708
Business activity statement refunds		2,672	417
Interest paid		(3,992)	(993)
Net cash (used in) operating activities	21(a)	(17,842)	(6,982)
Cash flows from investing activities			
Payments for purchase of tenements		(545)	(530)
Payments for development		(6,197)	-
Payments for property, plant and equipment		(300)	-
Cash acquired on acquisition of subsidiary		-	4,443
Proceeds from sale of assets and shares		523	1,570
Proceeds from bonds		-	2,306
Payments for bonds		(5,851)	-
Net cash (used in) / provided by investing activities		(12,370)	7,789
Cash flows from financing activities			
Proceeds from issue of shares		4,024	-
Equity raising costs		(287)	-
Repayment of borrowings		(5,000)	(2,098)
Proceeds from borrowings		30,000	2,174
Net cash provided by financing activities		28,737	76
Net (decrease)/increase in cash and cash equivalents held		(1,475)	883
Cash and cash equivalents at the beginning of the year		2,718	1,835
Cash and cash equivalents at the end of the year	21(b)	1,243	2,718

The accompanying notes form part of these financial statements.

Note 1 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Black Oak Minerals Limited and its subsidiaries.

The financial statements were authorised for issue by the directors on 29 September 2015. The directors have the power to amend and reissue the financial statements.

The financial statements are presented in Australian dollars which is the Company's and consolidated entity's functional and presentation currency.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Black Oak Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Black Oak Minerals Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the assets held for sale which are measured at fair value less cost of disposal.

(iii) Going concern

The financial report has been prepared on the basis that the consolidated entity is a going concern. This judgement contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities and obligations in the normal course of business.

During the year the consolidated entity transformed its business through the following activities:

- Securing of funding to facilitate development of its existing asset base
- Acquisition of the Manuka Silver Project and associated infrastructure
- Completion of further development of the Manuka infrastructure, commencement and completion of mining of silver ore at Manuka and commencement of silver production at Manuka
- Commencement of mining activites at the Mt Boppy Gold Project with a view to processing the gold ore through the Manuka processing plant.

A significant amount of non-recurring investment activity was undertaken during the year to position the consolidated entity to produce cash flows from its operations in the coming financial years.

As a result of this activity, at 30 June 2015 and for the year then ended, the consolidated entity:

- Had a Total Deficiency of $3,920,000 (2014: Net Asset of $7,046,000)
- Had a Current Asset Deficiency of $9,623,000 (2014: $2,313,000)
- Had net cash outflows of $1,475,000 (2014: net cash inflows of $883,000)
- Cash on hand of $1,243,000 (2014: $2,718,000)

In order to undertake the investment and operational activities during the year, the consolidated entity raised debt of $30,031,000 (in the form of a $25,000,000 prepaid gold facility and a $5,000,000 credit facility) and equity of $4,024,000. These funds were utilised as follows:

Note 1 Summary of significant accounting policies (continued)

- to fund investment in cash generating projects which will produce cash flows in the coming financial years sufficient to repay the external debt and continue the operational and investment activities of the consolidated entity.
- Settlement of $5,000,000 in respect of final repayment of RMB borrowings (refer to note 17)
- Interest and finance charges of $3,992,000 in servicing the borrowings.

$15,000,000 of the $30,031,000 total borrowings was to be settled within one year of the 30 June 2015 year end and was reflected as current debt and contributed to the Net Current Asset Deficiency reported above. This settlement profile has been amended through subsequent negotiation with the financier, reducing the amount to be settled by 30 June 2016 to $13,500,000 and reducing the Net Current Asset Deficiency by $1,500,000 to $8,123,000.

Repayment of this amount is to be through delivery of gold production from Mt Boppy of 1500oz per month for the months of September 2015 to May 2016.

During the year ended 30 June 2015 and the period to the date of this report the directors have taken steps to ensure the Company and the consolidated entity continue as going concerns. In addition to the activities referred to above, these steps include:

- maintaining a working relationship with its current financier, the TrailStone group, to accelerate funding to meet working capital needs in August 2015. This has included:
    - accelerated receipt of $5,000,000 (from September 2015 into August 2015)
    - deferral of 1,500oz of gold delivery from June 2016 to the end of the facility in FY17;
- divesting non-core assets to remove associated holding costs and realise value, including:
    - the sale of the Battler and British Hill tenements in September 2015 delivering potential proceeds of up to $4,000,000 to be used for investment in exploration activity;
    - considering various options in relation to the sale of the Sandstone Project and other non-core assets.
- engaged in commercial discussions relating to the optimal ways to extract value from the Marda reserves including access to toll milling arrangements which provides the opportunity to reduce capital development costs, time to production and project risk.

Throughout the year, the Company has prepared and continues to review a series of scenario budgets and cash flow forecasts prepared and updated by management for board review and approval. These tools have been used by management in tightly controlling expenditure and cash outgoings of the Company and the consolidated entity. These models are sensitive to the following key judgements and assumptions:

- Gold price: applying a sensitivity of 5% below the base case will result in a cash shortfall. Current prices in the market are well above the model range. The model range represents a conservative estimate of forecast gold price.
- Gold recovery and grade: a sensitivity 3.5% below the base case recovery projected will result in a cash shortfall. The forecast recovered gold grade is based on drill testing and will be confirmed as production progresses.
- The model is further based on the expectation that the project resources referenced in the reserves / resources statement on page 57 of this report will be mined and recovered with a tolerable variance of 18.9%
- Plant availability: a sensitivity of 5% below the base case applied to plant availability results in a cash shortfall. Forecast throughput rates are considered to be conservative and increasing these is a potential mitigation to plant availability issues.

In the event of performance outside of the tolerable ranges, the Company has the potential to access additional funds through full or partial divestment of further assets in the portfolio, along

Note 1 Summary of significant accounting policies (continued)

with continuation of the implementation of various operational cashflow management strategies with customers, suppliers and financiers.

As a result of the above matters the Directors consider that it is appropriate for the financial report to be prepared on the Going Concern basis.

Notwithstanding this, should the Company and the consolidated entity not generate the forecast cash inflows and additional funding referred to above there are material uncertainties as to whether the Company and the consolidated entity will be able to continue as going concerns and therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company and the consolidated group not continue as going concerns.

(iv) Application of new and revised accounting standards

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities AASB 10 Consolidated Financial Statements
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- Interpretation 21 Accounting for Levies
- AASB 2014-1 Amendments to Australian Accounting Standards

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

(v) Standards and Interpretations in issue not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual report period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative' Amendments to AASB101'	1 January 2016	30 June 2017

Note 1 Summary of significant accounting policies (continued)

A number of Australian Accounting Standards and Interpretations are in issue but are not yet effective for the current year end. The reported results and position of the group are not expected to change on adoption of these pronouncements as they are not expected to result in any changes to the groups existing accounting policies, with the exception of AASB 15 discussed below. Adoption will, however, result in changes to information currently disclosed in the financial statements. The group does not intend to adopt any of these pronouncements before their effective dates.

Specifically in respect of AASB 15, the directors of the group anticipate that the application of AASB 15 in the future may have a material impact on the amounts reported and disclosures made in the group's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of AASB 15 until the group performs a detailed review.

There are no other standards that are not yet effective and that are expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

(b) Principles of consolidation

Subsidiaries

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.

The acquisition method of accounting is used to account for business combinations by the group.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with the banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if any, are shown within short-term borrowings on the Statement of Financial Position.

(e) Trade and other receivables

Trade and other receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Note 1 Summary of significant accounting policies (continued)

(f) Inventories

Finished goods and work in progress inventories have been valued at the lower of cost and estimated net realisable value. In determining cost, an absorption basis is used including variable costs and an appropriate portion of fixed overheads, depreciation and amortisation. Weighted average costs over the relevant period of production are assigned to balance date inventory quantities.

Consumables and spares have been valued at weighted average cost. Obsolete or damaged inventories are valued at net realisable value. A regular and ongoing review is undertaken to establish the extent of surplus items, and a provision is made for any potential loss on their disposal.

(g) Property, plant, equipment

Property, plant, equipment, is stated at cost less accumulated depreciation and any impairment in value.

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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. Buildings are depreciated over 10 years, leasehold improvement over 5 years and plant and equipment is depreciated over 2 to 10 years depending on the nature of the asset. Land is not depreciated. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a revised useful life basis.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

(h) Exploration, evaluation and acquisition expenditure

Exploration and evaluation costs are expensed as incurred. Acquisition costs will normally be expensed but will be assessed on a case by case basis and if appropriate may be capitalised. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area. Accumulated acquisition costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Exploration and evaluation costs that are acquired through a business combination are capitalised to the balance sheet. The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

(i) Mine development

Once the technical feasibility and commercial viability of the extraction of mineral resources in a particular area of interest become demonstrable all development costs subsequently incurred within that area of interest are capitalised and carried at cost.

Amortisation of capitalised mine development costs is provided on the unit-of-production method resulting in an amortisation charge proportional to the depletion of the economically recoverable mineral resources. Costs are amortised from the commencement of production.

Note 1 Summary of significant accounting policies (continued)

(j) Intangible assets

Intangible assets are tested for impairment where an indicator of impairment exists. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a revised useful life basis.

