AIC Resources Limited

Annual Report
For the year ended 30 June 2018

ADDRESS:
A8, 431-435 ROBERTS ROAD
SUBIACO WA 6008

TELEPHONE:
P: +61 (8) 6269 0110
F: +61 (8) 6230 5176

ABN: 71 619 035 737
E: INFO@AICRESOURCES.COM.AU
W: WWW.AICRESOURCES.COM.AU

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Corporate Directory

ABN: 71 619 035 737

DIRECTORS

Josef El-Raghy, Chairman
Brett Montgomery, Managing Director
Heidi Brown, Non-Executive Director

COMPANY SECRETARY

Heidi Brown

REGISTERED OFFICE

A8, 435 Roberts Road
Subiaco WA 6008
Tel: (08) 6269 0110
Fax: (08) 6230 5176
Email: info@aicresources.com.au

BANKERS

National Australia Bank
100 St Georges Terrace
Perth WA 6000

SHARE REGISTER

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000
Tel: 1300 850 505 (within Australia) or + 61 3 9415 4000 (outside Australia)

STOCK EXCHANGE

AIC Resources Limited shares are listed on the Australian Stock Exchange (ASX).
ASX Code: A1C

AUDITORS

Ernst and Young
11 Mounts Bay Road
Perth WA 6000

INTERNET ADDRESS

www.aicresources.com.au

Directors' Report

The directors submit their report for AIC Resources Limited ("AIC" or "the Company") for the year ended 30 June 2018.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. The directors were in office for the entire period unless otherwise stated. No director has served as a director of any other ASX-listed company in the past 3 years unless mentioned below.

Josef El-Raghy
Chairman
Appointed 11 May 2017

Josef holds a Bachelor of Commerce degree from the University of Western Australia and had a ten year career in stock broking prior to joining Centamin plc in 2002, where he has been responsible for overseeing the transition from small explorer, through construction and into production. He was formerly a director of both CIBC Wood Gundy and Paterson Ord Minnett and currently serves as Chairman of Centamin plc.

Brett Montgomery
Managing Director
Appointed 11 May 2017

Brett has extensive experience in public company management, leadership, corporate governance and risk management in both executive and non-executive roles. Brett is currently Non-Executive Director of Tanami Gold NL and Bard1 Life Sciences Limited. He was previously Managing Director of Kalimantan Gold NL, and director of Grants Patch Mining Ltd, EZA Corporation Ltd and Magnum Gas and Power Ltd.

Heidi Brown
Non-Executive Director - Appointed 11 May 2017
Company Secretary - Appointed 11 May 2017

Heidi is a Fellow Chartered Secretary (FCIS, FGIA) and a Graduate of the AICD Company Directors Course (GAICD). Heidi holds a Graduate Certificate of Applied Finance and Investment and a Diploma of Financial Advising from FINSIA. Heidi was the Company Secretary of Centamin plc from July 2004 until December 2012, during which time she contributed to the company's growth from a small exploration company to a multi-billion dollar company.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

AIC is a mineral exploration and development company.

The Company is the 100% owner of the ~3,160km^2 Marymia Project located 1,200km north-east of Perth on the northern margin of the Yilgarn.

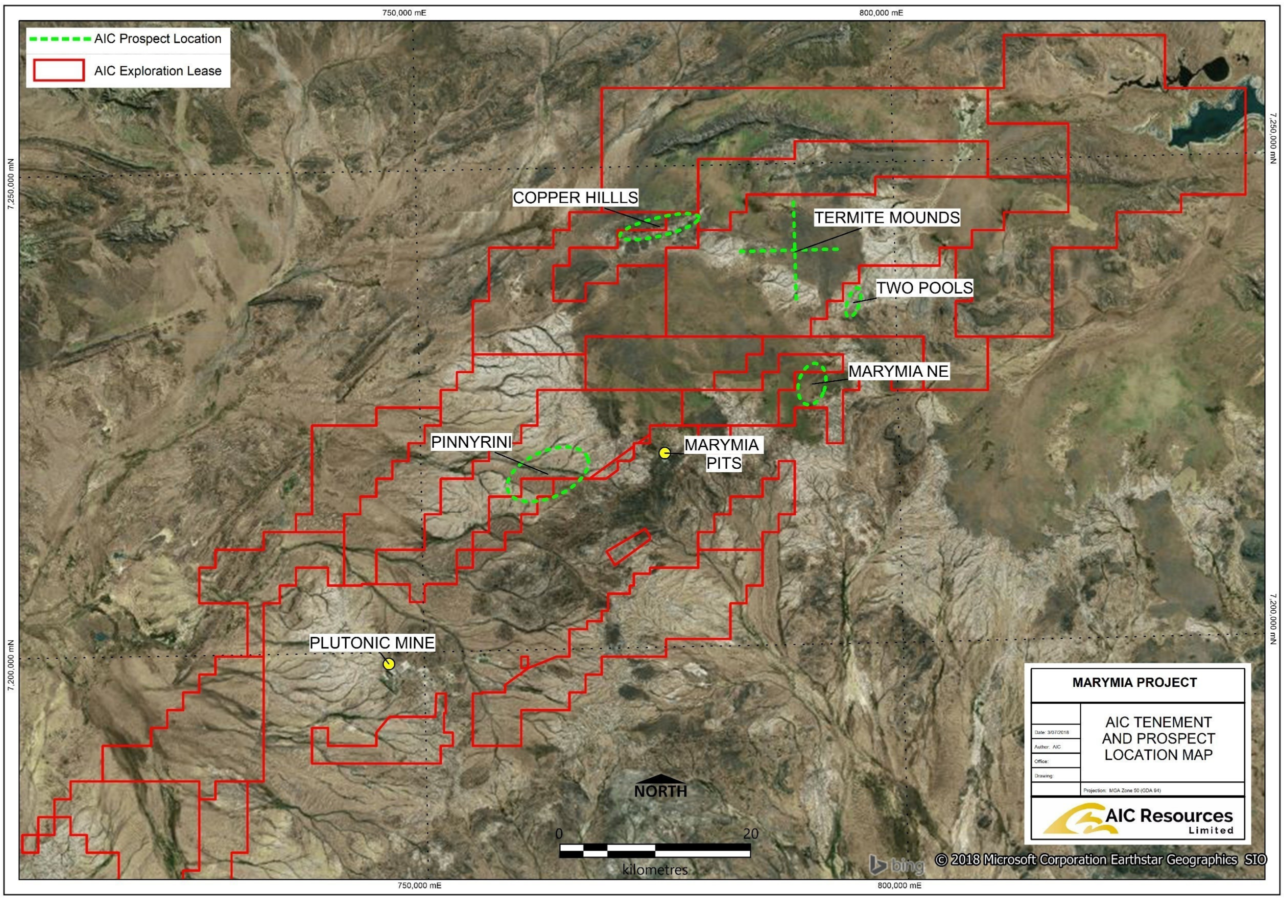
The Marymia Project is considered to have the potential to host gold ore deposits. Additionally, some tenements have the potential to host base metal, lithium or rare earth metal mineralisation. The Company proposes to undertake an exploration work program in order to define a mineral resource capable of sustaining an independent and viable mining operation.

Directors' Report

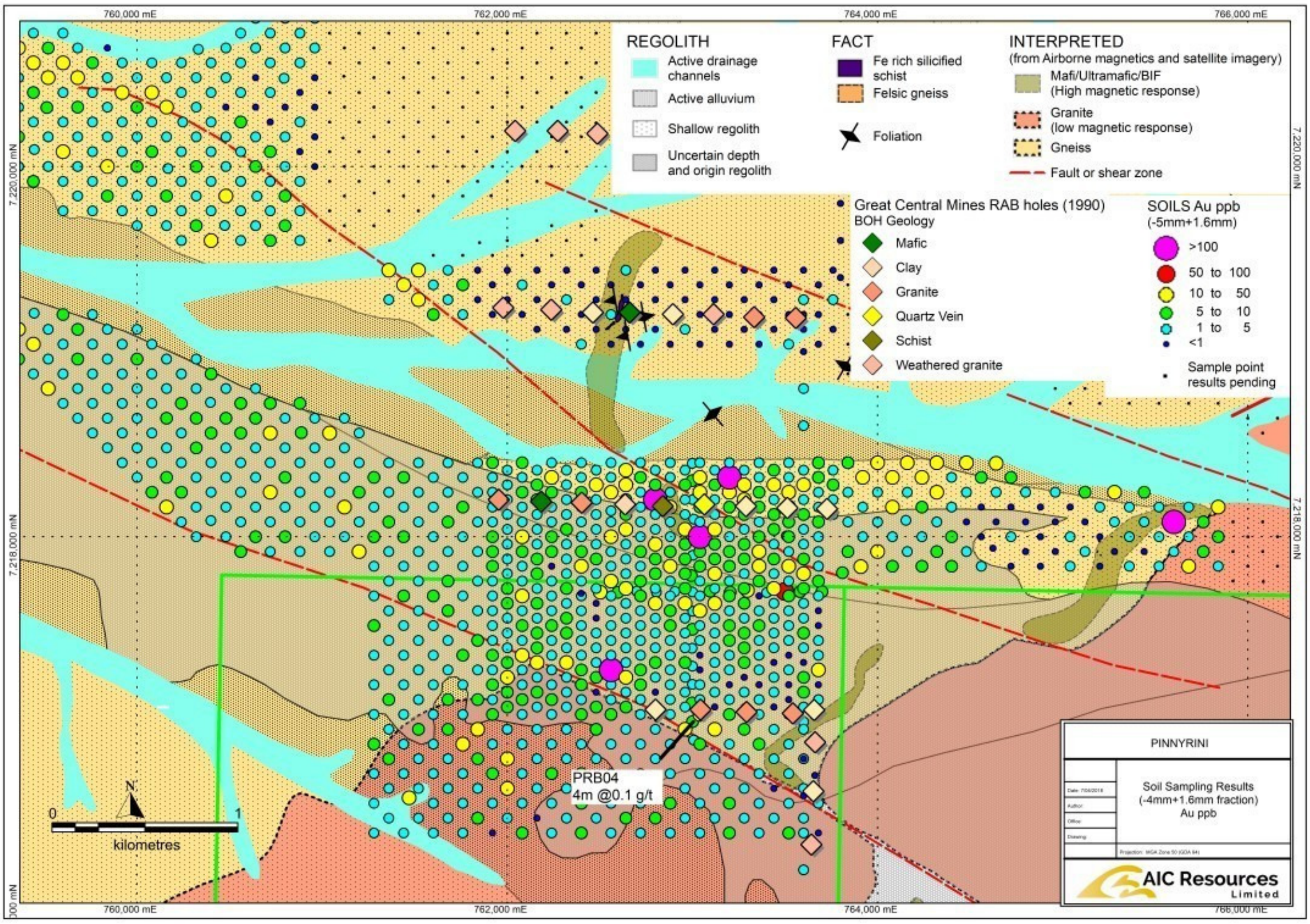
OPERATIONS REPORT

A high resolution fixed wing airborne magnetic and radiometric survey was commenced in June 2017 by GPX Surveys Pty Ltd. The survey was completed and final data delivered in mid-December 2017. A total of 47,416 line kms were collected at a nominal terrain clearance of 30m on 50m spaced lines. Interpretation of data, together with field mapping, is being used to re-evaluate the geological understanding and structural setting of the Plutonic greenstone belt and surrounds. Several priority targets and multiple areas of interest were identified. Field work including mapping and surface sampling was conducted throughout the year.

The Access and Mineral Exploration Agreement with The Gingirana Native Title Claim Group ("Gingirana") has been agreed in principle. A Program of Works for Marymia NE, Two Pools and Pinnyrini was submitted to the Department of Mines, Industry Regulation and Safety ("DMIRS"), and approval has now been received. Once clearance has been obtained from the Gingirana, drilling can commence at Marymia NE and Two Pools. Aircore drilling at Pinnyrini and other regional targets will follow.



