Shaw River Manganese Limited

ABN 85 121 511 886

ANNUAL REPORT
30 JUNE 2018

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CONTENTS

CORPORATE DIRECTORY

Directors
Luke Innes
Nicholas Young
Kyla Garic

Company Secretary
Matthew Edmondson

Registered office
108 Outram Street
West Perth WA 6005

Auditor
Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3, 216 St Georges Terrace
Perth WA 6000

Bankers
National Australia Bank
1232 Hay Street
West Perth 6005

Share Registry
Security Transfer Registers Pty Ltd
770 Canning Highway
Applecross WA 6153

Securities Exchange Listing
ASX Limited
152-158 St Georges Terrace
Perth WA 6000
ASX Code – SRR

DIRECTORS' REPORT

The Directors presents this report, together with the financial statements for Shaw River Manganese Limited ("the Company") and its subsidiaries ("the Group") for the year ended 30 June 2018.

The powers of the Directors were suspended from 22 January 2016, being the date of the appointment of the Voluntary Administrators and Receivers and Mangers and remain so during the term of the Deed of Company Arrangement ("DOCA") made in relation to the Company.

Directors

The names and the particulars of the Directors who held office during or since the end of the year and until the date of this report are disclosed below. The Directors were in office for this entire period unless otherwise stated.

Name	Status	Appointment/ Resignation
Mr Luke Innes	Non-Executive Director	Appointed on 3 August 2018
Mr Nicholas Young	Non-Executive Director	Appointed on 3 August 2018
Ms Kyla Garic	Non-Executive Director	Appointed on 3 August 2018

Company Secretary

Name	Status	Appointment/ Resignation
Mr Matthew Edmondson	Company Secretary	Appointed on 9 August 2018

Principal activities

Shaw River Manganese Limited (ASX:SRR) is a manganese exploration and development company, focused on exploring and developing its 100% owned Otjozondu Project in Namibia. Shaw River also has other manganese exploration projects in Butre in Ghana.

There were no major changes to the activities of the Group during the period.

Incomplete records

To prepare this financial report, the Directors who were not in office during the periods presented in this report have reconstructed the financial records of the Group using data provided by the Administrators and extracted from the Group's accounting system for the year. However, there may be information that the Directors have not been able to obtain, the impact of which may or may not be material on the financial statements.

These financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the external administration process and/or the change in directorships and key management personnel of the Company.

The Directors have not been able to source books and records of the Company's subsidiaries up to the date of this report. Ownership of the subsidiaries were transferred to the creditors' trust on the effectuation of the deed of company arrangement. Accordingly, the financial information of the group's subsidiaries has been deconsolidated effective 01 July 2015.

Consequently, and although the Directors have prepared this financial report to the best of their knowledge based on the information that is available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial position as at 30 June 2018.

Operating and financial review

The consolidated loss for the year amounted to $1 thousand (2017: loss of $16 thousand).

Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2018 (2017: Nil).

Significant changes in state of affairs

On 17 July 2017 the OH Vendors advised that they intended to make an application to the High Court of Namibia to enforce their royalty claim against the Company. The claim relates to the acquisition by Shaw River Manganese Limited of Otjozondu Mining. Under the agreement the consideration included a royalty fee to be paid to the OH Vendors in proportion to the number of shares they held at the time of the sale, initially up to a maximum of US$12,773,000 and later reduced to a maximum of US$11,508,000. The liability to pay the royalty is triggered when the quantum of manganese extracted and sold from Otjozondu Project equals 10,000 dry metric tonnes (DMT) in aggregate (excluding the sale of manganese samples of up to 1,500 DMT to prospective purchasers). On 1 May 2018 the Company received orders in the Supreme Court of Western Australia confirming the claims from the OH Vendors are captured and released under the DOCA.

On 29 September 2017, the Deed Administrator announced that the Australian Securities and Investment Commission (ASIC) had made conditional orders relieving the Company from compliance with its financial reporting requirements under Part 2M.3 of the Corporations Act 2001.

At the third meeting of creditors of the Companies held on 24 October 2017, creditors voted in favour of varying the Holding DOCA to facilitate the Recapitalisation proposal and the share sale agreement.

On 27 October 2017, the Deed Administrator announced that the offer submitted by Otsana Pty Ltd ("Otsana Capital") to undertake a recapitalisation of the Company, with retention of the Brute manganese and gold projects in Ghana ("Butre Project"), and the offer submitted by MN Holdings (an entity incorporated in Mauritius) to undertake the purchase of Otjozondu project by a way of share sale agreement, provided the most favourable outcome for creditors and shareholders.

The terms of the two offers are summarised below.

Recapitalisation of the Company

A summary of the material terms of the "Recapitalisation Proposal" submitted by Otsana Capital in relation to the Company is set out below.

(a) the Company will consolidate its share capital on a ratio of 200:1 (**Consolidation**). The post consolidation shares on issue will be 4,524,911;

(b) $520,000 cash was provided towards the Company's creditors (**Creditors**);

(c) all directors of the Company will be removed and replaced by nominees of the Syndicate;

(d) all secured creditors releasing security over the Company and its assets contemporaneously with the effectuation of the DOCA;

(e) the Creditor Payment is made on the basis that following shareholder approval the DOCA terminates and a creditors' trust fund is established to hold the Creditor Payment and Other Assets for creditors and claimants of the Company ("Creditor's Trust");

(f) all subsidiaries of the Company that are dormant and not required by the syndicate are to be deregistered and/or transferred to the Creditor's Trust, at no cost to the Company or the syndicate; and

(g) the claims of Creditors will be compromised pursuant to the DOCA and the Company will thereafter be debt free.