Computer Software: Acquired computer software licences are stated at cost less accumulated amortisation and any impairment in value. Amortisation is calculated on a straight-line basis over the estimated useful life of the computer software (not exceeding 3 years).

(k) Investments

Investments held by the Company which are classified as being available-for-sale are stated at fair value, with any resultant gain or loss recognised directly in equity. Where these investments are realised, the cumulative gain and loss previously recognised directly in equity is recognised in profit and loss. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the income statement. Financial instruments classified as held for trading or available-for-sale investments are recognised or unrecognised by the Company on the date the purchase or sale of the investment is settled. Securities held to maturity are recognised or unrecognised on the day they are transferred to or by the Company.

(l) Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(m) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid.

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. The amounts are unsecured and are usually paid within 30 days of recognition.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(n) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Note 1 Summary of significant accounting policies (continued)

Operating Leases: The minimum lease payments of operating leases where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item are recognised as an expense on a straight line basis.

(o) Issued capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(p) Borrowings

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

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

(q) Borrowing costs

General and specific borrowings costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use of sale.

Other borrowing costs are expensed in the period in which they are incurred.

(r) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sales of Silver: Revenue is recognised when the risks and rewards of ownership have passed from the Group to an external party and the selling price can be determined with reasonable accuracy. Sales revenue represents gross proceeds receivable from the customer.

Interest: Interest income is recognised in the income statement on an accruals basis, using the effective interest rate method.

Sale of non-current assets: The gross proceeds of non-current asset sales are recognised as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

(s) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Note 1 Summary of significant accounting policies (continued)

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(t) Superannuation contributions

Contributions are made to several accumulated benefits superannuation funds on behalf of employees and recognised as an expense in the Income Statement.

(u) Share based payments

Options over ordinary shares are granted to employees as part of remuneration from time to time, on a discretionary basis. Options have also been granted to external parties as a result of various economic transactions, measured at fair value of goods or services received.

The cost of these share-based payments is measured by reference to the fair value at the date at which they are granted using an option pricing model. The options may be subject to service or other vesting conditions and their fair value is recognised as an expense together with a corresponding increase in other reserve equity over the vesting period.

(v) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation using a discounted cash flow methodology. If the effect of the time value of money is material, the provision is discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

The Group provisions for employee benefits are represented by current provisions for annual leave and non-current provisions for long service leave entitlements. Based on past experience, the Group does not expect all employees entitled to take long service leave, to take the full amount of the accrued long service leave or require payment within the next 12 months.

(w) Joint operations

Interest in joint operations is brought to account by including in the respective classifications, the share of individual assets employed and share of liabilities and expenses incurred.

(x) Income taxes

The income tax expense or benefit for the year is the tax payable or receivable on the current year's taxable income or loss adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences arising from the initial recognition of an asset or liability.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Note 1 Summary of significant accounting policies (continued)

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

(y) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(z) Loss per share

Basic loss per share is calculated by dividing the net loss for the financial year by the weighted average number of ordinary shares outstanding during the financial year.

(aa) Comparatives

Where necessary, comparatives are reclassified and repositioned for consistency with current year disclosures. The Company was not required to reclassify the comparatives during the 2015 financial year.

(ab) Rehabilitation

Provisions made for rehabilitation are recognised where there is a present obligation as a result of exploration, development or production activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning mining activities and restoring the affected areas. The provision for future rehabilitation costs is the best estimate of the present value of the expenditure required to settle the obligation at the reporting date, based on current legal requirements and technology. Future rehabilitation costs are reviewed annually and any changes are reflected in the present value of the rehabilitation provision at the end of the reporting period. The amount of the provision for future rehabilitation costs relating to exploration and development activities is capitalised as a cost of those activities. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate the risks specific to the liability.

(ac) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Note 1 Summary of significant accounting policies (continued)

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

(ad) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

(ae) Parent entity financial information

The financial information for the parent entity, Black Oak Minerals Limited, disclosed in note 32 has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries, associates and joint venture entities. Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Black Oak Minerals Limited.

(af) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements.

Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2 Financial risk management

The Group's activities expose it to a variety of financial risks, market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. With the current business activity focused on silver and gold production, the Group's future revenues from this activity may be exposed to commodity price and exchange rate fluctuations. The Group may from time to time enter into derivative instruments to manage this exposure. Exposure limits will be reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative instruments, for speculative purposes.

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

The Group and the parent entity hold the following financial instruments:

Financial assets	**2015 $'000**	**2014 $'000**
Cash and cash equivalents	1,243	2,718
Trade and other receivables (note 8)	1,044	57
Other assets	6,374	523
	8,661	3,298

Financial liabilities	**2015 $'000**	**2014 $'000**
Trade and other payables (note 15)	4,281	783
Borrowings (note 17)	30,031	5,000
	34,312	5,783

The financial assets above have been pledged as security for Trailstone loans. The Group is not allowed to pledge these assets as security for other borrowings.

(a) Market risk

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

(i) Price risk

During the 2015 financial year, the Group and parent entity were exposed to fluctuations in the price of silver.

Silver price sensitivity

At 30 June 2015, if the silver price had increased or decreased by 5% from the average rates for the year with all other variables held constant, pre-tax profit for the year would have been increased / decreased by $402,000 as a result of higher / lower silver sales income.

(ii) Currency risk

The Group and the Company is not exposed to currency risk at the balance sheet date. The Group held no financial assets or liabilities which are exposed to foreign currency risk.

(iii) Interest rate risk

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

Note 2 Financial risk management (continued)

The Group adopts a policy ensuring that as far as possible it maintains excess cash and cash equivalents at call or in short-term deposits. The Company does not have any fixed rate instruments.

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

Variable rate instruments

	2015 $'000	2014 $'000
Financial Assets*	1,243	2,718

*The interest-bearing financial assets comprise cash and cash equivalents.

(iv) Interest Rate Sensitivity

At 30 June 2015, if interest rates had increased or decreased by 100 basis points from year end rates with all other variables held constant, pre-tax profit for the year would have been increased / decreased by $12,000 (2014: $27,000) as a result of higher / lower interest income from cash and cash equivalents.

The interest rate on borrowings is fixed.

(b) Credit risk

Credit risk is considered low. All material receivables are held with government entities, ABC Refinery in Sydney or major financial institutions. All receivables are current.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due and to close out market positions.

The table below shows the contractual maturities of financial liabilities excluding the commitments as detailed in Note 26.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 6 months $'000	6 – 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 Years $'000	Total contract-ual cash flows $'000	Carrying amount $'000
At 30 June 2015							
Trade and other payables	4,281	-	-	-	-	4,281	4,281
Borrowings	6,000	9,000	15,031	-	-	30,031	30,031
	10,281	9,000	15,031	-	-	34,312	34,312
At 30 June 2014							
Trade and other Payables	783	-	-	-	-	783	783
Borrowings	5,000	-	-	-	-	5,000	5,000
	5,783	-	-	-	-	5,783	5,783

The carrying value of all other assets and liabilities approximate their amortised cost.

Included in the borrowings cash flow amounts is a $25 million non- cash gold repayment facility (refer note 17). The timing of the non-cash contractual repayments has been shown above for transparency.

Note 3 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Capitalised Mineral Acquisition Expenditure
Capitalised mineral acquisition expenditure is assessed for impairment when facts and circumstances suggest that the carrying amount may exceed their recoverable amount. Management considers the facts and circumstances on a regular basis and at each reporting period that would indicate whether the consolidated entity should test the capitalised mineral acquisition expenditure for impairment.

Rehabilitation provision
The Group is required by the relevant regulatory authorities to ensure that appropriate rehabilitation is carried out on tenements that are mined. The amount of rehabilitation cost is an estimate based upon the estimated life of each mined tenement, as well as the future timing and cost of such rehabilitation. The provision is constantly revised as information about the life of mine, depth of mining and cost estimates are updated.

Useful lives of property, plant and equipment
The Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Deferred Income Tax Assets
The Company recognises deferred tax assets to the extent that it is probable that the future utilisation of these losses is considered probable. At 30 June 2015 the net deferred tax assets have not been recognised.

Fair value measurements and valuation processes
Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Amortisation of capitalised mine development costs
Amortisation of capitalised mine development costs is provided on the unit-of-production method resulting in an amortisation charge proportional to the depletion of the economically recoverable mineral resources. Costs are amortised from the commencement of production. Management assesses the economically recoverable reserves on a units on production basis and reassess the amortisation charge accordingly.

Note 4 Assets classified as held for sale

	2015 $’000	2014 $’000
Non-current assets held for sale		
Tenement acquisition costs	1,745	469
	1,745	469

The directors of Black Oak Minerals Limited decided to undertake the divestment of the Sandstone tenement package and various Marda project tenements. Sale processes are ongoing with the Marda assets (Battler and British Hill) subject to a sale agreement signed on 8 September 2015. Negotiations continue on the Sandstone assets.