Pinnyrini

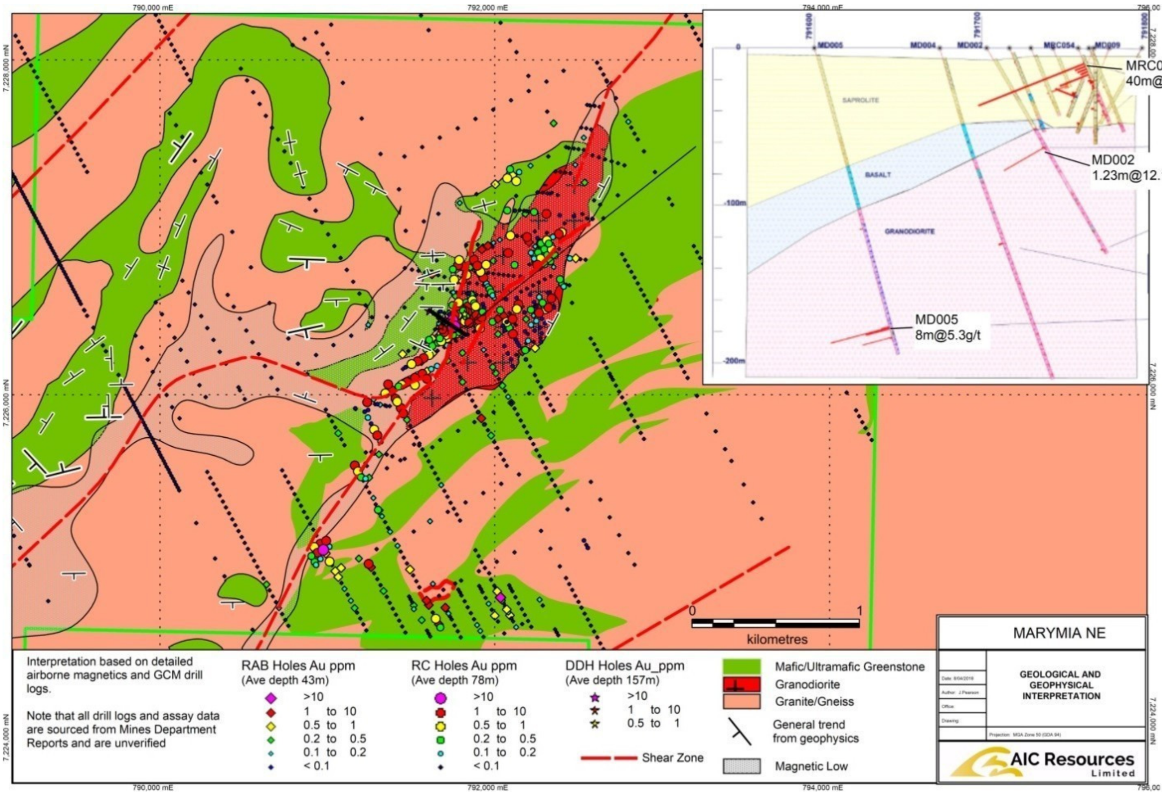


Soil sampling at Pinnyrini has extended anomalous gold results for up to 2km in strike length. Geochemical mapping is complicated by extensive active transported alluvial cover. Mapping of limited outcrop together with interpreted detailed airborne magnetic data suggests the project is located at a fold closure marked by a distinct, high magnetic band of iron rich, silicified schists (possibly after mafic or ultramafic) within felsic gneiss and near a granite of low magnetic response. Strong west-north-west trending interpreted faults disrupt both the granite and the gneiss contacts.

An aircore drilling program of 10,000 metres has been planned over Pinnyrini to test geological and structural interpretation and bedrock geochemistry with the aim to determine a target for reverse circulation drilling.

Directors' Report

Marymia North East ("MMNE")



The MMNE prospect was previously explored by Great Central Mines (GCM) from 1990 to 1994 and is situated 9.5km NE of the Marymia mining centre which is located at the north eastern end of the Plutonic/Marymia Greenstone belt, that has produced over 5.5 million ounces of gold since production began at Plutonic Gold mine in 1990.

A summary of GCM drilling includes:

- 1297 RAB holes for 56152m (an average depth of 43.3m);
- 265 RC holes for 20599m (an average depth of 77.7m); and
- 9 Diamond Drill Holes for 1413.7m (an average depth of 157.1m).

During the year, AIC completed:

- a historical data review;
- an interpretation of high resolution aeromagnetic data;
- re-assayed drill spoils (where possible) for multi-element analysis; and
- portable XRF analysis of drill core where available.

Analysis of GCM data indicates that drilling targeted high-grade gold along a granodiorite/mafic contact within the shallow supergene environment with only limited follow up to mineralised intersects within fresh rock at depth.

The results define a zone of supergene enriched gold highlighted by results reported by Great Central Mines in Exploration Reports a33219 and a35448 (refer to Tables 1 and 2):

- MRB095 (RAB) 8m @ 4.18 g/t Au, from 12m, including 3m @ 10.1 g/t Au; and
- MRC054 (RC) which intersected 40m @ 5.51 g/t Au from 10m.

Note that all drilling, sampling and assay data is unverified historic data taken directly from GCM WA Mines Department Reports. Significant intersections are taken from text within the reports and cannot be verified as not all results are reported.

Geological mapping and re-interpretation of previous drilling is in progress with the aim of refining a 3D structural and geological model used to define drill targets into the known and open mineralisation in fresh rock.

A reverse circulation drilling program of 5,000 metres is planned to test the mineralisation at depth.

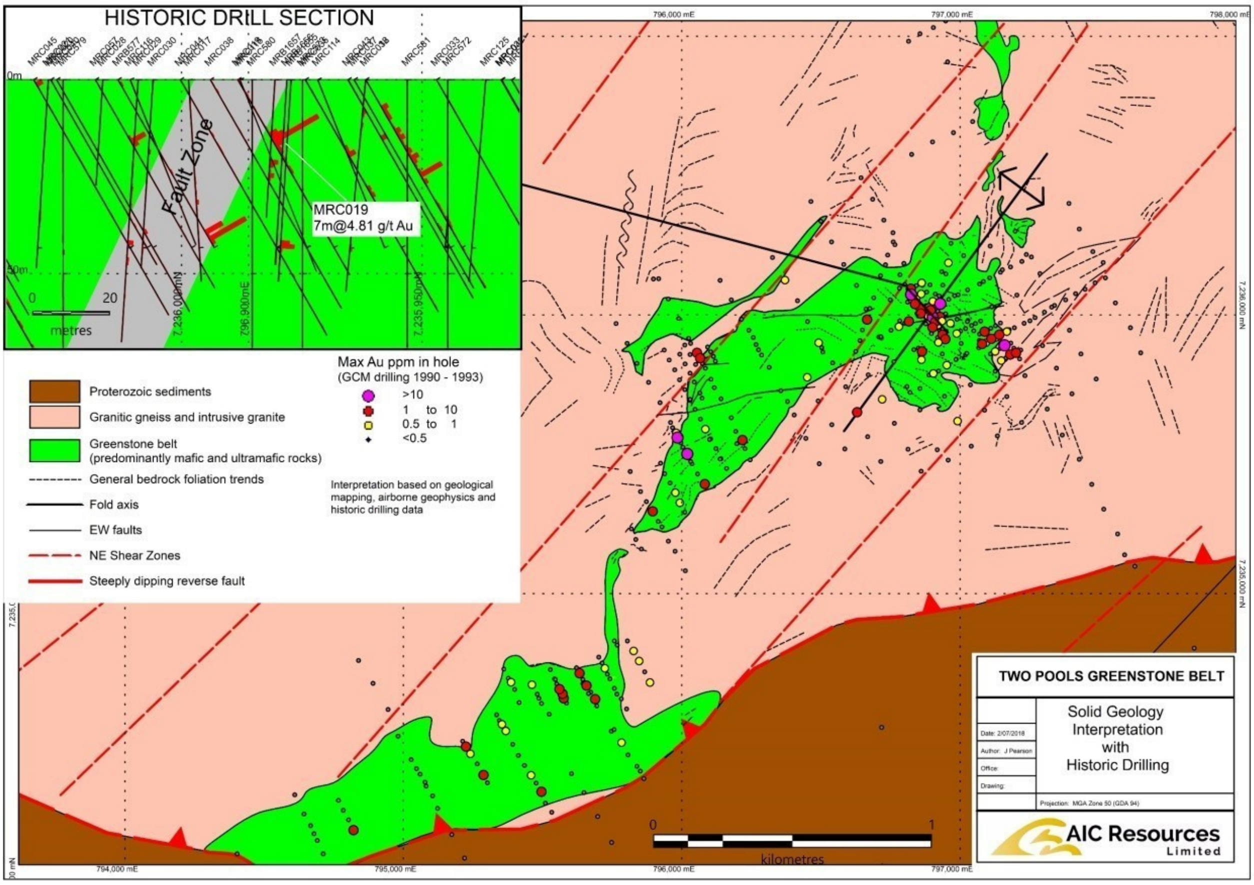
Table 1: Results for MRC054 (Mines Department Report a33219 by Great Central Mines for Exploration Licenses E52/439 & 440 for the period ending 27 February 1991)

Hole ID	from	to	Au (ppm)	Au repeat (ppm)
MRC054	10	11	0.32	0.3
MRC054	11	12	41.5	103
MRC054	12	13	0.24	0.51
MRC054	13	14	6.35	7.79
MRC054	14	15	0.07	0.08
MRC054	15	16	5.77	6.46
MRC054	16	17	No Record	No Record
MRC054	17	18	4.95	4.93
MRC054	18	19	No Record	No Record
MRC054	19	20	15.2	24.2
MRC054	20	21	No Record	No Record
MRC054	21	22	0.64	0.9
MRC054	22	23	0.19	0.19
MRC054	23	24	2.1	1.96
MRC054	24	25	1.08	1.34
MRC054	25	26	1.17	1.41
MRC054	26	27	No Record	No Record
MRC054	27	28	0.54	0.71
MRC054	28	29	No Record	No Record
MRC054	29	30	1.14	1.28
MRC054	30	31	No Record	No Record
MRC054	31	32	1.43	0.81
MRC054	32	33	No Record	No Record
MRC054	33	34	No Record	No Record
MRC054	34	35	0.11	0.2
MRC054	35	36	No Record	No Record
MRC054	36	37	0.14	No Record
MRC054	37	38	133	No Record
MRC054	38	39	No Record	No Record
MRC054	39	40	0.27	0.22
MRC054	40	41	0.33	0.3
MRC054	41	42	0.63	No Record
MRC054	42	43	0.41	0.65
MRC054	43	44	0.16	0.17
MRC054	44	45	0.13	No Record
MRC054	45	46	0.4	0.52
MRC054	46	47	0.12	No Record
MRC054	47	48	1.54	No Record
MRC054	48	49	0.38	No Record
MRC054	49	50	0.2	0.21

Table 2: Results table for the Diamond drilling includes (Mines department report a35448 page 26)

Hole ID	Dip/Azimuth	Total Depth (m)	From (m)	To (m)	Thickness (m)	(Au g/t)
MD2	-60/135	151.1	72	73.23	1.23	12.06
			147	148	1	1.29
MD4	-75/135	222.4	130	130.9	0.9	2.71
MD5	-75/135	201.6	118.8	119.2	0.4	1.95
			183	191	8	5.3
MD6	-75/135	174.3	122	123	1	2.47
MD7	-90/000	120	100	101	1	1.48
MD8	-90/000	92	14	15	1	4.15
MD9	-90/000	61	21	22	1	1.66
			24	25	1	1.27
			38	39	1	1.71

Two Pools



Nearly four kilometres of greenstone can be mapped at Two Pools in a deformed belt, that is offset from the main Plutonic-Marymia greenstone belt by a major east-north-east trending, steeply north dipping, reverse fault. Directly south of Two Pools, the fault offsets Archaean granites and gneiss on the northern hanging wall against Proterozoic shales and cherts to the south. Shallow drilling during the early 1990's by Great Central Mines (GCM) indicates that gold intersects greater than

0.5 g/t occur along the entire length of the Two Pools greenstone belt, with significant intercepts occurring in an interpreted fold hinge near the northern extremity. The greenstone is structurally complex with faults and shears observed in N-S, E-W, NW-SE and NE-SW directions, many of which are interpreted to be Proterozoic in age associated with the Gascoyne Orogen and probable proximity to the major reverse fault. GCM recognized gold mineralisation to be associated with quartz veins within both mafic and ultramafic amphibolite units, however the structural complexity prohibited interpreted continuity of the mineralised veins. With the benefit of the completed airborne magnetic survey and integration with geological mapping, AIC have re-interpreted the geology and structural setting of the greenstone.

During the year, AIC completed:

- a historical data review;
- an interpretation of high resolution aeromagnetic data; and
- geological mapping.