Note 5 Revenue

The group derives the following types of revenue:

	2015 $'000	2014 $'000
Sales revenue		
Silver sales	8,031	-
	8,031	-
Other revenue		
Rental and sub-lease rental income	2	16
Interest from financial assets not at fair value through profit or loss	276	179
Gain on sale of property, plant and equipment	193	-
Research and Development refund	-	1,290
Gain on bargain purchase	-	3,628
Reversal of Turner River deferred consideration	-	1,440
	471	6,553

Note 6 Expenses

Loss before income tax includes the following specific expenses:

	2015 $'000	2014 $'000
Depreciation		
Plant and equipment	8	15
Land and buildings	28	102
Office furniture and equipment	26	28
Field equipment and vehicles	57	8
Software	-	-
	119	153
Finance costs		
Interest charges	2,336	881
Share based payments	-	808
Loss on disposal of fixed assets	93	104
Defined contribution superannuation expense	513	100
Operating lease expense	83	-
Mining expenses *	5,747	-
Employee salary and wages costs	6,517	2,119
Write-down of inventories	1,730	-
Impairment of tenements	-	1,966
Write-off of tenements	116	257
	116	2,223

*The mining expenses incurred above relate to the mining activities at the Mt Boppy Gold Mine which commenced in March 2015.

Note 7 Income tax

This note provides an analysis of the group's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the group's tax position.

(a) Income tax expenses

	2015 $'000	2014 $'000
Current tax	-	-
Deferred tax	(30)	787
Adjustments for current tax of prior periods	-	-
	(30)	787

	2015 $'000	2014 $'000
Deferred income tax (income)/expense included in income tax expense comprises:		-
Decrease / (increase) in deferred tax assets (note 14)	(885)	926
(Decrease)/increase in deferred tax liabilities (note 18)	855	(139)
	(30)	787

(b) Numerical reconciliation of income tax expense to prima facie tax payable is as follows:

	2015	2014
Profit (loss) from operations before income tax expense	(15,034)	(4,627)
Tax at Australian tax rates of 30%	(4,510)	(1,388)
Tax effect of non-temporary differences	-	(258)
Tax effect of gain on bargain purchase	-	(1,088)
Adjustment recognised for prior periods	(851)	(183)
Tax effect of equity raising costs debited to equity	(86)	-
Tax effect of tax losses and temporary differences not recognised	5,417	3,704
Income tax expense	(30)	787

(c) Amounts recognised directly in equity

No tax amounts have been recognised directly in equity during the current or prior year.

(d) Tax expense (income) relating to items of other comprehensive income

There are no amounts of other comprehensive income against which to recognise tax.

Note 8 Current assets – Trade and other receivables

	2015 $'000	2014 $'000
Trade receivables	361	-
Prepayments	366	338
Other debtors	683	57
	1,410	395

No receivables are past due terms.

Note 9 Current assets – Inventories

	2015 $'000	2014 $'000
Raw materials and stores – at cost	437	-
Silver in circuit – at net realisable value	5,146	-
	5,583	-

Note 10 Non-current assets – Other assets

	2015 $'000	2014 $'000
Environmental bond	408	408
Bank guarantees issued in relation to rehabilitation and utility charges	5,966	115
	6,374	523

The group entity has given secured guarantees in respect of mining restorations and rehabilitation. The liability has been recognised by the group in relation to its rehabilitation obligations. (refer note 16).

Note 11 Non-current assets – Property, plant and equipment

	2015 $'000	2014 $'000
Land and buildings	1,841	2,358
Accumulated depreciation	(402)	(447)
	1,439	1,911
Plant and equipment at cost	2,828	2,948
Accumulated depreciation	(1,212)	(1,311)
	1,616	1,637
Office equipment and furniture at cost	312	309
Accumulated depreciation	(281)	(257)
	31	52
Field equipment and vehicles at cost	582	344
Accumulated depreciation	(362)	(315)
	220	29
Civil works at cost	197	197
Accumulated depreciation	(197)	(197)
	-	-
Constructed assets at cost	1,283	1,283
Accumulated depreciation	(668)	(668)
	615	615
Low value assets at cost	10	10
Accumulated depreciation	(10)	(10)
	-	-
Total property, plant and equipment	3,921	4,244

Assets pledged as security

Property, plant and equipment with a carrying amount of $3,921,000 has been pledged to secure borrowings of the Group (refer note 17). The assets have been pledged as security for Trailstone loans. The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Note 11 Non-current assets – Property, plant and equipment (continued)

Reconciliation of Property, Plant and Equipment	2015 $'000	2014 $'000
Land and buildings:		
Balance at the beginning of the year	1,911	623
Additions	28	2,816
Disposals	(472)	(1,426)
Depreciation expense	(28)	(102)
Balance at the end of the year	1,439	1,911
Plant and equipment:		
Balance at the beginning of the year	1,637	1,513
Additions	6	139
Disposals	(19)	-
Depreciation expense	(8)	(15)
Balance at the end of the year	1,616	1,637
Office equipment and furniture:		
Balance at the beginning of the year	52	39
Additions	5	41
Disposals	-	-
Depreciation expense	(26)	(28)
Balance at the end of the year	31	52
Field equipment and vehicles:		
Balance at the beginning of the year	29	15
Additions	260	22
Disposals	(12)	-
Depreciation expense	(57)	(8)
Balance at the end of the year	220	29
Constructed assets at cost:		
Balance at the beginning of the year	615	-
Additions	-	615
Disposals	-	-
Depreciation expense	-	-
Balance at the end of the year	615	615
Total property, plant and equipment	3,921	4,244

Note 12 Non-current assets – Tenement acquisition costs

	2015 $'000	2014 $'000
Balance at the beginning of the year	6,813	4,478
Additions	110	5,067
Transfer to capitalised mining development costs	(1,839)	-
Write-off of tenements	(110)	(257)
Impairment of tenements	-	(2,006)
Assets included in a disposal group classified as held for sale	(1,276)	(469)
Balance at the end of the year	3,698	6,813

During the 2014 financial year an impairment charge of $2,006,000 was raised against the Sandstone Project exploration assets. Assets held for sale at note 4 are carried at their book value.

Note 13 Non-current assets – Capitalised Mining Development costs

	2015 $'000	2014 $'000
Capitalised mining costs at recoverable amount	16,674	-
Less: Accumulated amortisation	(2,107)	-
Less: Impairment charges	(6)	
	14,561	-
The capitalised mining costs carried forward above have been determined as follows:		
Opening balance	-	-
Costs incurred during the year	13,074	-
Borrowing costs capitalised	1,761	
Costs transferred from tenement acquisition costs	1,839	-
Impairment of mine properties	(6)	-
Amortisation during the year	(2,107)	-
Balance at the end of the year	14,561	-

Note 14 Deferred tax assets

	2015 $'000	2014 $'000
Deferred tax assets	-	-
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Accruals	39	41
Employee entitlements	105	41
Inventory	388	-
Rehabilitation	2,111	422
Share issue and other expenses deductible over five years	297	433
Borrowing costs	-	37
Tax losses	17,693	13,357
Amounts recognised in equity		
Capital raising costs	135	-
Total deferred tax assets	20,633	14,331
Set-off of deferred tax assets/liabilities pursuant to set-off provisions (refer note 18)	(1,787)	(902)
Net deferred tax asset not recognised	(18,846)	(13,429)
Net deferred tax assets	-	-

Note 15 Current liabilities – Trade and other payables

	2015 $'000	2014 $'000
Trade creditors	1,083	387
Other creditors and accruals	2,844	396
Deferred income	354	-
	4,281	783

Trade creditors are non-interest bearing and are normally settled on 7 to 30 day terms.

Note 16 Provisions

	2015 $'000	2014 $'000
CURRENT LIABILITIES		
Employee annual leave provisions	323	112
Total	323	112
NON-CURRENT LIABILITIES		
Employee long service leave provisions	26	26
Rehabilitation	7,037	1,408
Total	7,063	1,434

Including directors the Company had 107 employees as at 30 June 2015 (30 June 2014: 10).

Movement in provision

Movement in each class of provision during the financial year, other than employee benefits are set out below:

	Rehabilitation provision $'000
Carrying amount at start of year – 1 July 2014	1,408
Additional provision charged to capitalised mining development costs	5,519
Additional provision charged to tenement acquisition costs	110
Carrying amount at the end of the year 30 June 2015	7,037

The provision for rehabilitation relates to the estimated cost of work to be carried out for the rehabilitation of exploration and mine sites. (refer note 1 (v)).

Note 17 Borrowings

	2015 $'000	2014 $'000
Current	15,000	5,000
Non-current	15,031	-
	30,031	5,000

On 8 July 2014 the Company finalised agreements with the TrailStone Group to provide two facilities to support the development of the Company's key projects. These comprised a $25 million Forward Gold Purchase Agreement (Gold Prepayment Facility) which attracted a market based interest rate of 15.30% supplemented by a $35 million Credit Facility which has a market based interest rate of 16%. The drawdown of the Gold Prepayment Facility has occurred, providing access to development funding and additional working capital, and enabling full repayment of the $5 million loan facility with RMB which was finalised on 23 September 2014. The Company received the first $5 million tranche from the TrailStone Credit facility in April and this has been applied to the working capital required for the commencement of the mining activities at Mt Boppy. At 30 June 2015, the remaining $30 million Credit Facility had yet to be drawn down.

The Gold Prepayment Facility will be repaid by Black Oak Minerals Limited delivering 33,000 ounces of gold at an agreed rate. The agreed rate is $1,374 per ounce with $1,000 being used to pay down the facility and $374 being settled in cash. Based on current forecast production the facility is expected to be fully repaid by 30 June 2017. These facilities are secured across all assets in the Group.

The borrowings are presented in the balance sheet as follows:

	$'000
Face value of borrowings	30,000
Borrowing costs incurred	(792)
	29,208
Accretion of borrowing costs	823
Current and Non-current liability	30,031

Note 18 Deferred tax liabilities

	2015 $'000	2014 $'000
Deferred tax liabilities	757	787
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Exploration Expenditure	1,658	1,689
Property, Plant and Equipment	886	-
Total deferred tax liabilities	2,544	1,689
Set-off of deferred tax assets/liabilities pursuant to set-off provisions (refer note 14)	(1,787)	(902)
Net deferred tax liabilities / (assets)	757	787

Note 19 Contributed equity

	2015 Shares	2014 Shares	2015 $'000	2014 $'000
(a) Share capital				
Ordinary shares				
Fully paid	44,002,812	887,450,806	43,990	39,952
	44,002,812	887,450,806	43,990	39,952

(b) Movements in ordinary share capital:

Date	Details	Note	Number of Shares	Issue Price	$'000
1 July 2013	Balance		408,912,825		30,381
20 August 2013	Merger with Polymetals	(e)	458,537,981	$0.020	9,171
9 September 2013	Placement	(e)	20,000,000	$0.020	400
	Share issue costs		-		-
30 June 2014	Balance		887,450,806		39,952
	Placement		432,100,000	$0.01	4,321
	Share consolidation 1:30		(1,275,564,670)		-
	Issued on the exercise of options		16,676		7
	Share issue expenses		-		(290)
			44,002,812		43,990

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(d) Options

As at 30 June 2015 the Company had the following options on issue:

Number issued	Expiry date	Exercise price
1,455,500	10 Oct 17	$3.00
83,334	10 Oct 15	$3.00
166,668	23 Nov 17	$3.00
666,667	31 Dec 17	$0.90
666,667	31 Dec 17	$1.20
2,125,851	24 Mar 16	$0.588
2,438,333	31 Dec 19	$0.39
3,080,057	31 Dec 19	$0.39
10,683,077		

Note 19 Contributed equity (continued)

The following options expired or lapsed during the year:

Number	Grant date	Exercise price
833	2 Jul 2008	$7.50
833	2 Jul 2008	$9.00
3,333	21 Jul 2009	$7.50
3,333	21 Jul 2009	$9.00
66,667	18 Nov 2010	$6.00
33,333	18 Nov 2010	$7.50
33,333	18 Nov 2010	$9.00
33,333	18 Nov 2010	$12.00
73,333	1 Aug 2011	$3.00
16,667	1 Aug 2011	$6.00
16,667	1 Aug 2011	$7.50
333,333	25 Feb 12	$3.00
1,141,844	21 Mar 13	$1.41

The expired options were unlisted and had vested prior to expiry.

(e) Placements

The following placements were made:

- Issued 100,000,000 ordinary shares (pre share consolidation) to Trailstone UK Limited at an issue price of 1 cent per share raising a total of $1 million. The placement was undertaken in accordance with the terms and conditions which were approved by Shareholders at the Extraordinary General Meeting held on 4 September 2014.

- Issued 332,100,000 ordinary shares (pre consolidation) under a prospectus lodged with the ASX on 19 August 2014. The shares were issued at 1 cent each.

(f) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group includes equity attributable to equity holders, comprising of issued capital, reserves and accumulated losses. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the Company.

The Group monitors capital on the basis of cash flow requirements for operational, and exploration and evaluation expenditure. The Group intends to continue to use capital market issues and joint venture participant funding contributions to satisfy anticipated funding requirements.

The Group has no externally imposed capital requirements.

The Group's strategy for capital risk management is unchanged from prior years.

Note 20 Accumulated losses and reserves

a) Accumulated Losses

	2015 $'000	2014 $'000
Opening balance	(37,514)	(32,100)
Net loss	(15,004)	(5,414)
Closing balance	(52,518)	(37,514)

b) Option Reserve

	2015 $	2014 $
Opening balance	4,608	3,800
Cost of share based payments expensed	-	808
Closing balance	4,608	4,608

Nature and purpose of reserves

Share based payments reserve

The share-based payments reserve is used to recognise:

(a) the grant date fair value of options issued to directors / contractors and vendors of assets

(b) the grant date fair value of performance rights issued to directors / contractors

Note 21 Statement of cash flows

a) Reconciliation of operating loss after income tax to the net cash flows from operations

	2015 $'000	2014 $'000
Operating loss after income tax	(15,004)	(5,414)
Add/(less)		
Impairment of tenements	-	2,006
Write-down of inventories	1,730	
Write-off of tenements	116	257
(Gain) / loss on sale of assets	(100)	104
Gain on acquisition of subsidiary	-	(3,628)
Borrowing costs capitalised	(1,761)	-
Depreciation and amortisation	1,859	153
Share based payments	-	808
Write-back of deferred consideration	-	(1,440)
(Increase)/decrease in trade and other receivables	(1,015)	206
(Increase)/decrease in inventories	(7,313)	18
(Increase)/decrease in exploration assets	-	32
Increase/(decrease) in trade and other payables and		(831)
provisions	3,496	787
Increase/(decrease) in deferred tax liabilities	(30)	(40)
Increase/(decrease) in provisions	180	-
Net cash flow used in operating activities	(17,842)	(6,982)

b) Reconciliation of cash and cash equivalents

	2015 $'000	2014 $'000
Cash at bank and on hand	1,243	2,474
Deposits at call	-	244
	1,243	2,718

c) Non-cash Investing and Financing Activities

There were no non-cash investing and financing activities during the current financial year.

Note 22 Key management personnel disclosures

(a) Key management personnel compensation

	Consolidated 2015 $	Consolidated 2014 $
Short-term employee benefits	830,854	824,111
Post-employment benefits	78,931	85,239
Termination payments	94,435	603,741
Share-based payments	-	322,505
	1,004,220	1,835,596

Note 23 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor or, its related practices and non-related audit firms:

	Consolidated 2015 $	Consolidated 2014 $
Deloitte Touche Tohmatsu		
Audit services		
Audit and review of financial reports	70,750	55,000
Total remuneration for audit and other assurance services	70,750	55,000
Deloitte Touche Tomatsu		
Other services	-	*8,870*
Taxation services	-	-
Total remuneration for other services	-	8,750
Total auditor remuneration	70,750	63,750

Note 24 Related parties

(a) Parent entities

The parent entity and ultimate Australian parent entity within the group is Black Oak Minerals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 31.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 22.

(d) Amounts payable to related parties

There are no amounts payable to related parties as at 30 June 2015.

Note 25 Events occurring after reporting date

1) Sale of Battler and British Hill tenements

The Company entered into an agreement to sell its interests in the tenements at Battler and British Hill, the southern-most regions of the Marda Gold Project in WA. The Company received a $50,000 initial cash payment on 1 September 2015, with further payments of $75,000 and $125,000 due on the 8 September 2015 and 13 October 2015 respectively. On the 1 December 2015 IMD is to pay a further $1.25 million to complete the sale. $1.5 million is to follow on IMD being granted approval to mine (forecast in mid-2016), with a further $1.0 million due over the subsequent 12 months, bringing the total consideration to $4 million. The Company has allocated these proceeds specifically to fund exploration activities at both the Marda and Manuka/Mt Boppy projects.

Note 25 Events occurring after reporting date (continued)

2) Drawdown of second $5 million tranche of funds from the TrailStone Credit facility

The Company has renegotiated its Credit Facility agreement with TrailStone to bring forward the second tranche of funding to meet working capital needs in August previously available no earlier than 24 September 2015. As a result of this change the agreement was also amended to include the following:

- TrailStone has waived future commitment fees on the undrawn component ($25M) of the Credit Facility;
- TrailStone to control BOK use of commodity sale proceeds to fund operational expenditure. Proceeds from capital raising for exploration (including from sale of Battler and British Hill tenements) to be excluded from this regime;
- BOK to enter into agreement to toll mill Marda ore within 18 weeks; and
- Credit Facility repayment profile amended to include minimum repayments of $5M by 31 December 2016 and $9.5M (cumulative) by 30 June 2017.

3) Commencement of gold production at Mt Boppy

In late August the Company commenced trucking gold ore from the Mt Boppy pit to the Manuka plant for processing. Processing of the ore commenced on 30 August 2015 on target to meet the first gold repayment to TrailStone in September 2015.

Note 26 Commitments for expenditure

a) Tenement Commitments.

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the various State governments. These obligations can be reduced by selective relinquishment of exploration tenure or renegotiation. Due to the nature of the Company's operations in exploring and evaluating areas of interest, exploration expenditure commitments beyond twelve months cannot be reliably determined. It is anticipated that expenditure commitments in the subsequent years will be similar to that for the forthcoming twelve months. These obligations are not provided for in the financial report and are payable:

	2015 $'000	2014 $'000
Not later than one year:	2,656	3,796

Of the 2015 commitments, $226,200 (2014: $1,517,000) relates to the Sandstone tenement portfolio which is currently in the process of divestment and shown as available for sale in the balance sheet.