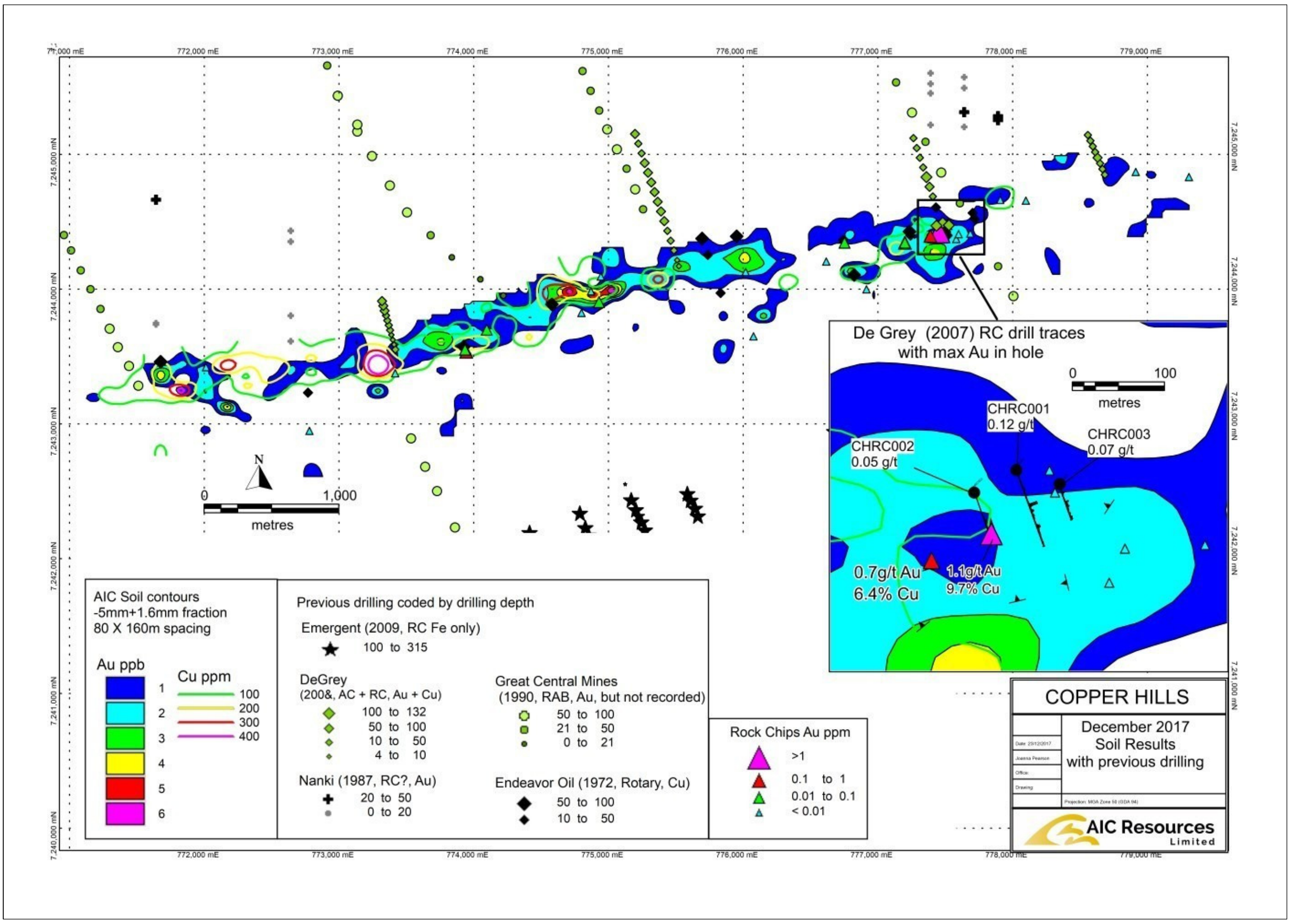
A summary of GCM drilling in the proximity of the Two Pools greenstone belt includes:

- 263 RAB holes for 12147 (an average depth of 46m); and
- 175 RC holes for 11549 (an average depth of 66m).

Note that all drilling, sampling and assay data is unverified historic data taken directly from GCM WA Mines Department Reports.

Reverse circulation drill holes (~5,000 metres) are planned to target potential extensions to the known mineralisation at depth and along strike.

Copper Hills



Field work and interpretation of airborne magnetics is being used to gain a better understanding of the Copper Hills mineralisation in the broader geological setting of the Marymia Project area. Geological mapping, rock chip and lag sampling has been completed over the Copper Hills area. A -5mm+1.6mm lag sample was taken at 10 – 15cm depth, at 80m spacings on 160m spaced north south lines. Although this project has known supergene copper mineralisation, it has not been effectively tested for gold. Both lag and rock chip samples were analysed by aqua-regia ICPMS (1ppb DL Au) at Intertek Genalysis in Perth and all results have been received. Rock chip results returned best values from the malachite bearing schists near 1972 Endeavor Oil costeans:

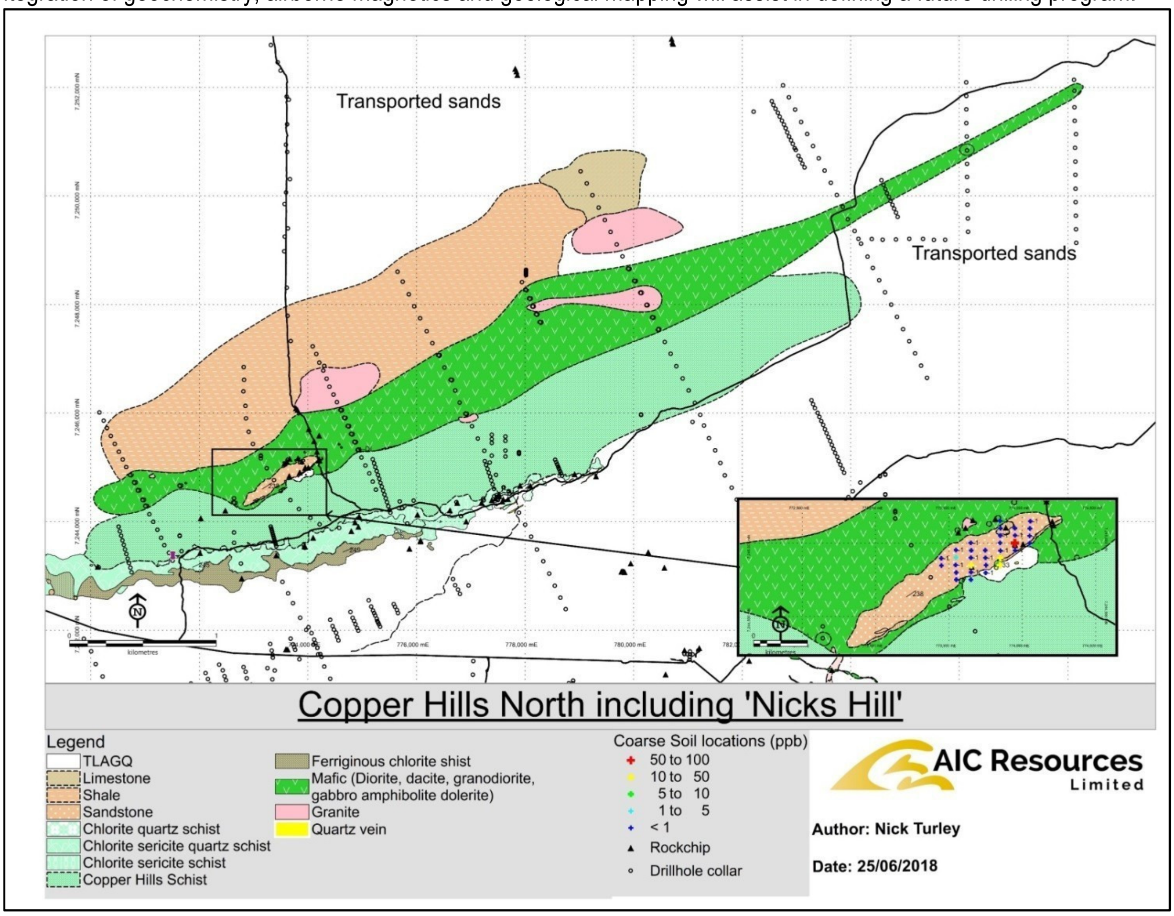
SampleID	Au g/t	Cu %
Z007013	1.1	9.7
Z007014	0.6	6.5
Z007027	0.4	5.5
Z007015	0.1	2.8
Z007012	<0.1	2.9

Lag sampling has clearly defined a distinct gold anomaly co-incident to copper with over 6km strike extent.

Previous drilling has not effectively tested the gold potential:

- 1972 drilling by Endeavor Oil did not assay for gold.
- 1987 drilling by Nanki drilled to the north and did not test the hills.
- 1995 drilling by Great Central Mines only crossed over the hill in the far east and west, lines over 6.5 km apart.
- 2007 RC drilling by De Grey was targeted on copper, drilling below the main costean. These holes (shown on the insert) although proximal to the 1g/t rock chip do not test the peak of the gold soil anomalies.
- 2009 RC drilling by Emergent was for iron only and are over 1km to the south of the hill.

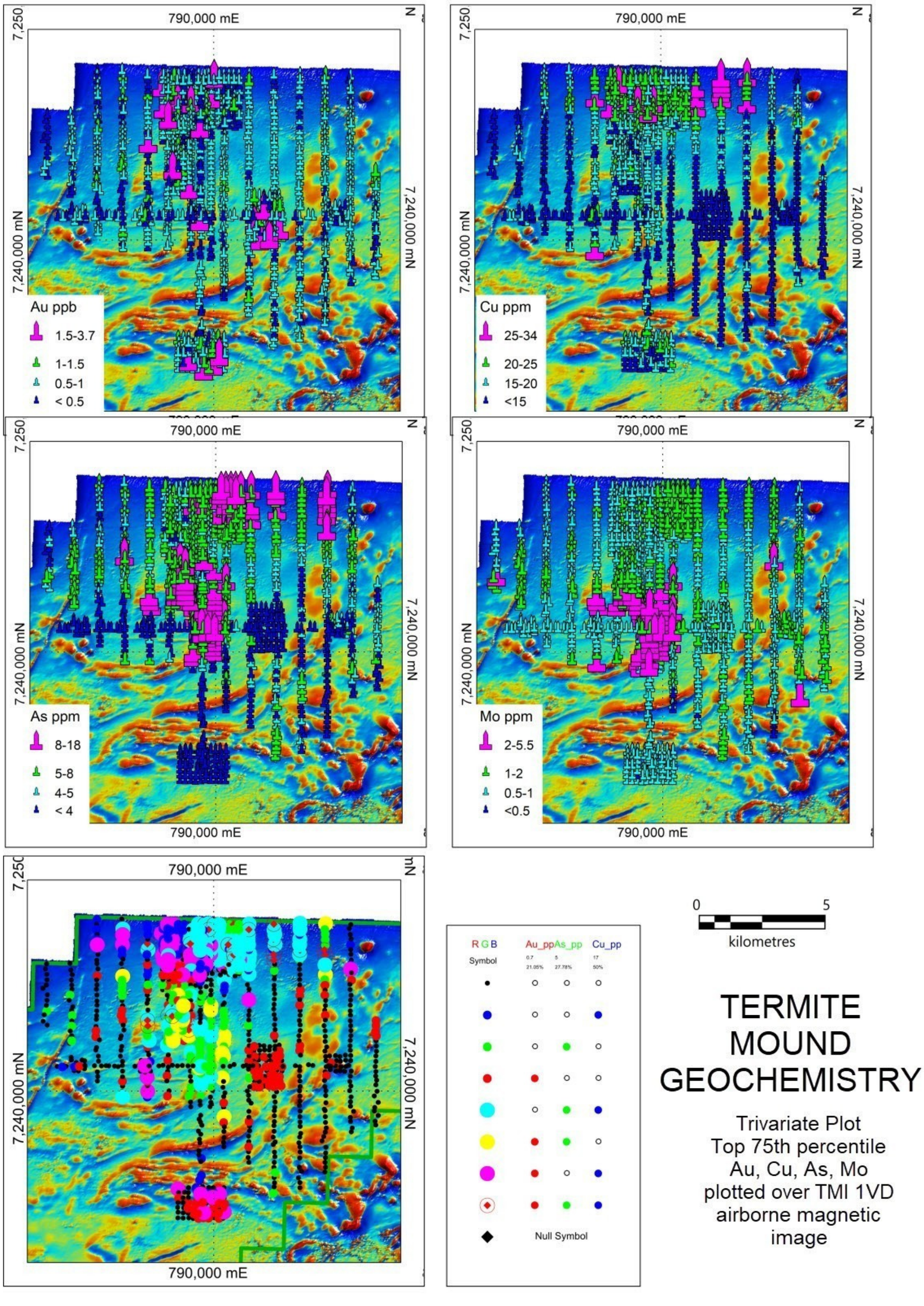
Integration of geochemistry, airborne magnetics and geological mapping will assist in defining a future drilling program.



A low rise approximately 1km to the north of Copper Hills was identified within extensive aeolian sands. The hill is formed by a sandstone cap with an iron cemented basal unit unconformably overlying a very sparse float and sub-crop of schist (typical of the Copper Hills schist), mafic (probably dolerite) and granite. Soil sampling over this hill returned gold values up to 58 ppb. Historic data collation and infill surface geochemistry is in progress to determine drill targets.

Termite Mounds

As a trial to test whether it is possible to detect changes in underlying chemistry beneath shallow Proterozoic sedimentary and/or windblown sand cover, two traverses of termite mound sampling were completed. Samples were taken approximately every 200m over 10km north-south and east-west line covering an interesting magnetic circular feature east of the 'granite' and just south of the Granite/Copper Hills Schist belt contact. Field reconnaissance indicates that the area is covered in shallow Proterozoic sediments and windblown sand. Samples were submitted for low level (0.1ppb detection) gold and multi-element analysis.



Directors' Report

Initial termite sampling trials returned strong zonation's of certain elements with apparent correlation between gold/copper and molybdenum/arsenic.

Follow up of termite mound sampling has confirmed broad and well defined chemical zonation, with strong correlation between copper and arsenic, and between arsenic and molybdenum, which reflect either changes in underlying regolith and/or lithology. Bedrock aircore drilling programs across the zonations are now being planned.

Tenement Package

The tenements held by the Company at the date of this report are as follows:-

Mining Act Tenure		Company's Ownership Interest
Tenement	Status	
E52/2943	Granted	100%
E52/2944	Granted	100%
E52/2945	Granted	100%
E52/2973	Granted	100%
E69/3247	Granted	100%
E52/3027	Granted	100%
E52/3028	Granted	100%
E52/3029	Granted	100%
E52/3044	Granted	100%
E52/3154	Granted	100%
E52/3171	Granted	100%
E52/3190	Granted	100%
E52/3265	Granted	100%
E52/3317	Granted	100%
E52/3318	Granted	100%
E52/3319	Granted	100%
E52/3346	Granted	100%
E52/3368 (2)	Granted	100%
E52/3397	Granted	100%
E52/3455	Granted	100%
ELA52/3087 (1)	Pending	0%
ELA52/3622 (3)	Pending	0%
ELA52/3623 (3)	Pending	0%
ELA52/3624 (3)	Pending	0%

Notes:

(1) For ELA52/3087, to the effect that if this tenement is not granted it does not adversely affect the prospectivity of the Marymia Project and the proposed exploration budget or program will not be revised. Note that Cosmopolitan Minerals Ltd ("CML") is the registered applicant of ELA 52/3087 and once this application is granted, application will be made for the tenement to be transferred to AIC. This tenement was recommended for approval.

(2) On 30 October 2017, the registered native title group in respect of the area of E52/3368, lodged an objection with the National Native Title Tribunal alleging that the grant of E52/3368 (which occurred on 27 July 2016) was invalid as it did not comply with the relevant Native Title Act 1993 (Cth) processes. If the grant of E52/3368 is unwound, the prospectivity of the Marymia Project will not be adversely affected and the funds set aside for exploration on E52/3368 will be re-directed to other granted Tenements.

(3) These tenements were applied for in March 2018. If they are not granted, it does not affect the prospectivity of the Marymia Project and the proposed exploration budget or program will not be revised.

Directors' Report

Competent Persons Statement

The information in this report that relates to all Geological Data and Exploration Results is based on, and fairly represents information and supporting documentation compiled by consultant geologist Dr Joanna Pearson of Odyssey Directions Pty Ltd. Dr Pearson is a Member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Pearson consents to the inclusion in this report of the matters based on her information in the form and context in which they appear.

Geophysical information in this report is based on data compiled by Mr Peter Staples who is employed by SFDesign Pty Ltd which provides consulting services to the Company. Mr Peter Staples is a Member of Australian Society of Exploration Geophysicists and has sufficient experience to provide geophysical and geological services which are relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Staples consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The assay samples were analysed by Intertek Genalysis Laboratory Services Pty Ltd, Maddington, Western Australia.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Surface geochemical results stated in this report are based on soil sampling. Surface vegetation was cleared, and a hole dug to approximately 15cm. Samples were sieved through aluminium sieves and approximately 300g of -5mm+1.6mm fraction collected in manila packets. Rock chips samples are collected from surface outcrop directly into calico bags. Termite mound were sampled by taking a bulk, un-sieved sample of approximately 2kg and removing most of any organic matter present. • No measures have yet been taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. However, an orientation study was first conducted to determine the most appropriate sampling medium and assay technique. • Reports of mineral occurrences are based in information sourced from open file data. On ground verification of these occurrences is purely visual reconnaissance at this stage. • No work worthy of current 'industry standard' has been done to verify reported drill holes or mineral occurrences.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No drilling has been undertaken by AIC Resources during this reporting period. Drilling results from previous explorers, predominantly Great Central Mines, are taken from Mines Department Reports. Details of drilling techniques are not always recorded and have not been verified by AIC Resources.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Historical drill holes mentioned in relation to mineralisation at Marymia NE prospect are sourced from the Western Australia Mineral WAMEX database and measures taken to maximize sample recovery and to ensure representative nature of the samples is generally not recorded. AIC Resources has not undertaken any physical data verification. • No comment can be made as to relationship between sample recovery and grade in historical drill hole data.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not applicable. • Not applicable. • Not applicable. .
Sub-sampling techniques and	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Not applicable. • No techniques are discussed in relation to historical drill hole data mentioned in the

sample preparation	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Report. AIC Resources has not taken any measures to verify drilling sample types, the appropriateness of sample preparation techniques or quality control procedures. • An orientation geochemical program was first undertaken by AIC Resources to determine the appropriate sample type and analysis. All samples are dried, and pulverised by Intertek Genalysis laboratory in Perth. No information is available, and is not relevant for this stage of exploration, for historical drill holes mentioned in the report.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Soil, termite mound and rock chip sample results reported were assayed at Intertek Genalysis Laboratory in Perth. Soil and rock chips were analysed by aqua-regia digest ICPMS analysis (AR10/MS, 1ppb detection level Au) and termite mound samples by Enhanced ICPMS (AR10/eMS, 0.1ppb detection level Au). Both techniques are considered a partial digest and appropriate for this stage of exploration. No information is reported for the assay technique used for historical drilling. • No geophysical data or hand held XRF instrument data is reported. • Quality control procedures for soil and termite sampling involves insertion of 2 certified reference material samples (standards) and collection of 2 field duplicates for every 100 samples collected. This is considered acceptable levels for early stage exploration. No information is available for the quality control procedures used for historical drilling.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections mentioned in the report are taken from Mines Department Open File reports and have not been verified. • No twinned holes are reported. • Field data is collected with a hand-held GPS and LogChief data collection software. It is imported directly into an SQL DataShed database. • No adjustments have been made to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Soil, termite and rock chip samples are collected with a hand-held Garmin GPS which has an accuracy of approximately 5m. Historical drilling at Marymia NE have only been verified by visual location in field. • The Company is using MGA 94 zone 50 as a standard grid system; Historical data was recorded in AMG66, AMG84 and Lat and Long projections. The data is re-projected to MGA94 and verified visually where possible. • All topographic controls are currently by hand held GPS normally with a 5m error and visual.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and*	• Exploration soil sampling density at Pinnyrini is based on a 80 X 80 m offset grid. As the trend of the underlying bedrock is not understood it was considered the most appropriate spacing and pattern to use at this prospect.

	grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	• Not applicable. • No sample compositing has been recorded and is not being reported.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Exploration lag sampling density at Pinnyrini is based on a 80 X 80 m offset grid. As the trend of the underlying bedrock is not understood it was considered the most appropriate spacing and pattern to use at this prospect. Sampling at Copper Hills is based on 80m spaced samples along 160m spaced lines which run perpendicular to the known strike of rock and mineralisation. • At this early stage of assessment of the Marymia project is it not possible to comment on the relationship between drilling orientation and orientation of key mineralised structures.
Sample security	• *The measures taken to ensure sample security.*	• Individual lag samples are collected in manila packets at each site and collated in bundles of 10 in calico bags which are then collected into polyweave sacks and wired closed at exploration camp. The polyweave sacks are then driven to Newman and dispatched to Perth by commercial trucking company. No information is available as to measures taken to ensure sample security for historical drilling.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No data audits or sampling reviews have been undertaken.

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• AIC is the registered holder of the granted Tenements. • Exploration licence application 52/3087 is still pending grant. Should this application be granted, consent will be sought to have title transferred to AIC in accordance with the Mining Act 1978 (WA). • The Tenements co-exist with a number of pastoral leases including the Marymia, Three Rivers and Kumarina pastoral leases. • On 30 October 2017, the registered native title group in respect of the area of E52/3368, lodged an objection with the National Native Title Tribunal alleging that the grant of E52/3368 (which occurred on 27 July 2016) was invalid as it did not comply with the relevant Native Title Act 1993 (Cth) processes. If the grant of E52/3368 is unwound, the prospectivity of the Marymia Project will not be adversely affected and the funds set aside for exploration on E52/3368 will be re-directed to other granted Tenements.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration was undertaken by numerous sources dating from 1972 until 2016 primarily Great Central Mines from 1990 – 1993. Drilling by previous explorers at Copper Hills are identified on an appropriate map in the text. • Information from previous exploration has been sourced from the Western Australia Mineral WAMEX database and is publicly available.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Marymia Project is located within the south-eastern part of the Capricorn Orogen situated between the Pilbara and Yilgarn Cratons. The main exploration model for the district is the Plutonic Mine sequence however, other structural styles and mineralisation may also be present. Specifically, at the Pinnyrini prospect where soils results are reported, there is no outcrop and the underlying geology is not known. However preliminary interpretation based on geophysics and limited GCM RAB drilling is that the prospect is located in an embayment in the overthrust granite and is underlain by greenstone and granite similar to elsewhere in the Plutonic greenstone belt.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.*	• No drilling has been undertaken by AIC Resources. Results from previous explorers are in relation to geochemical anomalies defined by AIC Resources and a table of results is not appropriate.

Criteria	JORC Code explanation	Commentary
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable. • Not applicable.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable at this stage of exploration.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A plan of the lag sampling anomaly in relation to previous drilling is given in the text of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable to this stage of exploration.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not applicable to this stage of exploration.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• AIC Resources has only recently commenced the exploration program ,and sampling is ongoing. Further lag sampling and geophysical interpretation is planned for Pinnyrini and Copper Hills, with the aim to define a drilling program.

Directors' Report

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the directors in the shares of the Company were:

		Ordinary Shares
Josef El-Raghy	Chairman	20,054,001
Brett Montgomery	Managing Director	2,375,000
Heidi Brown	Non-Executive Director	1,125,000
Total		**23,554,001**

CORPORATE STRUCTURE

AIC Resources Limited is a company limited by shares that is incorporated and domiciled in Australia.

REVIEW OF OPERATIONS

The Company recorded an operating loss after income tax of $2,308,329 (2017: $289,194 loss). There was no dividend declared or paid during the year.

CAPITAL STRUCTURE

As at the date of this report the Company had 75,000,001 fully paid ordinary shares (2017: 23,000,001), of which 60,075,000 shares were quoted on the ASX at the date of this report. The remaining 14,925,001 shares are subject to a voluntary escrow until 1 December 2019.

CASH FROM OPERATIONS

The net cash outflow used in operations was $2,311,979 (2017: $382,810). The cash balance at year end was $7,759,828 (2017: $711,957).

LOSS PER SHARE	**2018**	**2017**
Basic and diluted loss per share (cents)	(0.0425)	(0.2666)
Share price (cents)	$0.19	N/A

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 27 November 2017, the Company closed its Initial Public Offering for 50,000,000 shares issued at $0.20 per share to raise $10 million before costs.

On 29 November 2017, the Company was admitted to the Official List of ASX Limited, and official quotation commenced on 1 December 2017.

For the period from admission to the ASX to 30 June 2018, the Company used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were no significant events following the balance date that affected the Company's equity or state of affairs.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company is actively continuing its search for suitable exploration/mining ventures.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's environmental obligations are regulated under both State and Federal law. All environmental performance obligations are monitored by the Board and subjected from time to time to Government agency audits and site inspections. The Company has a policy of at least complying with, but in most cases exceeding, it's statutory environmental performance obligations. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 30 June 2018.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS
The Company has entered into Director and Officer Protection Deeds ("D&O Deed") with each Director and the Company Secretary ("Officers"). Under the D&O Deed, the Company indemnifies the Officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the Officers being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the D&O Deed.

Also pursuant to the D&O Deed, the Company must insure the Officers against liability and provide access to all board papers relevant to defending any claim brought against the Officers in their capacity as officers of the Company. The Company has paid insurance premiums of $10,735 (2017: $Nil) in respect of liability for any current and future directors, Company Secretary, executives and employees of the Company. This amount is payable in total and no specific amount is included in the directors' remuneration. This amount was paid during the financial year.

ROUNDING
The amounts contained in this report and in the financial report have been rounded to the nearest dollar.

REMUNERATION REPORT (AUDITED)
This report details the nature and amount of remuneration for each director of AIC Resources Limited, and for the executives in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report, key management personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) and the Company Secretary.

For the purposes of this report, the term "executive" encompasses the Managing Director of the Company.

Details of key management personnel

(i) Directors

Josef El-Raghy	Chairman
Brett Montgomery	Managing Director (Executive)
Heidi Brown	Non-Executive Director and Company Secretary

Other than as detailed above there are no other key management personnel of the Company.

1. Remuneration Committee
As the Board has not established a separate Remuneration Committee, the full board is responsible for determining and reviewing compensation arrangements for the directors and executives, in accordance with the Remuneration Committee Charter. The affected director or executive will not participate in the decision-making process.

2. Use of Independent Remuneration Consultants
During the year ended 30 June 2018, no external remuneration consultants were engaged to assist the Company in any capacity.

3. Remuneration Policy
It is the Company's objective to provide maximum stakeholder benefit from the retention of high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions.

The Company's current remuneration policy is to keep the overhead costs of the Company (including remuneration) as low as possible in order to spend more on exploration. As such, all directors receive only fixed base pay and superannuation. All directors hold shares in the Company, and as such, their interests are already aligned with shareholders.

Remuneration packages will be reviewed at least annually, and retirement benefits or termination payments (other than notice periods) will not be provided or agreed other than in exceptional circumstances.

The Company has not issued any performance-based payments during the period, performance-related payments are under ongoing review and will be included when deemed appropriate given the Company position and performance at the time.

4. Non-Executive Director Remuneration

4.1 Fixed Remuneration
The aggregate remuneration to non-executive directors will not exceed the maximum approved amount of $250,000 (approved by shareholders on 9 June 2017). The board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable by shareholders. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers fees paid to non-executive directors of comparable companies when undertaking the annual review as well as the time commitment involved. The non-executive director during the financial year received a salary of $40,000 per annum plus superannuation, whilst the non-executive Chairman received a salary of $60,000 per annum plus superannuation. Non-executive directors are encouraged to hold shares in the Company; these are to be purchased by the director on market. It is considered good corporate governance for directors to have a stake in the company on whose board he or she sits. Remuneration of non-executive directors for the year ended 30 June 2018 is disclosed in Table 1 under the remuneration section of this report.