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

(b) Operating lease commitments

The Company leases office space under a non-cancellable operating lease expiring in 3 years.	2015 $'000	2014 $'000
Commitments for minimum lease payments in relation to non-cancelable operating leases are payable as follows:		
Within one year	125	-
Later than one year but not later than 5 years	167	-
Later than 5 years	-	-
	292	-

Operating leases solely comprise a lease of premises under normal commercial operating lease terms and conditions.

Note 27 Segment information

The Company operates in the mineral resource industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploitation of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

Note 28 Loss per share

	2015 Cents	2014 Cents
(a) Basic loss per share		
Basic loss per share attributable to the ordinary equity holders of the Company	44.88	19.83
(b) Diluted loss per share		
Diluted loss per share attributable to the ordinary equity holders of the Company	44.88	19.83

	2015 $'000	2014 $'000
(c) Reconciliation of losses used in calculating loss per share		
Basic and diluted earnings per share Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share:	(15,004)	(5,414)

	2015 Number	2014 Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	33,433,721	27,385,717
Adjustments for calculation of diluted earnings per share: Options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	33,433,721	27,385,717

(e) Information concerning the classification of securities

Options and rights

Options and rights on issue are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2015. These options and rights could potentially dilute basic earnings per share in the future. Details relating to options and rights are set out in note 19(d).

Note 29 Share based payments

During the year the Company did not make any share based payments.

Set out below are summaries of options granted:

	2015		2014	
	Average exercise price per share option	**Number of options**	Average exercise price per share option	Number of options
As at 1 July	**$1.80**	**6,921,529**	$3.30	3,895,677
Granted during the year	**-**	**5,518,390**	$0.90	3,459,184
Exercised during the year	**-**	**-**	-	-
Expired during the year	**$2.55**	**(1,756,842)**	$8.40	(433,333)
As at 30 June	**$1.50**	**10,683,077**	$1.80	6,921,528
Vested and exercisable at 30 June	**$1.50**	**10,683,077**	$1.80	6,921,528

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	**Expiry date**	**Exercise price**	**Share options 30 June 2015**	Share options 30 June 2014
10 October 2012	10 October 2017	$3.00	1,455,500	1,455,500
10 October 2012	10 October 2015	$3.00	83,334	83,334
20 December 2012	23 November 2017	$3.00	166,668	166,668
28 November 2013	31 December 2017	$0.90	666,667	666,667
28 November 2013	31 December 2017	$1.20	666,667	666,667
24 March 2014	24 March 2016	$0.588	2,125,851	2,125,850
19 September 2014	31 December 2019	$0.39	2,438,333	-
19 September 2014	31 December 2019	$0.39	3,080,057	-
2 July 2008	2 July 2014	$7.50	-	833
2 July 2008	2 July 2014	$9.00	-	833
21 July 2009	21 July 2014	$7.50	-	3,333
21 July 2009	21 July 2014	$9.00	-	3,333
18 November 2010	1 October 2014	$6.00	-	66,667
18 November 2010	1 October 2014	$7.50	-	33,333
18 November 2010	1 October 2014	$9.00	-	33,333
18 November 2010	1 October 2014	$12.00	-	33,333
1 August 2011	31 July 2014	$3.00	-	73,333
1 August 2011	31 July 2014	$6.00	-	16,667
1 August 2011	31 July 2014	$7.50	-	16,667
25 February 2012	24 February 2015	$3.00	-	333,333
22 March 2013	21 March 2015	$1.41	-	1,141,844
Total			10,683,077	6,921,528
Weighted average remaining contractual life of options outstanding at end of period			3.14 years	2.15 years

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2015 was $nil (2014 - $nil).

Note 29 Share based payments (continued)

Fair value of options granted

The assessed fair value attributed at grant date of options granted during the year ended 30 June 2015 is immaterial and is implied in the shares, (2014 - $0.008 per option). The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. (ref note 19)

Options exercised

During the financial year 16,676 options were exercised at $0.39 raising $6,504.

Expense arising from share-based payment transactions

Total expense arising from share-based payment transactions recognised during the period were as follows:

	Consolidated	
	2015	**2014**
	$'000	$'000
Options issued to employees	-	323
Options issued to RMB Australia	-	485
	-	808

Note 30 Contingent liabilities

The Group does not have any contingent liabilities at 30 June 2015.

Note 31 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

Name of entity	Country of incorporation	Principal activity	Class of shares	Equity holding	
				2015 %	2014 %
Polymetals Mining Limited	Australia	Exploration	Ordinary	100	100
Polymetals (Mt Boppy) Pty Ltd	Australia	Development	Ordinary	100	100
Polymetals (Turner River) Pty Ltd	Australia	Exploration	Ordinary	100	100

Note 32 Parent entity information

The following information relates to the parent entity, Black Oak Minerals Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1 where applicable.

	2015 $'000	2014 $'000
Current assets	7,851	1,245
Non-current assets	34,352	15,688
Total assets	42,203	16,933
Current liabilities	19,227	5,692
Non-current liabilities	30,809	8,316
Total liabilities	50,035	14,008
Issued capital	43,988	39,952
Accumulated losses	(56,428)	(41,635)
Share based payment reserve	4,608	4,608
Total equity	(7,832)	2,925
Profit or loss for the year	(14,793)	(9,534)
Total comprehensive income	(14,793)	(9,534)

Contingent liabilities

Black Oak Minerals Limited does not have any contingent liabilities at 30 June 2015.

Capital commitments

Black Oak Minerals Limited has the following exploration commitments, which are included in the Group's exploration commitments as detailed in note 26:

	2015 $'000	2014 $'000
Tenement commitments		
Commitments for payments under exploration permits for minerals in existence at the reporting date but not recognised as liabilities payable is as follows:	2,118	3,550

Guarantees

Black Oak Minerals Limited has not guaranteed any debts of its subsidiaries.

Operating lease commitments

	2015 $'000	2014 $'000
The Company leases office space under a non-cancellable operating lease expiring in 3 years.		
Commitments for minimum lease payments in relation to non-cancelable operating leases are payable as follows:		
Within one year	125	-
Later than one year but not later than 5 years	167	-
Later than 5 years	-	-
	292	-

Operating leases solely comprise a lease of premises under normal commercial operating lease terms and conditions.

DIRECTORS' DECLARATION

DECLARATION BY DIRECTORS

In the directors' opinion:

(a) the attached financial statements and notes are in accordance with the *Corporations Act 2001, including:*
   (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, for the reasons provided in note 1(a)(iii).

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The remuneration disclosures contained in the Remuneration Report comply with s300A of the Corporations Act 2001.

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

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

J Parker
Chairman

Brisbane, 29 September 2015

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Independent Auditor's Report to the Members of Black Oak Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Black Oak Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 17 to 52.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Black Oak Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Black Oak Minerals Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 12 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Black Oak Minerals Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(a) in the financial report which indicates that as at 30 June 2015 the consolidated entity's current liabilities exceeded its current assets by $9,620 thousand. This condition, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty that may cast significant doubt about the ability of the company and the consolidated entity to continue as going concerns and therefore the company and the consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Rowan Smith
Partner
Chartered Accountants
Brisbane, 29 September 2015

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 01 September 2015.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security
	Ordinary Shares
1 – 1,000	1,186
1,001 – 5,000	618
5,001 – 10,000	202
10,001 – 100,000	303
100,001 and over	57
	2,366

There were 1,503 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders

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

Name	**Ordinary shares** Number Held	**Ordinary shares** Percentage (%) of issued shares
Meadowhead Investments Pty Ltd	4,450,500	10.11
Meadowhead Investments Pty Ltd	3,333,334	7.58
Trailstone UK Limited	3,333,334	7.58
Mrs Jane Christine Sproule <Sproule Family A/C>	3,126,567	7.11
Washington H Soul Pattinson & Co Limited	1,092,662	2.48
Kamjoh Pty Ltd	1,036,995	2.36
Polaris Metals Pty Ltd	776,667	1.77
Deering Nominees Pty Ltd	772,219	1.75
Richlark Pty Ltd <RJ Sproule Family A/C>	776,159	1.74
Barranco Resources NL	666,667	1.52
Mr Siang Hai Teoh	629,629	1.43
Mrs Elaine Lawry	600,317	1.36
Western Areas NL	491,325	1.12
Mr Bart Rensen & Mrs Suzanne Rensen	486,278	1.11
Richlark Pty Ltd <Akers Family A/C>	467,639	1.06
Richlark Pty Ltd <RJ Sproule Family A/C>	467,639	1.06
Grosvenor Pirie Management Ltd <Roslyn No 4 S/F>	450,000	1.02
Mineral Resources Limited	425,208	0.97
Slade Technologies Pty Ltd <Embrey Family S/F>	383,334	0.87
SL Jackson Contracting Pty Ltd	383,334	0.87
	24,139,083	54.86

Unquoted equity securities

	Number on issue	**Number of holders**
Unquoted options	10,683,077	202

No person holds 20% of more of these securities.

SHAREHOLDER INFORMATION

C. Substantial holders

Substantial holders in the Company are set out below:

	No. of shares	Percentage
Meadowhead Investments Pty Ltd	7,885,975	17.92%
Mr David Sproule & Mrs Jane Christine Sproule	3,198,567	7.27%

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options
No voting rights.

MINERAL RESOURCES AND ORE RESERVES STATEMENTS
As at 30 June 2015

The Company issued its 2015 Mineral Resources and Reserves Update to the market via an announcement released to ASX on 4 August 2015 titled "**2015 Mineral Resources and Reserves Update**".

The following information is a summary of the key information in that announcement. The tables on the following pages detail the estimates of the Mineral Resources and Ore Reserves held by the Company as at 30 June 2015. Further detail is available in the announcement.

Changes in Resources and Reserves from reporting at 30 June 2014

Changes in Mineral Resources and Ore Reserves from the previous publicly released holdings (30 June 2014) and the reasons for these changes are as follows:

Gold Mineral Resources

Date	Tonnes (kt)	Grade (g/t Au)	Ounces (koz Au)
30 June 2014	22,952	1.8	1,299
30 June 2015	19,367	1.7	1,068

The change in gold Mineral Resources is due to divestment of a number of tenements at the Sandstone Project (refer ASX announcement 30 April 2015) and lowering of the cut-off grade used at the Mt Boppy Gold Mine. The cut-off grade has been lowered from 2.5g/t to 1g/t to reflect the removal of most of the waste material in the pit cutback which commenced in March 2015. Gold Mineral Resources for the Marda project remain consistent with the 2014 release.

Gold Ore Reserves

Date	Tonnes (kt)	Grade (g/t Au)	Ounces (koz Au)
30 June 2014	2,924	2.7	251
30 June 2015	2,973	2.7	253

The small increase in gold Ore Reserves is due to a revised pit design at the Mt Boppy Gold Mine which allows access to more of the Mineral Resource. Gold Ore reserves for all other projects remain consistent with the 2014 release.

Silver Mineral Resources

Date	Tonnes (kt)	Grade (g/t Ag)	Ounces (koz Ag)
30 June 2014	-	-	-
30 June 2015	2,584	78	6,442

Silver Ore Reserves

Date	Tonnes (kt)	Grade (g/t Ag)	Ounces (koz Ag)
30 June 2014	-	-	-
30 June 2015	382	84	1,031

Silver Mineral Resources and Ore Reserves have increased as a direct result of the acquisition of the Manuka Silver Project in September 2014. The Ore Reserves tabled in this report are comprised of ROM stockpiled ore mined by BOK from the Manuka pit.

Material events post 30 June 2015

On 8 September 2015, the Company entered into an agreement to sell the Battler and British Hill tenements in the Marda project. Should this transaction complete as expected this will reduce the Company's Ore Reserves by 25koz Au and Mineral Resources by 147koz Au.

MINERAL RESOURCES AND ORE RESERVES STATEMENTS

As at 30 June 2015

Governance Arrangements and Internal Controls

A summary of the governance arrangements and internal controls put in place by the Company in respect to its estimates of Mineral Resources and Ore Reserves and the estimation process is as follows:

Mineral Resources

- Review and validation of sampling techniques and data.
- Review of geological interpretations and possible alternative interpretations.
- Review and validation of estimation and modelling techniques.
- Review of cut-off grade parameters and mining assumptions.
- Internal and external peer reviews.

Ore Reserves

- Review of cut-off grade parameters and mining assumptions.
- Review of metallurgical factors or assumptions.
- Review of cost assumptions.
- Pit Designs based on optimised pit shells.

Competent Person Statements

The information in this report that relates to Mineral Resources is based on information compiled by Troy Lowien. The information in this report that relates to Ore Reserves is based on information compiled by Chris Bolger. Troy Lowien and Chris Bolger are both members of the Australian Institute of Mining and Metallurgy and were full time employees of Black Oak Minerals Ltd at 30 June 2015.

Troy Lowien and Chris Bolger have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Troy Lowien and Chris Bolger consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

MINERAL RESOURCES STATEMENT

As at 30 June 2015

Gold

Marda Project Resources

Deposit	Cut Off Grade (Au g/t)	Material	Measured Tonnes (kt)	Measured Grade (Au g/t)	Measured Ounces (Au koz)	Indicated Tonnes (kt)	Indicated Grade (Au g/t)	Indicated Ounces (Au koz)	Measured & Indicated Tonnes (kt)	Measured & Indicated Grade (Au g/t)	Measured & Indicated Ounces (Au koz)	Inferred Tonnes (kt)	Inferred Grade (Au g/t)	Inferred Ounces (Au koz)	Total Tonnes (kt)	Total Grade (Au g/t)	Total Ounces (Au koz)
Dolly Pot	1	oxide	569	1.9	34	14	1.7	1	583	1.8	35	32	1.8	2	615	1.8	36
Dugite	1	oxide	294	1.9	18	8	1.5	<1	302	1.9	18	11	1.4	<1	312	1.9	19
King Brown	1	oxide	100	4.4	14	63	2.6	5	164	3.7	19	74	3.0	7	238	3.4	26
Golden Orb	1	oxide	416	3.0	40	103	2.0	7	519	2.8	47	176	1.8	10	694	2.5	57
Python	1	oxide	738	2.0	46	40	1.6	2	779	1.9	48	192	1.9	12	970	1.9	60
Goldstream	1	oxide	210	2.0	13	1	1.4	<1	211	1.9	13	1	1.3	<1	212	1.9	13
Red Legs	1	oxide	-	-	-	319	2.4	25	319	2.4	25	361	1.9	22	680	2.2	47
Die Hardy	1	oxide	-	-	-	983	1.5	47	983	1.5	47	589	1.5	28	1,572	1.5	75
Battler	1	oxide	361	2.7	31	39	3.5	4	401	2.8	36	52	3.5	6	453	2.9	42
British Hill	1	oxide	-	-		970	1.9	59	970	1.9	59	951	1.5	46	1,921	1.7	105
Project Total			**2,688**	**2.3**	**197**	**2,542**	**1.8**	**149**	**5,230**	**2.1**	**346**	**2,437**	**1.7**	**133**	**7,668**	**1.9**	**480**

Canbelego Project Resources

Deposit	Cut Off Grade (Au g/t)	Material	Measured Tonnes (kt)	Measured Grade (Au g/t)	Measured Ounces (Au koz)	Indicated Tonnes (kt)	Indicated Grade (Au g/t)	Indicated Ounces (Au koz)	Measured & Indicated Tonnes (kt)	Measured & Indicated Grade (Au g/t)	Measured & Indicated Ounces (Au koz)	Inferred Tonnes (kt)	Inferred Grade (Au g/t)	Inferred Ounces (Au koz)	Total Tonnes (kt)	Total Grade (Au g/t)	Total Ounces (Au koz)
	1	oxide	40	4.3	6	20	3.9	3	60	4.2	8	9	2.3	1	69	3.9	9
Mount Boppy	1	fresh	18	5.4	3	453	4.2	60	471	4.2	64	112	3.2	11	583	4.0	75
	1	stopefill	-	-	-	158	3.6	18	158	3.6	18	-	-	-	158	3.6	18
Sub Total			**58**	**4.6**	**9**	**631**	**4.0**	**81**	**689**	**4.1**	**90**	**120**	**3.1**	**12**	**809**	**3.9**	**102**
Boppy South	1	oxide	-	-	-	90	2.3	7	90	2.3	7	2	2.1	<1	93	2.3	7
	1	fresh	-	-	-	15	2.1	1	15	2.1	1	2	1.9	<1	18	2.1	1
Sub total			**-**		**-**	**106**	**2.3**	**8**	**106**	**2.3**	**8**	**5**	**2.0**	**<1**	**110**	**2.3**	**8**
Project Total			**58**	**4.6**	**9**	**737**	**3.8**	**89**	**795**	**3.8**	**98**	**125**	**3.0**	**12**	**920**	**3.7**	**110**

Sandstone Project Resources

Deposit	Cut Off Grade (Au g/t)	Material	Measured Tonnes (kt)	Measured Grade (Au g/t)	Measured Ounces (Au koz)	Indicated Tonnes (kt)	Indicated Grade (Au g/t)	Indicated Ounces (Au koz)	Measured & Indicated Tonnes (kt)	Measured & Indicated Grade (Au g/t)	Measured & Indicated Ounces (Au koz)	Inferred Tonnes (kt)	Inferred Grade (Au g/t)	Inferred Ounces (Au koz)	Total Tonnes (kt)	Total Grade (Au g/t)	Total Ounces (Au koz)
Two Mile Hill Tonalite	0.5	-	-	-	-	-	-	-	-	-	-	10,541	1.3	451	10,541	1.3	451
Two Mile Hill BIF	0.5	-	-	-	-	59	9.9	19	59	9.9	19	-	-	-	59	9.9	19
Shillington	1	-	-	-	-	-	-	-	-	-	-	130	1.5	6	130	1.5	6
Plum Pudding	1	-	-	-	-	-	-	-	-	-	-	50	1.6	3	50	1.6	3
Project Total			**-**	**-**	**-**	**59**	**9.9**	**19**	**59**	**9.9**	**19**	**10,721**	**1.3**	**460**	**10,780**	**1.4**	**478**

Total Gold Resources

Deposit	Cut Off Grade (Au g/t)	Material	Measured Tonnes (kt)	Measured Grade (Au g/t)	Measured Ounces (Au koz)	Indicated Tonnes (kt)	Indicated Grade (Au g/t)	Indicated Ounces (Au koz)	Measured & Indicated Tonnes (kt)	Measured & Indicated Grade (Au g/t)	Measured & Indicated Ounces (Au koz)	Inferred Tonnes (kt)	Inferred Grade (Au g/t)	Inferred Ounces (Au koz)	Total Tonnes (kt)	Total Grade (Au g/t)	Total Ounces (Au koz)
All	-	-	2,746	2.3	205	3,338	2.4	257	6,084	2.4	463	13,284	1.4	604	19,367	1.7	1,068