4.2 Variable Remuneration – Short Term Incentives
Non-executive directors do not receive performance-based bonuses or additional remuneration for their membership of subsidiary boards or committees.

4.3 Variable Remuneration – Long Term Incentives
During the financial year, the Company had no contractual obligations to provide long term incentives to non-executive directors.

5. Executive Director Remuneration
Executive remuneration currently comprises of a lower fixed base salary and superannuation only. There is no set long term or short term remuneration incentives at this stage.

Remuneration packages will be reviewed at least annually, and will be included when deemed appropriate given the Company's position and performance at the time.

5.1 Fixed Remuneration
Base pay and benefits
Base pay is structured as a total employment cost package that may be delivered as a combination of cash and salary sacrifice superannuation at the executive's discretion.

5.2 Variable Remuneration – Long Term Incentives
During the financial year, the Company had no contractual obligations to provide long term incentives to the executive director.

5.3 Employment Contracts – Executives
Other than the Managing Director, the Company had no Executive employees during the year.

6. Remuneration of Directors and the Executive of the Company
Details of the remuneration of each director of AIC Resources Limited for the year ended 30 June 2018 are set out in the following table.

Table 1: Remuneration for the year ended 30 June 2018

30 June 2018	Short term salary & fees	Post - employment superannuation	Share-based payments		Total	Performance-based remuneration as % of Total
			Options	Shares		
	$	$	$	$	$	%
Directors						
J El-Raghy	60,000	5,700	-	-	65,700	-
B Montgomery	144,000	13,680	-	-	157,680	-
H Brown 2	115,951	7,849	-	-	123,800	-
Total1	**319,951**	**27,229**	**-**	**-**	**347,180**	**-**

1. Premium for Director's liability insurance is not included in the remuneration table above.
2. H Brown was paid the following amounts:-
   - $33,333 for contracted Company Secretarial services from 1 July 2017 until 30 November 2017;
   - $40,000 in directors fees (plus superannuation) between 1 July 2017 and 30 June 2018); and
   - $42,618 in salary (plus superannuation) for her employment as Company Secretary.

Other than what is disclosed in the table above, no director or executive received any compensation in the financial year ended 30 June 2018. None of the remuneration for directors or executives was performance-related.

No director or executive received any compensation in the financial period from incorporation on 11 May 2017 to 30 June 2017.

6.1 Related Party Transactions

The Company acquired 21 tenements from Cosmopolitan Minerals Limited by way of a Sale Agreement dated 7 June 2017. Josef El-Raghy and Heidi Brown are both shareholders of Cosmopolitan Minerals Limited, and Heidi Brown has since been appointed a director (from 22 August 2017). The tenements were purchased for $1,200,000 (12,000,000 shares @ $0.10 per share), which is equal to the amount spent on the tenements by Cosmopolitan Minerals Limited at Completion (9 June 2017) under the Sale Agreement. The tenement acquisition was recognised in the Statement of Financial Position as a non-current asset at a value of $1,200,000. The Company also paid to Cosmopolitan Minerals Limited during the year a total of $91,300 (inc GST) for the provision of geological and geophysical services (2017: Nil). These payments were non-interest-bearing and payable within 30 days.

From May 2017 until January 2018, the Company subleased office space from Montana Realty Pty Ltd, a company of which Josef El-Raghy is a director and shareholder, and Heidi Brown is an alternate director. Total payments made during the year for rent, internet, electricity, insurance, parking and outgoings amounted to $20,958 for the period 1 May 2017 to 31 January 2018 (2017: Nil). There was no formal agreement in place, nor was there any financial benefit to Mr El-Raghy. The lease was transferred to AIC from 1 February 2018.

During the year, the Company acquired second hand vehicles and exploration equipment and consumables for a total of $84,978 from Tanami Gold NL, a company in which Brett Montgomery is a director and shareholder. The purchases were non-interest-bearing and payable within 30 days.

The Company has entered into the following agreements with the Directors:-

- Brett Montgomery
  - Executive Service Agreement (effective 1 July 2017) - $144,000 + superannuation per annum
- Josef El-Raghy
  - Letter of Appointment – Director fee (effective 1 July 2017) - $60,000 + superannuation per annum
- Heidi Brown
  - Letter of Appointment – Director fee (effective 1 July 2017) - $40,000 + superannuation per annum
  - Consultancy Agreement (effective 1 July 2017) - $80,000 per annum for Company Secretarial Services (note: this agreement was terminated on 1 December 2017 and replaced with the below)
  - Employment Agreement (effective 1 December 2017) - $80,000 per annum including superannuation for Company Secretarial Services (this replaces the Consultancy Agreement above).

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the financial period, and there were no material contracts involving directors' interests at period end.

End of Remuneration Report

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director was as follows:

	Directors[1] Meetings	
	Number of Meetings	
	Held	Attended
J El-Raghy	3	3
B Montgomery	3	3
H Brown	3	3

1. During the year the directors approved six (6) circular resolutions which were signed by all directors of the Company.

In addition, a Due Diligence Committee ("the Committee") was established for the purpose of the Initial Public Offering ("IPO"). The Committee consisted of Brett Montgomery and Heidi Brown. There were two (2) Meetings of the Committee during the year, of which both Brett Montgomery and Heidi Brown attended both meetings.

COMMITTEE MEMBERSHIP

The role of the Audit, Remuneration and Nomination Committees is carried out by the full Board in accordance with the appropriate charters. The Board considers that no efficiencies or benefits would be gained by establishing separate committees.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of AIC Resources Limited support and have adhered to the principles of corporate governance. The Company's Corporate Governance Statement is contained in this annual report.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law and professional regulations, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Directors' Report

AUDITOR INDEPENDENCE
Section 370C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is disclosed on page 26 of this report and forms part of this Directors' Report for the year ended 30 June 2018.

NON-AUDIT SERVICES
During the year, the Company's auditors, Ernst & Young, provided a service in addition to the statutory audit, as disclosed in Note 18 to the financial statements. The directors are satisfied that the provision of the non-audit service is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001, and that the nature of the non-audit service meant that auditor independence was not compromised.

No other non-audit services were provided by Ernst & Young during the year ended 30 June 2018.

Signed in accordance with a resolution of the directors.

Mr Brett Montgomery
Managing Director

15 August 2018

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of AIC Resources Limited

As lead auditor for the audit of AIC Resources Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

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

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

Ernst & Young

Ernst & Young

Philip Teale
Partner
15 August 2018

Directors' Declaration

In accordance with a resolution of the directors of AIC Resources Limited, I state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

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

   (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a); and

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2018.

On behalf of the Board

Mr Brett Montgomery
Managing Director

15 August 2018

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	For the financial year ended 30 June 2018 $	For the financial period commencing 11 May 2017 and ending 30 June 2017 $
Revenue	5(a)	**118,357**	-
Directors' and employee benefits expenses	5(b)	**(347,180)**	-
Exploration costs	5(b)	**(1,817,540)**	(270,184)
Compliance costs	5(b)	**(53,444)**	(4,000)
Cost of capital raising	5(b)	**(70,806)**	(14,979)
Depreciation expense	5(b)	**(45,109)**	-
Other administration expenses	5(b)	**(92,607)**	(31)
Loss before income tax expense		**(2,308,329)**	(289,194)
Income tax benefit	6	**-**	-
Net loss for the year after tax		**(2,308,329)**	(289,194)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**-**	-
Total comprehensive loss for the year is attributable to:			
Owners of AIC Resources Limited		**(2,308,329)**	(289,194)
		(2,308,329)	(289,194)
Loss per share			
Basic loss per share (cents per share)	8	**(0.0425)**	(0.2666)
Diluted loss per share (cents per share)	8	**(0.0425)**	(0.2666)

The accompanying notes form part of these financial statements.

Statement of Financial Position

AS AT 30 JUNE 2018

	Notes	As at 30 June 2018 $	As at 30 June 2017 $
Assets			
Current Assets			
Cash and cash equivalents	9	**7,759,828**	711,957
Trade and other receivables	10	**85,229**	136,515
Prepayments		**260,745**	-
Total Current Assets		**8,105,802**	848,472
Non-Current Assets			
Capitalised exploration and evaluation expenditure	12	**1,200,000**	1,200,000
Plant and equipment	11	**156,283**	5,233
Total Non-Current Assets		**1,356,283**	1,205,233
Total Assets		**9,462,085**	2,053,705
Liabilities			
Current Liabilities			
Trade and other payables	13	**132,793**	42,899
Total Current Liabilities		**132,793**	42,899
Total Liabilities		**132,793**	42,899
Net Assets		**9,329,292**	2,010,806
Equity			
Issued capital	14	**11,926,815**	2,300,000
Accumulated losses		**(2,597,523)**	(289,194)
Total Equity		**9,329,292**	2,010,806

The accompanying notes form part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	For the financial year ended 30 June 2018 $	For the financial period commencing 11 May 2017 and ending 30 June 2017 $
Cash flows from operating activities			
Interest received		**105,051**	-
Payments for exploration and evaluation		**(2,006,640)**	(347,010)
Payments to suppliers, employees and contractors		**(410,390)**	(35,800)
Net cash used in operating activities	9	**(2,311,979)**	(382,810)
Cash flows from investing activities			
Payments for plant and equipment		**(196,159)**	(5,233)
Net cash used in investing activities		**(196,159)**	(5,233)
Cash flows from financing activities			
Proceeds from issue of shares		**10,200,000**	1,100,000
Payment of share issue costs		**(643,991)**	-
Net cash from financing activities		**9,556,009**	1,100,000
Net increase in cash and cash equivalents		**7,047,871**	711,957
Cash and cash equivalents at beginning of the year		**711,957**	-
Cash and cash equivalents at end of the year	9	**7,759,828**	711,957

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2018

	Issued capital $	Accumulated losses $	Total $
At 11 May 2017	-	-	**-**
Loss for the period	-	(289,194)	**(289,194)**
Total comprehensive loss for the period	-	(289,194)	**(289,194)**
Transaction with owners in their capacity as owners:			
Issue of shares – 12,000,001 @ $0.10 (sale agreement)	1,200,000	-	**1,200,000**
Issue of shares – 11,000,000 @ $0.10 (seed capital)	1,100,000	-	**1,100,000**
Capital raising fees net of tax	-	-	**-**
Balance at 30 June 2017	**2,300,000**	**(289,194)**	**2,010,806**
At 1 July 2017	**2,300,000**	**(289,194)**	**2,010,806**
Loss for the year	-	(2,308,329)	**(2,308,329)**
Total comprehensive loss for the year	-	(2,308,329)	**(2,308,329)**
Transaction with owners in their capacity as owners:			
Issue of shares – 2,000,000 @ $0.10 (seed capital)	200,000	-	**200,000**
Issue of shares – 50,000,000 @ $0.20 (IPO)	10,000,000	-	**10,000,000**
Capital raising fees net of tax	(573,185)	**-**	**(573,185)**
Balance at 30 June 2018	**11,926,815**	**(2,597,523)**	**9,329,292**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2018

1. CORPORATE INFORMATION

AIC Resources Limited ("AIC" or "the Company") is a for profit company domiciled in Australia and publicly listed on the Australian Stock Exchange (ASX). The Company was incorporated on 11 May 2017. The address of the Company's registered office is A8, 431-435 Roberts Road, Subiaco WA 6008. The nature of the operations and principal activities of the Company are described in the Directors' Report. The financial report was authorised for issue by the directors on 15 August 2018 in accordance with a resolution of the directors.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

In preparing the financial statements for the year ended 30 June 2018, the Company has applied AASB 1 *First-time Adoption of Australian Accounting Standards* ("AASB 1"). The Company's financial statements for the period from incorporation on 11 May 2017 to 30 June 2017 were prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. Accordingly, except as required by AASB 1, the Company has adopted all Australian Accounting Standards and Interpretations effective 1 July 2017 and applied these retrospectively. The adoption of these Standards and Interpretations has had no impact on:

- The total equity as at 30 June 2017; or
- The net loss after tax or cash flows for the period from incorporation on 11 May 2017 to 30 June 2017.

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

For the period from admission to the ASX on 29 November 2017 to 30 June 2018, the Company used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

(b) Basis of measurement

Unless stated otherwise, the financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars ("AUD"), which is the Company's functional currency.

(d) Comparatives

The Company was incorporated on 11 May 2017 and therefore, the prior period comparative information in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity is for the period from incorporation on 11 May 2017 to 30 June 2017.

(e) Going concern basis of preparation

The Company incurred a net loss after income tax of $2,308,329 for the year ended 30 June 2018 (2017: $289,194) and a net cash outflow of $2,311,979 (2017: outflow of $382,810). As at 30 June 2018, the Company had cash and cash equivalents of $7,759,828 (2017: $711,957).

Given the strong financial position of the Company at the date of signing the financial report, the directors are satisfied that there are reasonable grounds to believe that the Company will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. Furthermore, the directors also note the following:

2. BASIS OF PREPARATION (CONTINUED)

- The Company has the capacity, if necessary, to reduce its operating cost structure in order to minimise its working capital requirements;
- The Company retains the ability, if required, to wholly or in part dispose of interests in mineral exploration assets; and
- The directors regularly monitor the Company's cash position and, on an on-going basis, consider a number of strategic initiatives to ensure that adequate funding continues to be available.