Silver

Manuka Project Resources

Deposit	Cut Off Grade (Ag g/t)	Material	Measured Tonnes (kt)	Measured Grade (Ag g/t)	Measured Ounces (Ag koz)	Indicated Tonnes (kt)	Indicated Grade (Ag g/t)	Indicated Ounces (Ag koz)	Measured & Indicated Tonnes (kt)	Measured & Indicated Grade (Ag g/t)	Measured & Indicated Ounces (Ag koz)	Inferred Tonnes (kt)	Inferred Grade (Ag g/t)	Inferred Ounces (Ag koz)	Total Tonnes (kt)	Total Grade (Ag g/t)	Total Ounces (Ag koz)
Wonawinta	50	Oxide Clay	-	-	-	1,009	81	2,643	1,009	81	2,643	1,019	75	2,471	2,028	78	5,114
	50	Oxide Limestone	-	-	-	121	79	307	121	79	307	435	73	1,021	556	74	1,328
Project Total			**-**	**-**	**-**	**1,130**	**81**	**2,950**	**1,130**	**81**	**2,950**	**1,454**	**75**	**3,492**	**2,584**	**78**	**6,442**

BLACK OAK MINERALS LIMITED
ABN 71 124 374 321

ORE RESERVES STATEMENT
As at 30 June 2015

Gold

Marda Project Reserves

Deposit	Cut Off Grade (Au g/t)	Proved			Probable			Total		
		Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)
Dolly Pot	0.80	370	1.7	21	0	1.2	0	371	1.8	21
Dugite	0.80	213	1.9	13	0	1.5	0	213	2.0	13
King Brown	0.88	87	4.5	13	12	2.7	1	99	4.5	14
Golden Orb	0.87	271	3.1	27	9	2.0	1	280	3.2	28
Python	0.80	552	1.9	34	3	1.4	0	555	2.0	34
Goldstream	0.80	86	2.4	7	0	0.0	0	86	2.5	7
Red Legs	0.90	0	0.0	0	163	2.9	15	163	3.1	15
Die Hardy	0.90	0	0.0	0	396	1.6	21	396	1.6	21
Battler	1.29	136	3.7	16	6	5.7	1	142	4.0	17
British Hill	1.52	0	0.0	0	71	2.9	7	71	4.6	7
Total		1,715	2.4	130	660	2.1	46	2,375	2.3	175

Canbelego Project Reserves

Deposit	Cut Off Grade (Au g/t)	Proved			Probable			Total		
		Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)
Mt Boppy	1.85	35	6.0	7	544	4.0	70	579	4.1	77
Mt Boppy ROM Stockpile	-	0	0.0	0	19	2.2	1	19	2.2	1
Total		35	6.2	7	563	3.9	71	598	4.1	78

Total Gold Reserves

Deposit	Proved			Probable			Total		
	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)
All	1,750	2.4	137	1,223	3.0	117	2,973	2.7	253

Silver

Manuka Project Reserves

Deposit	Cut Off Grade (Ag g/t)	Proved			Probable			Total		
		Tonnes (kt)	Grade (Ag g/t)	Ounces (Ag koz)	Tonnes (kt)	Grade (Ag g/t)	Ounces (Ag koz)	Tonnes (kt)	Grade (Ag g/t)	Ounces (Ag koz)
Manuka ROM Stockpile	-	0	0.0	0	382	84	1,031	382	84.0	1,031

TENEMENT SCHEDULE at 30 JUNE 2015

Mining tenements held at the end of the financial year and their location (includes associated interests in mineral rights)

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments
NSW	Canbelego	EL 5842	East of Cobar	100%	PMB	Granted
NSW	Mt Boppy Mine	GL 3255	East of Cobar	100%	PMB	Granted
NSW	Mt Boppy Mine	GL 5836	East of Cobar	100%	PMB	Granted
NSW	Mt Boppy Mine	GL 5848	East of Cobar	100%	PMB	Granted
NSW	Mt Boppy Mine	GL 5898	East of Cobar	100%	PMB	Granted
NSW	Mt Boppy Mine	ML 311	East of Cobar	100%	PMB	Granted
NSW	Mt Boppy Mine	MPL 240	East of Cobar	100%	PMB	Granted
NSW	Mt Boppy Mine	ML 1681	East of Cobar	100%	PMB	Granted
NSW	Manuka	EL 6155	South of Cobar	100%	BOK	Granted
NSW	Manuka	EL 6302	South of Cobar	100%	BOK	Renewal Offer
NSW	Manuka	EL 6482	South of Cobar	100%	BOK	Renewal Offer
NSW	Manuka	EL 6623	South and West of Cobar	100%	BOK	Renewal Offer
NSW	Manuka	EL 7345	South of Cobar	100%	BOK	Granted
NSW	Manuka	EL 7515	South of Cobar	100%	BOK	Granted
NSW	Manuka	EL 5158	South of Cobar	100%	BOK	Application
NSW	Manuka Mine	ML 1659	South of Cobar	100%	BOK	Granted
WA	Bullfinch	E77/1374	Bullfinch	0% (2)	POL	Granted
WA	Bullfinch	E77/2017	Bullfinch	0% (2)	POL	Granted
WA	Bullfinch	E77/2092	Bullfinch	0% (2)	POL	Granted
WA	Bullfinch	E77/2146	Bullfinch	100% (2)	MAJ	Granted
WA	Bullfinch	M77/1253	Bullfinch	0% (2)	POL	Granted
WA	Bullfinch	P77/3614	Bullfinch	90%	GRY/OTH	Granted
WA	Bullfinch	P77/3628	Bullfinch	85% (2)	BOK/POL	Granted
WA	Bullfinch	P77/3629	Bullfinch	85% (2)	BOK/POL	Granted
WA	Bullfinch	P77/3630	Bullfinch	0% (1)	POL	Granted
WA	Bullfinch	P77/3631	Bullfinch	0% (1)	POL	Granted
WA	Bullfinch	P77/3632	Bullfinch	0% (1)	POL	Granted
WA	Bullfinch	P77/3633	Bullfinch	0% (1)	POL	Granted
WA	Bullfinch	P77/3634	Bullfinch	0% (1)	POL	Granted
WA	Bullfinch	P77/3635	Bullfinch	0% (1)	POL	Granted
WA	Bullfinch	P77/3636	Bullfinch	0% (1)	POL	Granted
WA	Bullfinch	P77/3970	Bullfinch	0% (1)	POL	Granted
WA	Johnston Range	E77/1280	Johnston Range	0% (4)	RAD	Granted
WA	Johnston Range	E77/1281	Johnston Range	0% (4)	RAD	Granted
WA	Johnston Range	E77/1807	Johnston Range	0% (4)	RAD	Granted
WA	Marda	E77/1117	Marda	100% (12)	CLF	Granted
WA	Marda	E77/1164	Marda	100% (2)	BOK	Granted
WA	Marda	E77/1321	Marda	100% (12)	CLF	Granted
WA	Marda	E77/1322	Marda	100% (12)	CLF	Granted
WA	Marda	E77/1462	Marda	0% (2)	POL	Granted
WA	Marda	E77/1474	Marda	100% (2)	BOK	Granted
WA	Marda	E77/1477	Marda	100% (2)	BOK	Granted
WA	Marda	E77/1508	Marda	100% (5)	OTH	Application
WA	Marda	E77/1509	Marda	100% (5)	BOK	Granted
WA	Marda	E77/1741	Marda	100% (2)	BOK	Granted
WA	Marda	E77/1766	Marda	100% (2)	BOK	Granted
WA	Marda	E77/1791	Marda	100% (5)	BOK	Application
WA	Marda	E77/1814	Marda	100% (5)	BOK	Granted
WA	Marda	E77/1817	Marda	100% (2)	BOK	Granted
WA	Marda	E77/1899	Marda	100% (4)	BOK	Granted
WA	Marda	E77/1900	Marda	100% (4)	BOK	Granted