(f) Changes in accounting policies

From 1 July 2017 the Company has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2017 applicable to the Company. The application of these Standards and Interpretations' does not have any material impact on the financial position or performance of the Company.

Reference	Summary	Application Date for Company
AASB 2016-2	**Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107** The amendments to AASB 107 *Statement of Cash Flows* are part of the IASB's Disclosure Initiative to help users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).	1 July 2017

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Company for the annual reporting period ending 30 June 2018.

The Company has reviewed these standards and interpretations, the potential effect of these standards and interpretations is yet to be fully determined, unless otherwise disclosed. These are outlined in the following table:

2. BASIS OF PREPARATION (CONTINUED)

Reference	**Summary**	Application Date for Company
AASB 9, and relevant amending standards	**Financial Instruments** AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139. The Company has assessed that the new standard will not materially impact the financial statements.	1 July 2018

2. BASIS OF PREPARATION (CONTINUED)

Reference	**Summary**	Application Date for Company
AASB 15, and relevant amending standards	**Revenue from Contracts with Customers** AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB Interpretation 13 *Customer Loyalty Programmes*, AASB Interpretation 15 *Agreements for the Construction of Real Estate*, AASB Interpretation 18 *Transfers of Assets from Customers* and AASB Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 *Leases*, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: ► Step 1: Identify the contract(s) with a customer ► Step 2: Identify the performance obligations in the contract ► Step 3: Determine the transaction price ► Step 4: Allocate the transaction price to the performance obligations in the contract ► Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. The Company has assessed that the new standard will not materially impact the financial statements.	1 July 2018
AASB 16	**Leases** AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finances leases under AASB 117 *Leases.* The Standard includes two recognition exemptions for lessees – leases of 'low-value' assets (eg, personal computers) and short-term leases (eg, leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (eg, the lease liability) and an asset representing the right to use the underlying asset during the lease term (eg, the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (eg, a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases. The Company will elect to apply the practical expedient in AASB 16 to not recognise a right of use asset and lease liability for contracts with lease terms ending within 12 months from the date of initial application. As the Company only has one lease contract which expires on 28 February 2019, the Company has concluded that no right of use asset and lease liability are expected to be recognised on the Statement of Financial Position at the date of transition.	1 July 2019

3. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies detailed below have been consistently applied throughout the period presented, unless otherwise stated.

a) PLANT AND EQUIPMENT

Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight line basis over the expected useful lives of the assets, as follows:

Plant and equipment:	2 to 10 years
Computer equipment:	2 years

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss and Other Comprehensive Income when the asset is derecognised.

The residual values, useful lives and methods of plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

b) CASH AND CASH EQUIVALENTS

Cash comprises cash at banks and on hand and deposits held at call with banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

c) FINANCIAL INSTRUMENTS

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

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and receivables

This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in revenue in the Statement of Profit or Loss and Other Comprehensive Income. The losses arising from impairment are recognised in the Statement of Profit or Loss and Other Comprehensive Income in finance costs for loans and in cost of sales or other operating expenses for trade and other receivables.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 10.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's Statement of Financial Position) when:

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

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

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

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade and other receivables (Note 10)

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a Company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income. Interest income (recorded as revenue in the Statement of Profit or Loss and Other Comprehensive Income) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the Statement of Profit or Loss and Other Comprehensive Income.

ii) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. For more information, refer to Note 13.

Derecognition

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

iii) Offsetting of financial instruments

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

d) FUNCTIONAL CURRENCY

The financial statements of the Company are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the financial statements, the results and financial position of the entity are expressed in Australian dollars ("AUD"), which is the functional currency of the Company and the presentation currency for the financial statements.

e) IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Each cash generating unit is determined on an area of interest basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years.

f) TAXES

Current income tax

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable; and/or

- When receivables and payables are stated with the amount of GST included.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 is classified as part of operating cash flows.

g) EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

h) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

i) PROVISIONS

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

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

j) REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue is capable of being reliably measured. Interest revenue is recognised as interest accrues using the effective interest method.

k) EMPLOYEE BENEFITS

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee, departures, and period of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

l) ISSUED CAPITAL

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

m) EARNINGS PER SHARE

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element. Losses have an anti-dilutive effect. Therefore the basic and diluted earnings for the current and prior period have remained the same.

n) LEASES

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Company as a lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in Statement of Profit or Loss and Other Comprehensive Income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(a) Significant accounting judgements

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) *Capitalisation of exploration and evaluation expenditure*

Under AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Company has the option to either expense exploration and evaluation expenditure as incurred, or to capitalise such expenditure (provided certain conditions are satisfied). The Company has elected to write off exploration and evaluation costs off in the year they are incurred apart from acquisition costs which are carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

(b) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities with the next annual reporting period are:

(i) Determination of mineral resources and ore reserves

The Company's policy for estimating its mineral resources and ore reserves requires that the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC code') be used as a minimum standard. The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

(*ii*) *Impairment of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made. In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

	For the financial year ended 30 June 2018 $	For the financial period commencing on 11 May 2017 and ending 30 June 2017 $
5. REVENUES AND EXPENSES		
(a) Revenue		
Interest income	**118,357**	-
(b) Expenses		
Depreciation – plant and equipment	**45,109**	-
Exploration Expenses		
Airborne Geophysics	**320,634**	208,028
Tenement costs (rates, rents, native title etc)	**114,108**	42,068
Computer software	**19,967**	1,088
Exploration employees/contractors	**665,092**	19,000
Other exploration	**697,739**	-
	1,817,540	270,184
Head Office Expenses		
Compliance (audit, legal fees, registry, ASX etc)	**53,444**	4,000
Cost of capital raising	**70,806**	14,979
Directors' and employee benefits expenses:		
- wages and fees	**319,951**	-
- superannuation contribution expense	**27,229**	-
- share based payments (options issued)	**-**	-
	347,180	-
Office lease (inc parking)	**29,934**	-
Other office expenses	**4,352**	
Other expenses	**57,650**	-
Bank charges	**671**	31
	92,607	31
	2,308,329	289,194

	For the financial year ended 30 June 2018 $	For the financial period commencing 11 May 2017 and ending 30 June 2017 $
6. INCOME TAX		
The major components of the income tax are:		
Statement of Profit or Loss and Other Comprehensive Income		
Current income tax		
Current tax attributable to prior years	-	-
Deferred income tax		
Relating to adjustment of prior year balances due to change in tax rate	-	-
Relating to origination and reversal of temporary differences	-	-
Movement in recognised and unrecognised deferred tax asset	-	-
Income tax benefit reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-
Reconciliation to income tax benefit on accounting loss		
A reconciliation between tax expense and the product of accounting loss before tax multiplied by the Company's applicable income tax rate is as follows:		
Accounting loss before income tax	**2,308,329**	289,194
Tax benefit at the statutory income tax rate 27.5% (2017: 27.5%)	**(634,790)**	(79,528)
Movement of income tax benefit not brought to account	**634,790**	79,528
Income tax benefit	-	-
Deferred income tax		
The following temporary differences existed at the balance sheet date:		
Deferred tax asset		
Accruals	**8,652**	1,100
Unused tax losses	**705,666**	78,428
Net deferred tax asset not recognised	**(714,318)**	(79,528)
Net deferred tax balance	-	-

Deferred tax liability

There was no deferred tax liability as at 30 June 2018 (2017: $nil).

The Company has $2,597,523 in losses for income tax purposes. The aggregate deferred tax benefit of $714,318 has not been carried forward as an asset in the Statement of Financial Position as realisation of the benefit is not regarded as probable and will only be obtained if:

(a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the exploration expenditure and tax losses to be realised;
(b) the Company continues to comply with the conditions for deductibility imposed by the law; and
(c) no changes in tax legislation adversely affect the Company in realising the benefit from the tax losses.

7. SEGMENT REPORTING

The Company operates in one geographical area being Australia and one industry, being exploration for the year to 30 June 2018. The Chief Operating Decision Makers are the Board of Directors and management of the Company. There is only one operating segment identified being exploration activities in Australia based on internal reports reviewed by the Chief Operating Decision Makers in assessing performance and allocation of resources. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

	For the financial year ended 30 June 2018 $	For the financial period commencing 11 May 2017 and ending 30 June 2017 $
8. LOSS PER SHARE		
Loss used in calculation of basic and diluted	(2,308,329)	(289,194)
	Number	**Number**
Weighted average number of ordinary shares for the purposes of basic earnings per share	**54,342,467**	1,084,932
Weighted average number of ordinary shares adjusted for effect of dilution	**54,342,467**	1,084,932

As at 30 June 2018 the Company has no unlisted Directors' and Employees Options (2017: Nil) and no listed options (2017: Nil) on issue.

There have been no transactions involving ordinary shares or potential ordinary shares subsequent to the balance date that would significantly change the number of ordinary shares or potential ordinary shares outstanding for the reporting period.

	As at 30 June 2018 $	As at 30 June 2017 $
9. CASH AND CASH EQUIVALENTS		
(i) Cash and cash equivalents		
Cash at bank and on hand	**7,759,828**	711,957
	7,759,828	711,957

Cash at bank earns interest at floating rates based on daily bank deposit rates.

9. (ii) Reconciliation of net loss after tax to net cash flows from operations

	For the financial year ended 30 June 2018 $	For the financial period commencing 11 May 2017 and ending 30 June 2017 $
Loss for the year	**2,308,329**	289,194
Depreciation	**45,109**	-
Other non cash items	**(2,851)**	-
Increase in trade and other receivables	**51,286**	136,515
(Increase) in trade and other payables	**(89,894)**	(42,899)
Net cash flows used in operating activities	**2,311,979**	382,810

	As at 30 June 2018 $	As at 30 June 2017 $
10. TRADE AND OTHER RECEIVABLES		
GST recoverable	**48,468**	136,515
Interest receivable	**13,306**	-
Other receivables	**23,455**	-
	85,229	136,515

(a) Allowance for impairment loss
Trade and other receivables which are primarily from the ATO are non-interest bearing and are generally paid on 30 day settlement terms. Trade and other receivables are neither past due nor impaired at 30 June 2018 and 30 June 2017.

(b) Fair value
Due to the short term nature of the other receivables, their carrying value is assumed to approximate their fair value.

	As at 30 June 2018 $	As at 30 June 2017 $
11. PLANT AND EQUIPMENT		
Cost	**201,392**	5,233
Accumulated depreciation	**(45,109)**	-
Net carrying amount	**156,283**	5,233
At beginning of year, net accumulated depreciation	**5,233**	-
Acquired	**196,159**	5,233
Disposals	**-**	-
Depreciation charge for the year	**(45,109)**	-
At end of year, net accumulated depreciation	**156,283**	5,233

The useful life of the assets was estimated between 2 and 4 years for 2018.

	As at 30 June 2018 **$**	As at 30 June 2017 $
12. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE		
Costs carried forward in respect of:		
Acquisition of tenements – at cost		
Balance at beginning of the period	**1,200,000**	-
Acquisition of tenements*	**-**	1,200,000
Total capitalised exploration and evaluation expenditure	**1,200,000**	1,200,000

* The issue of 12,000,000 shares to Cosmopolitan Minerals Ltd ("CML") at $0.10 per share for acquisition of the tenements.

This amount of $1,200,000 was considered to be the fair value of the tenements acquired on the basis that this is what CML had spent on the tenements to the date of acquisition by the Company. The Company believes that looking at historical expenditure is a reasonable method to fair value exploration tenements.

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Tenement Application ELA52/3087 has not yet been granted. To the effect that if this tenement is not granted it does not adversely affect the prospectivity of the Marymia Project and the proposed exploration budget or program will not be revised. Note that CML is the registered applicant of ELA 52/3087 and once this application is granted, application will be made for the tenement to be transferred to AIC. This tenement was recommended for approval.

On 30 October 2017, the registered native title Company in respect of the area of E52/3368, lodged an objection with the National Native Title Tribunal alleging that the grant of E52/3368 (which occurred on 27 July 2016) was invalid as it did not comply with the relevant Native Title Act 1993 (Cth) processes. If the grant of E52/3368 is unwound, the prospectivity of the Marymia Project will not be adversely affected and the funds set aside for exploration on E52/3368 will be re-directed to other granted tenements.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas. As at 30 June 2018 there are no indicators of impairment under AASB 6 related to Deferred Exploration Expenditure.

	As at 30 June 2018 **$**	As at 30 June 2017 $
13. TRADE AND OTHER PAYABLES		
Trade payables	**100,102**	38,899
Accruals	**31,460**	4,000
Other creditors	**1,231**	-
	132,793	42,899

Trade payables and other creditors are non-interest bearing and are normally settled on 30 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

	2018 Number	2018 $
14. ISSUED CAPITAL		
Issued capital at beginning of year as at 1 July 2017	**23,000,001**	2,300,000
Fully paid ordinary shares carry one vote per share and carry the right to dividends		
Movements in ordinary shares on issue		
Issued Seed Capital @ $0.10	**2,000,000**	200,000
Issued IPO Shares @ $0.20	**50,000,000**	10,000,000
Cost of Issue	**-**	(573,185)
Issued capital at end of year as at 30 June 2018	**75,000,001**	11,926,815

	2017 Number	2017 $
Issued capital as at incorporation on 11 May 2017	**1**	-
Fully paid ordinary shares carry one vote per share and carry the right to dividends		
Movements in ordinary shares on issue		
Issued for purchase of tenements	**12,000,000**	1,200,000
Issued Seed Capital @ $0.10	**11,000,000**	1,100,000
Transaction costs on share issue net of tax	**-**	-
Issued capital at end of period as at 30 June 2017	**23,000,001**	2,300,000

There were no other significant movements in equity after the 2018 reporting period until the lodgement of this report.