TENEMENT SCHEDULE at 30 JUNE 2015

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments
WA	Marda	E77/1911	Marda	100% (2)	BOK	Granted
WA	Marda	E77/1921	Marda	100% (4)	BOK	Granted
WA	Marda	E77/1976	Marda	100% (4)	BOK	Granted
WA	Marda	E77/1997	Marda	100% (2)	BOK	Granted
WA	Marda	E77/2025	Marda	100% (2)	BOK	Granted
WA	Marda	E77/2067	Marda	100% (2)	BOK	Granted
WA	Marda	E77/2081	Marda	100% (1)	BOK	Granted
WA	Marda	E77/2105	Marda	100% (5)	JAY	Application
WA	Marda	E77/2106	Marda	100% (5)	BOK	Granted
WA	Marda	E77/2107	Marda	100% (5)	BOK	Granted
WA	Marda	E77/2109	Marda	100% (2)	BOK	Granted
WA	Marda	E77/2110	Marda	100% (2)	BOK	Granted
WA	Marda	E77/2124	Marda	100% (2)	SNH	Granted
WA	Marda	E77/2141	Marda	100% (2)	BOK	Granted
WA	Marda	E77/2150	Marda	100% (2)	POL	Application
WA	Marda	E77/2171	Marda	100% (2)	OTH	Granted
WA	Marda	E77/2172	Marda	100% (2)	GRE	Granted
WA	Marda	E77/2240	Marda	100% (1)	RAD	Granted
WA	Marda	E77/2242	Marda	100% (5)	OTH	Granted
WA	Marda	E77/2247	Marda	100% (5)	BOK	Granted
WA	Marda	E77/2248	Marda	100% (5)	BOK	Granted
WA	Marda	E77/2256	Marda	100% (5)	BOK	Application
WA	Marda	E77/2260	Marda	100% (2)	BOK	Application
WA	Marda	E77/2272	Marda	100% (5)	OTH	Granted
WA	Marda	E77/2273	Marda	100% (5)	OTH	Granted
WA	Marda	E77/2274	Marda	100% (2)	FOR	Granted
WA	Marda	E77/2275	Marda	100% (5)	FOR	Granted
WA	Marda	E77/2276	Marda	100% (5)	FOR	Granted
WA	Marda	G77/120	Marda	100%	BOK	Granted
WA	Marda	G77/35	Marda	100% (2)	BOK	Granted
WA	Marda	L77/238	Marda	100%	BOK	Granted
WA	Marda	L77/239	Marda	100%	BOK	Granted
WA	Marda	L77/240	Marda	100%	BOK	Granted
WA	Marda	L77/241	Marda	100%	BOK	Granted
WA	Marda	L77/242	Marda	100%	BOK	Granted
WA	Marda	L77/258	Marda	100%	BOK	Granted
WA	Marda	L77/259	Marda	100%	BOK	Granted
WA	Marda	L77/260	Marda	100%	BOK	Granted
WA	Marda	L77/261	Marda	100%	BOK	Granted
WA	Marda	L77/268	Marda	100%	BOK	Granted
WA	Marda	M77/1264	Marda	0% (2)	BOK	Application
WA	Marda	M77/1271	Marda	100% (1)	BOK	Granted
WA	Marda	M77/1272	Marda	100% (1)	BOK	Granted
WA	Marda	M77/394	Marda	100% (2)	BOK	Granted
WA	Marda	M77/576	Marda	100% (5)	BOK	Granted
WA	Marda	M77/646	Marda	100% (2)	BOK	Granted
WA	Marda	M77/824	Marda	100% (6)	BOK	Granted
WA	Marda	M77/931	Marda	100% (2)	BOK	Granted
WA	Marda	M77/962	Marda	100% (2)	BOK	Granted
WA	Marda	P77/3460	Marda	100% (2)	BOK	Granted
WA	Marda	P77/3461	Marda	100% (2)	BOK	Granted
WA	Marda	P77/3462	Marda	100% (2)	BOK	Granted
WA	Marda	P77/3801	Marda	100% (2)	BOK	Granted
WA	Marda	P77/3898	Marda	100% (2)	BOK	Granted
WA	Marda	P77/3899	Marda	100% (2)	BOK	Granted
WA	Marda	P77/3901	Marda	100% (5)	BOK	Granted
WA	Marda	P77/3903	Marda	100% (2)	BOK	Granted

TENEMENT SCHEDULE at 30 JUNE 2015

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments
WA	Marda	P77/3936	Marda	100% (2)	BOK	Granted
WA	Marda	P77/3978	Marda	100% (2)	BOK	Granted
WA	Marda	P77/3979	Marda	100% (2)	BOK	Granted
WA	Marda	P77/3994	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4055	Marda	100% (5)	BOK	Granted
WA	Marda	P77/4061	Marda	0%(10)	OTH	Granted
WA	Marda	P77/4076	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4077	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4078	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4101	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4127	Marda	0% (10)	OTH	Granted
WA	Marda	P77/4170	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4171	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4179	Marda	100% (5)	BOK	Granted
WA	Marda	P77/4180	Marda	100% (5)	BOK	Granted
WA	Marda	P77/4181	Marda	100% (5)	BOK	Granted
WA	Marda	P77/4194	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4204	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4221	Marda	100% (1)	BOK	Granted
WA	Marda	P77/4222	Marda	100% (1)	BOK	Granted
WA	Marda	P77/4226	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4227	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4228	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4229	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4230	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4231	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4238	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4239	Marda	100% (2)	BOK	Granted
WA	Marda	P77/4240	Marda	100% (2)	BOK	Granted
WA	Marda - Evanston	E77/1376	Marda - Evanston	0% (2)	POL	Granted
WA	Marda - Evanston	E77/1721	Marda - Evanston	0% (2)	POL	Application
WA	Marda - Evanston	E77/2032	Marda - Evanston	0% (2)	POL	Granted
WA	Perrinvale	E29/593	Perrinvale	0% (5)	CLF	Granted
WA	Perrinvale	E29/653	Perrinvale	0% (5)	CLF	Granted
WA	Perrinvale	E30/331	Perrinvale	0% (5)	CLF	Granted
WA	Perrinvale	P29/1922	Perrinvale	0% (5)	CLF	Granted
WA	Perrinvale	P29/1923	Perrinvale	0% (5)	CLF	Granted
WA	Perrinvale	P30/1011	Perrinvale	0% (5	CLF	Granted
WA	Sandstone	E57/961	Sandstone	100% (11)	OTH	Granted
WA	Sandstone	M57/128	Sandstone	100%	SXG	Granted
WA	Sandstone	M57/129	Sandstone	100%	SXG	Granted
WA	Sandstone	M57/239	Sandstone	50%	SXG/OTH	Granted
WA	Sandstone	P57/1108	Sandstone	100% (11)	SXG	Granted
WA	Sandstone	P57/1109	Sandstone	100% (11)	SXG	Granted
WA	Southern Cross	E77/1965	Southern Cross	100% (5)	SXG	Granted
WA	Southern Cross	E77/2091	Southern Cross	100% (5)	SXG	Granted
WA	Southern Cross	L77/221	Southern Cross	100% (5)	SXG	Granted
WA	Southern Cross	L77/223	Southern Cross	100% (5)	SXG	Granted
WA	Southern Cross	L77/224	Southern Cross	100%	SXG	Granted
WA	Southern Cross	L77/225	Southern Cross	100%	SXG	Granted
WA	Southern Cross	M77/1025	Southern Cross	100% (5)	SXG	Granted
WA	Southern Cross	M77/1044	Southern Cross	100% (5)	SXG	Granted
WA	Southern Cross	M77/1256	Southern Cross	100% (6)	SXG	Granted
WA	Southern Cross	M77/166	Southern Cross	100% (5)	SXG	Granted
WA	Southern Cross	P77/3645	Southern Cross	100% (5)	SXG	Granted

TENEMENT SCHEDULE at 30 JUNE 2015

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments
WA	Southern Cross	P77/4185	Southern Cross	100% (5)	SXG	Granted
WA	Yilgarn	E77/1380	Yilgarn	0% (2)	POL	Granted
WA	Yilgarn	E77/2077	Yilgarn	0% (2)	POL	Granted
WA	Yilgarn	E77/2225	Yilgarn	0% (2)	POL	Granted
WA	Yilgarn	E77/2226	Yilgarn	0% (2)	POL	Granted

Notes – BOK Interests in Mineral Rights

(1) BOK holds 100% of Non-Fe & Ni Rights
(2) BOK holds 100% of Non- Fe Rights & 30% Ni Rights
(3) BOK holds 90% of all Rights except 30% Ni Rights
(4) BOK holds 100% of Non- Fe Rights
(5) BOK holds 100% of all Rights and 30% of Ni Rights
(6) same as (5)
(7) BOK holds 80% of Non- Ni Rights & 30 % of Ni Rights
(8) BOK holds 95% of Fe Rights & 100% of all other rights
(9) BOK holds 100% of Non- Fe Rights - Non CESB. Polaris 100% Fe rights CESB
(10) BOK – Option to Purchase 100%
(11) BOK holds 100% of all rights subject to Farmin by BCN
(12) BOK holds 100% of all Rights and 30% of Ni Rights; Fe Ltd has an iron royalty

EL	New South Wales	exploration licence
GL	New South Wales	gold lease
ML	New South Wales	mining lease
MPL	New South Wales	mining purposes lease
E	Western Australia	exploration licence
L	Western Australia	miscellaneous licence
M	Western Australia	mining lease
P	Western Australia	prospecting licence

BEL	Bellriver Pty Ltd
BCN	Beacon Minerals Ltd
BOK	Black Oak Minerals Limited
CLF	Cliffs Asia Pacific Iron Ore Pty Ltd
ELX	Elixir Holdings Pty Ltd
FLA	Flatrock Resources Pty Ltd
FOR	Formula Resources Pty Ltd
GRE	Greenwood Resources Pty Ltd
GRY	Gryphon Minerals Pty Ltd
JAY	Jayvee Resources Pty Ltd
MAJ	Majeka Minerals Pty Ltd
OTH	Other non-corporate individuals
PMB	Polymetals (Mt Boppy) Ltd
POL	Polaris Metals Pty Ltd
RAD	Radar Resources Pty Ltd