Terms and conditions of contributed equity

Ordinary shares (including escrowed shares)

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on 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. As per the *Corporations Act 2001*, the Company does not have authorised capital and ordinary shares do not have a par value.

As at the date of this report, 14,925,001 ordinary shares were subject to a voluntary escrow until 1 December 2019.

	As at 30 June 2018 $	As at 30 June 2017 $
15. COMMITMENTS		
(a) Exploration Expenditure Commitment		
In order to maintain the Company's interest in mining tenements, the Company is committed to meet the minimum expenditure conditions under which the tenements were granted. These amounts change annually and are also based on whether term of extensions are granted for each tenement.		
Within 1 year	**1,382,500**	1,059,000
After 1 year but not more than 5 years	**1,816,500**	2,608,000
Total	**3,199,000**	3,667,000
(b) Office Lease Expenditure Commitment		
In order to maintain the Company's registered office, the Company is committed to meet the office lease commitment. The commitments under this agreement are:		
Within 1 year	**30,467**	26,452
After 1 year but not more than 5 years	**-**	2,204
Total	**30,467**	28,656

There are no other known commitments or contingencies as at 30 June 2018.

16. FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments comprise of cash and short term deposits. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes 9, 10 and 13 to the financial statements.

The Company manages its exposure to a variety of financial risks: market risk (including commodity risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk in accordance with the approved Company policies. Primary responsibility for the identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified.

The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of market forecast for interest rate and foreign exchange. The Company manages credit risk by only dealing with recognised, creditworthy, third parties and liquidity risk is monitored through the development of future rolling cash flow forecasts.

Commodity price risk

The Company's policy is to sell its commodity products at current market prices. Once in production the Company expects to have an exposure to commodity price risk. Presently the Company is not exposed to commodity price risk.

Interest rate risk

The Company's current exposure to the risk of changes in market interest rates relate primarily to cash assets rates and is managed by the Board. The Company does not account for fixed rate financial assets and liabilities at fair value through profit or loss. During the financial year, the Company has managed its cash assets by entering into a fixed interest term deposits to maximise its cash balance.

A sensitivity analysis was performed to assess the impact of reasonably possible changes on interest rates for the Company as at 30 June 2018 based on the assumption that a reasonably possible interest rate change would be 25 basis points. The analysis assumed all other variables held are constant. The 25 basis points sensitivity is based on reasonably possible changes over a financial year, using the observed historical trend. The analysis was performed on the same basis for the comparative period. The analysis demonstrated that the impact of reasonably possible changes on interest rates would be immaterial for the Company as at 30 June 2018 (2017: nil). Please see Note 9 for information on cash balances held with variable and fixed interest rates.

Foreign currency risk

The Company has no material transactional foreign currency exposure.

Credit risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Company is exposed to credit risk from its operating activities, financing activities including deposits with banks and receivables. The credit risk control procedures adopted by the Company is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences. The compliance with credit limits is regularly monitored as part of day-to-day operations. Any credit concerns are highlighted to senior management. As the Company is yet to commence mining operations it has no significant exposure to customer credit risk. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets in the Statement of Financial Position.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Quality of Financial Assets

	S&P Credit rating				
	AAA	A1+	A1	A2	Unrated
	$	$	$	$	$
As at 30 June 2018					
Cash and cash equivalents	7,759,828	-	-	-	-
Trade and other receivables	-	-	-	-	36,761
As at 30 June 2017					
Cash and cash equivalents	711,957	-	-	-	-
Trade and other receivables	-	-	-	-	-

Liquidity risk

The responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by maintaining sufficient cash to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The Company's liquidity needs can be met through a variety of sources, including: cash generated from interest accrued on cash balances, short and long term borrowings and issue of equity instruments. Alternatives for sourcing our future capital needs include our current cash position, future operating cash flow, project debt financings and equity raisings. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. As at 30 June 2018 and 30 June 2017, the Company's financial liabilities have contractual terms of less than 6 months.

Capital risk management

The Company's capital comprises share capital less accumulated losses amounting to $2,597,523 at 30 June 2018 (2017: $289,194). The Company's capital management objectives are:

- To safeguard the business as a going concern;
- To maximise potential returns for shareholders through minimising dilution; and
- To retain an optimal debt to equity balance in order to minimise the cost of capital.

The Company may issue new shares or sell assets to reduce debts in order to maintain the optimal capital structure.

17. EVENTS AFTER THE BALANCE SHEET DATE

There were no other matters or circumstance that arose that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent years that is not otherwise disclosed in the financial statements.

	For the financial year ended 30 June 2018	For the financial period commencing 11 May 2017 and ending 30 June 2017
	$	$
18. AUDITORS' REMUNERATION		
The auditors of the Company are Ernst & Young.		
Amounts received or due and receivable by Ernst & Young for:		
An audit or review of the financial reports of the entity	**26,725**	4,120
Preparation of the Independent Limited Assurance Report for the IPO	**9,270**	-

19. RELATED PARTY TRANSACTIONS

The Company acquired 21 tenements from Cosmopolitan Minerals Limited by way of a Sale Agreement dated 7 June 2017. Josef El-Raghy and Heidi Brown are both shareholders of Cosmopolitan Minerals Limited, and Heidi Brown has since been appointed a director (from 22 August 2017). The tenements were purchased for $1,200,000 (12,000,000 shares @ $0.10 per share), which was equal to the amount spent on the tenements by Cosmopolitan Minerals Limited at Completion under the Sale Agreement (9 June 2017). The tenement acquisition was recognised in the Statement of Financial Position as a non-current asset at a value of $1,200,000. The Company also paid to Cosmopolitan Minerals Limited during the year a total of $91,300 (inc GST) for the provision of geological and geophysical services to 30 September 2017 (2017: Nil). These payments were non-interest-bearing and payable within 30 days.

The Company sub-leased office space from Montana Realty Pty Ltd, a company of which Josef El-Raghy is a director and shareholder, and Heidi Brown is an alternate director. Total payments made during the year for rent, internet, electricity, insurance, parking and outgoings amounted to $20,958 for the period 1 May 2017 to 31 January 2018 (2017: Nil) There was no formal agreement in place, nor was there any financial benefit to Mr El-Raghy. The lease was transferred to AIC Resources Limited from 1 February 2018. The Company elected to exercise the option to renew the lease for a further 1 year term, terminating on 28 February 2019.

During the year, the Company acquired second hand vehicles and exploration equipment and consumables for a total of $84,978 from Tanami Gold NL, a company in which Brett Montgomery is a director and shareholder. The purchases were non-interest-bearing and payable within 30 days.

The Company has entered into the following agreements with the Directors:-

- Brett Montgomery
  - Executive Service Agreement (effective 1 July 2017) - $144,000 + superannuation per annum

- Josef El-Raghy
  - Letter of Appointment – Director fee (effective 1 July 2017) - $60,000 + superannuation per annum

- Heidi Brown
  - Letter of Appointment – Director fee (effective 1 July 2017) - $40,000 + superannuation per annum
  - Consultancy Agreement (effective 1 July 2017) - $80,000 per annum for Company Secretarial Services (note: this agreement was terminated on 1 December 2017 and replaced with the below)
  - Employment Agreement (effective 1 December 2017) - $80,000 per annum including superannuation for Company Secretarial Services (this replaces the Consultancy Agreement above).

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the financial year, and there were no material contracts involving Directors' interests at year end.

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's report to the members of AIC Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of AIC Resources Limited (the Company), which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

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

a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Carrying value of capitalised exploration and evaluation expenditure

Why significant	How our audit addressed the key audit matter
The carrying value of exploration and evaluation expenditure is subjective as it is based on the Company's ability, and intention, to continue to explore the asset. The carrying value may also be impacted by the results of exploration work indicating that the mineral reserves may not be commercially viable for extraction. This creates a risk that the amounts stated in the financial report may not be recoverable. Refer to Note 12 – Capitalised exploration and evaluation expenditure.	We evaluated the Company's assessment of the carrying value of exploration and evaluation expenditure. In obtaining sufficient audit evidence, we: ► Considered the Company's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements and tenement registers from the Government of Western Australia's Department of Mines, Industry Regulation and Safety. ► Considered the Company's intention to carry out significant exploration on the tenements held which included an assessment of the Company's cash flow forecast models and enquiries with the Directors as to the intentions and strategy of the Company. ► Considered whether there was sufficient data that indicated the carrying value of the capitalised exploration and evaluation expenditure would not be recovered in full from successful development or by sale. ► Assessed the Company's ability to fund any planned future exploration and evaluation activity.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's 2018 Annual Report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

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

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

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

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

Report on the audit of the remuneration report

Opinion on the remuneration report

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

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

Responsibilities

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

Ernst & Young

Ernst & Young

Philip Teale
Partner
Perth
15 August 2018

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 14 August 2018.

SUBSTANTIAL SHAREHOLDERS (holding more than 5%)

	Fully Paid Ordinary Shares	
Shareholder	**Shares**	**Percentage**
Nordana Pty Ltd (ACN 009 087 414); BPM Capital Limited (an entity registered under the laws of the Cayman Islands); El-Raghy Kriewaldt Pty Ltd (ACN 009 091 516) and Mr Josef El-Raghy	20,054,001	26.74%

TOP 20 SHAREHOLDERS OF QUOTED SECURITIES

	Quoted Securities – Fully Paid Ordinary Shares	
	Number	**% Held**
Nordana Pty Ltd	13,000,001	17.33
El'Raghy Kriewaldt Pty Ltd	5,054,000	6.74
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	3,665,000	4.89
HSBC Custody Nominees (Australia) Limited	3,597,950	4.80
Gold Elegant (HK) Investment Limited	3,000,000	4.00
Mr Richard Arthur Lockwood	2,500,000	3.33
Tazga Two Pty Ltd <Tazga Two A/C>	2,500,000	3.33
BPM Capital Limited	2,000,000	2.67
Mr Jamie Phillip Boyton	1,750,000	2.33
S G J Investments Pty Ltd	1,550,000	2.07
Matrix Nominees Pty Ltd <The DW Franks Family A/C>	1,525,000	2.03
Argonaut Equity Partners Pty Ltd	1,500,000	2.00
Sze Wai Rebecca Chong	1,500,000	2.00
Mr Brett Montgomery	1,500,000	2.00
BNP Paribas Noms Pty Ltd <DRP>	1,200,000	1.60
Mrs Heidi Anne Brown	1,125,000	1.50
Gandria Capital Pty Ltd <The Tedblahnki Family A/C>	950,000	1.27
Wisetime Nominees Pty Ltd <SRB Family A/C>	927,000	1.24
Blackcat Holdings Pty Ltd	875,000	1.17
Citicorp Nominees Pty Limited	800,002	1.07
	50,518,953	**67.36**

ASX Additional Information

At 14 August 2018, there were 75,000,001 fully paid ordinary shares on issue held by 299 individual shareholders. Of these, 60,075,000 fully paid ordinary shares held by 299 individual shareholders were quoted, and 14,925,001 fully paid ordinary shares held by 6 individual shareholders were subject to voluntary escrow.

FULLY PAID ORDINARY SHARES SUBJECT TO VOLUNTARY ESCROW

Number of Shares	Number of Holders	Date Escrow Ends
14,925,001	6	01 December 2019

Nordana Pty Ltd holds 12,500,001 fully paid ordinary shares or 83.75% of the unquoted securities subject to voluntary escrow listed above.

DISTRIBUTION OF EQUITY SECURITIES

Holding Range	Number of Holders	Number of Fully Paid Ordinary Shares
1 - 1,000	2	65
1,001 - 5,000	13	48,215
5,001 - 10,000	24	229,920
10,001 - 100,000	181	8,050,611
100,001 and over	79	66,671,190
	299	**75,000,001**

As at 14 August 2018, there were 6 shareholders with less than marketable parcel.

VOTING RIGHTS

The voting rights attaching to the ordinary shares are set out in Clauses 5.50 and 5.51 of the Company's Constitution.

5.50 Subject to this constitution and any rights or restrictions attached to a class of Shares, on a show of hands at a meeting of Members, every Eligible Member present has one vote.

5.51 Subject to this constitution and any rights or restrictions attached to a class of Shares, on a poll at a meeting of Members, every Eligible Member present has:

- 5.51.1 one vote for each fully paid up Share (whether the issue price of the Share was paid up or credited or both) that the Eligible Member holds; and
- 5.51.2 a fraction of one vote for each partly paid up Share that the Eligible Member holds. The fraction is equal to the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.

Corporate Governance Statement

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

The information in this Statement is current as at 15 August 2018 and has been approved by the Board of the Company.

To the extent applicable, the Company has adopted the ASX Corporate governance Council's *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board composition and structure is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed. The various Charters and Policies mentioned below can be found on the Company's website via the following link https://www.aicresources.com.au/investors/corporate-governance/.

In accordance with ASX Listing Rule 4.10.3, the Company is required to disclose the extent to which it has followed the Principles and Recommendations during the financial year. The Company's compliance with and departures from the Principles and Recommendations are set out below.

Principles and Recommendations		**Compliance**	**Comment**
1.	**Lay solid foundations for management and oversight**		
1.1	A listed entity should disclose: (a) The respective roles and responsibilities of its board and management; and (b) Those matters expressly reserved to the board and those delegated to management.	Complies	The Board Charter adopted by the board outlines the role and responsibilities of the Board, as well as the role and responsibility of management. The board delegates responsibility for the day to day operations and administration of the Company to the Managing Director.
1.2	A listed entity should: (a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and (b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Complies	The board has procedures in place to select the suitable candidates with suitable experience to ensure a balanced and effective board. The Board Charter adopted by the board outlines the pre-appointment procedures undertaken when appointing new directors, and undertakes to provide sufficient information to allow shareholders to make an informed decision on whether or not to elect or re-elect a director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	As per the Board Charter, new directors receive a Letter of Appointment which sets out the terms of their appointment. Senior executives are also presented with an Executive Service Agreement which sets out the terms, rights, responsibilities and any entitlements. Please refer to Note 19 for the key terms of the agreements with director and/or senior management.
1.4	The company secretary of a listed entity should be	Complies	All directors have access to the

	accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.		Company Secretary who is accountable directly to the board, on all matters to do with the proper functioning of the board. Please refer to the Board Charter.
1.5	A listed entity should: (a) Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) Disclose that policy or a summary of it; and (c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) The respective proportions of men and women on the board, in senior executive positions and across the whole organization (including how the entity has defined "senior executive" for these purposes); or (2) If the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indictors", as defined in and published under that Act.	Does not comply	A dedicated Diversity Policy has been adopted by the board, however, the Company has not yet set measurable objectives for achieving gender diversity. For the year ended 30 June 2018, the respective proportions of men and women:- (a) On the board was 66.66% men and 33.33% women; (b) In senior executive positions was 100% men and 0% women (only one executive employee at this stage – the Managing Director); and (c) Across the whole organization (including directors, contract geologists / field hands / geophysicist) was 75% men and 25% women.
1.6	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Does not comply	The Company has not yet established a formal process for evaluating the performance of the board. A formal discussion was held into the performance of the Managing Director and the performance and composition of the board during the year. The board considered that it was a little too early to evaluate the effectiveness of the board and the individual directors as the Company had only been established for ~13 months and listed for ~7 months. The board intends to put in place a formal evaluation process in due course.
1.7	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of its senior executives; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was	Does not comply	The Company has not yet established a formal policy on evaluating the performance of its senior executives as the Company does not currently have any senior executives other than the Managing Director. The board will

	undertaken in the reporting period in accordance with that process.		monitor the need for a formal process as the Company develops.
2.	**Structure the board to add value**		
2.1	The board of a listed entity should: (a) Have a nomination committee which:- (1) Has at least three members, a majority of whom are independent directors; and (2) Is chaired by an independent director; and disclose (3) The charter of the committee; (4) The members of the committee; and (5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Does not comply	The board does not consider that the Company is of a relevant size or complexity to warrant the formation of a Nomination Committee to deal with the selection and appointment of new directors and as such, a Nomination Committee has not been formed. However, a dedicated Nomination Committee Charter has been adopted by the Board. Nominations of new directors are and will be considered by the full board. If any vacancies arise on the board, all directors will be involved in the search and recruitment of a replacement. The board has taken a view that the full board will hold special meetings or sessions as and when required. The board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to shareholders a candidate for election is stringent.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Complies	The board's composition and the experience and qualification of each board member is disclosed in the Directors' Report. With the Company's activities currently in the form of mineral exploration, the Board considers that the key desired skillsets are geological and technical expertise, and sound corporate management. The board is of the opinion that the skills and expertise provided by its current composition is appropriate. The Board Charter adopted by the board defines the skills matrix of the board and senior management.
2.3	A listed entity should disclose: (a) The names of the directors considered by the board to be independent directors; (b) If a director has an interest, position, association or relationship of the type described in Box 2.3 (which appears on page 16 of the ASX Recommendations and	Complies	The board does not comprise of any independent directors. Each director has either a material contractual relationship with the entity or is a substantial security holder of the entity. The board considers that both its

	is entitled "Factors relevant to assessing the independence of a director") but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) The length of service of each director.		structure and composition are appropriate given the size of the Company and that the interests of the Company and its shareholders are well met. The board believes that the individuals on the board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business mush absent themselves from the board meeting before commencement of discussion on the topic. The names and length of service of the directors are detailed in the Directors Report contained within this Annual Report.
2.4	A majority of the board of a listed entity should be independent directors.	Does not comply	The board does not comprise a majority of independent directors. The board considers that both its structure and composition are appropriate given the size of the Company and that the interests of the Company and its shareholders are well met. The board believes that the individuals on the board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business mush absent themselves from the board meeting before commencement of discussion on the topic.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Does not comply	Mr El-Raghy currently holds the position of Non-Executive Chairman which does not comply with the Recommendations. While the board considers the importance of a division of responsibility and independence at the head of the Company, the existing structure is considered appropriate and provides a unified leadership structure. Mr El-Raghy is an integral force behind the establishment of the Company and its

			current growth and direction. The board considers that, at this stage of the Company's development, he is able to bring quality and independent judgement to all relevant issues, and the Company benefits from his long standing experience of its operations and business relationships.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Complies	As per the Board Charter adopted by the board, upon appointment, new Directors are subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively.
3.	**Act ethically and responsibly**		
3.1	A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) Disclose that code or a summary of it.	Complies	The board has adopted a Code of Conduct for directors, senior executives and employees. A copy of the Code is available on the Company's website.
4.	**Safeguard integrity in corporate reporting**		
4.1	The board of a listed entity should: (a) Have an audit committee which: (1) Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) Is chaired by an independent director, who is not the chair of the board, and disclose: (3) The charter of the committee; (4) The relevant qualifications and experience of the members of the committee; and (5) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and rotation of the audit engagement partner.	Does not comply	The Board has not established a separate Audit Committee. The Board does not consider that the Company is of a size nor are the affairs of a complexity sufficient to warrant the formation of a separate Audit Committee. The full board is considered to be able to meet the objectives of the best practice recommendations and discharge its duties in this area. However the full board operates under the adopted Audit Committee Charter, which is available for review on the Company's website, and carries out the functions delegated under that charter. The Board believes that the individuals on the Board can make, and do make, quality and informed judgements in the best interests of the Company on all relevant issues. External audit recommendations, internal control matters and any other matters that arise from half yearly reviews and the annual statutory audit will be discussed directly between the Board and the Audit Engagement Partner.

			The Board encourages contact between Non-Executive Directors and the Company's external auditors, independently of executive management.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complies	The board requires the Managing Director and CFO (or equivalent) to provide such a statement for the half year and annual financial accounts.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complies	The Company's external auditor attends the Company's AGM and is available to answer questions relevant to the audit.
5.	**Make timely and balanced disclosure**		
5.1	A listed entity should: (a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) Disclose that policy or a summary of it.	Complies	The board has established a Continuous Disclosure Policy. The board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure information to the ASX as well as communicating with the ASX. The Managing Director and Company Secretary are responsible for ensuring that the Company's announcements are made in a timely manner, are factual and do not omit material information.
6.	**Respect the rights of security holders**		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company is committed to maintaining a company website with general information about the Company and its operations, details of the Company's corporate governance policies and procedures, and information specifically targeted at keeping the Company's shareholders informed about the Company.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	The board has established a Shareholder Communications Policy aimed at communicating effectively with shareholders. The Company seeks to inform investors of developments regularly by communicating through ASX announcements and by providing information on its website.

			Investors are encouraged to attend the Company's security holder meetings, and are able to contact management by email info@aicresources.com.au or by phone +61 8 6269 0110.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complies	All shareholders are notified in writing of generals meetings and encouraged to attend and participate. Please refer to the Company's Shareholder Communications Policy for more information.
6.4	A listed entity should give security holders that option to receive communications from, and send communications to, the entity and its security registry electronically.	Complies	Shareholders may communicate via electronic means with the Company's share registry and may register to access personal shareholding information and receive electronic information.
7.	**Recognise and manage risk**		
7.1	The board of a listed entity should: (a) Have a committee or committees to oversee risk, each of which: (1) Has at least three members, a majority of whom are independent directors; and (2) Is chaired by an independent director, and disclose: (3) The charter of the committee; (4) The members of the committee; and (5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Does not comply	The Board has not established a separate Risk Management Committee. However the full Board operates under the adopted Risk Management Policy. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are also considered at Board meetings. The Board has adopted a Risk Management Policy. Under the Risk Management Policy, responsibility and control risk management is delegated to the appropriate level of management within the Company with the Managing Director, supported by the senior executive team, having ultimate responsibility to the Board for the implementation of the risk management and control framework.
7.2	The board or a committee of the board should: (a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) Disclose, in relation to each reporting period, whether such a review has taken place.	Complies	The full board is ultimately responsible for approving and overseeing the risk management system. The Company's risk management systems and control frameworks include the ongoing monitoring of management and operational performance, a comprehensive system of budgeting, forecasting and reporting to the board, approval procedures for expenditure above threshold levels, and regular communication between directors on compliance and risk.

			The framework was reviewed and established during the year.
7.3	A listed entity should disclose: (a) If it has an internal audit function, how the function is structure and what role it performs; or (b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Does not comply	The board believes that for efficiency purposes and the Company is not of a size to justify having an internal audit function. The Company's risk management systems and control frameworks include the ongoing monitoring of management and operational performance, a comprehensive system of budgeting, forecasting and reporting to the board, approval procedures for expenditure above threshold levels, and regular communication between directors on compliance and risk.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complies	The board has identified the specific and general risks that the Company is subject to. A comprehensive list of these risks were disclosed in Section 8 of the IPO Replacement Prospectus dated 2 November 2017 (available on the Company's website). To reduce these risks, the company has in place an experienced Board, regular Board meetings, and six monthly financial audits. The board is of the view that its risk management systems promote informed and measured decision making on risk issues based on a systematic approach to risk identification, assessment, control, review and reporting.
8.	**Remunerate fairly and responsibly**		
8.1	The board of a listed entity should: (a) Have a remuneration committee which: (1) Has at least three members, a majority of whom are independent directors; and (2) Is chaired by an independent director, and disclose: (3) The charter of the committee; (4) The members of the committee; and (5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level	Does not comply	The board has not established a separate Remuneration Committee, but has adopted a dedicated Remuneration Committee Charter. The full Board meets to consider both the level and structure of remuneration and incentive policies for the Executive directors and key executives within the Company and decides on the Company's remuneration policies. The level and of remuneration is established using both salary surveys and peer reports. The affected Director or Executive will

	and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		not participate in the decision-making process.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Complies	The Company has separate policies relating to the remuneration of non-executive directors and that of executive directors and senior executives. This information is detailed in the Remuneration Report which forms part of the Directors' Report in this Annual Report. The Company's constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting (currently $250,000 pa).
8.3	A listed entity which has an equity-based remuneration scheme should: (a) Have a policy on whether participants are permitted to enter into transactions 9whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) Disclose that policy or a summary of it.	N/A	The Company does not have an equity-based remuneration scheme at the date of this Annual Report.

Unless otherwise stated, the Company's corporate governance practices were in place for the period from admission to the Official List (27 November 2017) until 30 June 2018.

The Company's main corporate governance policies and practices as at the date of this Annual Report are outlined below.

(a) **Board of directors**

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

(i) maintain and increase Shareholder value;

(ii) ensure a prudential and ethical basis for the Company's conduct and activities; and

(iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

(i) developing initiatives for profit and asset growth;

(ii) reviewing the corporate, commercial and financial performance of the Company on a regular basis;

(iii) acting on behalf of, and being accountable to, the Shareholders; and

(iv) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of a Managing Director, a Non-Executive Chairman and a Non-Executive Director (each of whom are not considered independent).

(c) **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(e) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(f) **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed A$250,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) **Diversity policy**

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(h) **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its Directors, Employees and Consultants. The policy generally provides that the written acknowledgement of the Chairman, or Managing Director if the Chairman is not available, (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

(j) **Audit committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company.

In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

The Board has adopted a formal Audit Committee Charter.

(k) **Remuneration committee**

The Company will not have a separate remuneration committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company.

The full Board will carry out the duties that would ordinarily be assigned to that committee, ensuring that the level and composition of remuneration provided to attract and retain high quality directors and employees is commercially appropriate and targeted to align with the interests of the Company.

The Board will ensure that no Director or senior executive will be involved in deciding his or her own remuneration.

The Board has adopted a formal Remuneration Committee Charter.

(l) **Nomination committee**

The Company will not have a separate nomination committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company.

The full Board will carry out the duties that would ordinarily be assigned to that committee ensuring that the composition of the Board is appropriate, consider succession issues and inducting and evaluating the performance of the Board and its Committees.

The Board has adopted a formal Nomination Committee Charter.

(m) **Risk committee**

The Company will not initially form a separate committee to oversee risk and internal control.

Ultimate responsibility for risk management will rest with the full Board which monitors and manages material risks at each Board Meeting where it considers the Company's Risk Matrix.

The Company manages risk pursuant to its Risk Management Policy.