Bryve Resources Pty Ltd (In Liquidation), which holds the first ranking security over all the assets and undertakes of SRR and who is the majority shareholder in SRR, will release their security to facilitate the Recapitalisation Proposal.

DIRECTORS' REPORT

Significant changes in state of affairs (continued)

Share Sale Agreement – MN Holdings Limited

Under the Share Sales Agreement ("SSA"), MN Holdings Limited has offered to acquired 100% of issued capital of Shaw River Mauritius, a subsidiary of the Shaw River Namibia Pty and by doing so, MN Holdings Limited will acquire an indirect interest in the Otjozondu Project. The key terms of the SSA are as follows:

- Total consideration of A$4.952M to be paid by MN Holdings to Shaw River Namibia;
- MN Holdings must pay all duties payable in respect of the SSA. The current directors to resign and directors nominated by MN Holdings will be appointed.
- MN Holdings acknowledges that neither the Deed Administrators nor Shaw River Namibia have made any warranties, representations or undertakings in connection with the SSA and agrees to release both the Deed Administrators and Shaw River Namibia from any claims that may arise in connection with the SSA.
- Title to and risk in the Shaw River Mauritius shares remains with Shaw River Namibia until Completion and passes to MN Holdings on and from Completion.

On 16 February 2018, Bentleys Audit & Corporate (WA) Pty Ltd has been appointed as auditor of the Company.

On 20 March 2018, the Deed of Company arrangement was executed with the Proponent, Otsana Capital and secured creditor Bryve Resources Pty Ltd.

On 12 June 2018, the Company announced the following resolutions to be presented at the General Meeting to be held on the 9 July 2018. The following resolutions were subject to each of the other DOCA resolutions being passed:

- The Company will consolidate its existing shares on (200) for (1) basis and options issued to be consolidated in accordance with Listing Rule 7.22.1.
- The Company to undertake a placement of up to 50,000,000 shares and 50,000,000 (free attaching options) (on a post-consolidation basis) at an issue price of $0.02 to exempt investors to raise up to $1,000,000 (before costs).
- From completion of the DOCA the appointment of Company's Directors Mr Luke Innes, Mr Nicholas Young and Ms Kyla Garic.

Significant events after reporting date

On 9 July 2018, it was announced that all resolutions presented at the General Meeting were approved by shareholders.

On 11 July 2018, it was announced that the consolidation of capital resulted in the reduction of issued number of shares from 904,982,273 to 4,524,911.

On 1 August 2018 an interim placement of 30,000,000 fully paid ordinary shares at $0.02 was completed as approved by shareholders at the Company's General Meeting on 9 July 2018, with funds raised to be used towards funding the recapitalisation of the Company and for working capital.

On 3 August 2018 the Company announced that all conditions precedent to the DOCA had been met and that the DOCA was fully effectuated, with the Company exiting external administration and control of the Company passing to the Company's directors. Pursuant to the terms and conditions of the DOCA, Mr Luke Innes, Mr Nicholas Young and Ms Kyla Garic were appointed as Directors of the Company. Prior to the effectuation of the DOCA the Company divested its interest in the subsidiaries that held the Butre Gold project as the licence over the Butre Project expired whilst the Company was under external administration.

On 9 August 2018 the Company announced the appointment of Mr Matthew Edmondson as Company Secretary.

On 21 August 2018, the company announced it had entered into a conditional binding agreement to acquire 100% of Rolhold Pty Ltd. The Acquisition Agreement provided an option deed to acquire 100% of Rolek Pty Ltd through which Rolhold will acquire the legal and beneficial ownership of five granted mineral exploration licences and two applications for

Significant events after reporting date (continued)

mineral exploration licences in Western Australia. The Agreement also provides for a Deed of Novation between Rolbar (a wholly owned subsidiary of Rolhold) Advino Resources and Great Sandy Pty Ltd, pursuant to which Advino has agreed to novate all of its rights and obligations under the Rights Deed and Royalty Deed to Rolbar. As a result Rolbar will acquire the exclusive exploration and mining rights in respect to iron and manganese within mineral exploration licence E45/4368. The Company intends to conduct a capital raising to raise $5 million and relist on the ASX as Rolek Resources Limited, subject to completion of the acquisition and re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Information on Directors

Luke Innes	**Non-Executive Director (appointed on 3 August 2018)**
Qualifications	-
Experience	Mr Innes is currently involved in the energy industry and has had 28 years experience in the mining, minerals processing and power generation industry both in Australian and overseas. Within Australia he held technical and management roles within the resources sector including gold, nickel and iron ore mining and minerals processing operations. These include Australia's largest iron and nickel operations. He has previously held a non-executive position within a public unlisted company as well as being a non-executive director and non-executive chairman of ASX listed Greater Pacific Gold Limited.
Interest in Shares and Options	Nil
Special Responsibilities	Nil
Directorships held in other listed entities	-

Nicholas Young	**Non-Executive Director (appointed on 3 August 2018)**
Qualifications	BCom, CA
Experience	Mr Young is a Chartered Accountant and has completed the Insolvency Education Program at the Australian Restructuring Insolvency and Turnaround Association. Nicholas commenced his career in the Corporate Restructuring division of an accounting firm and has gained valuable experience in Australia and Southern Africa, across a wide range of industries, including mining and exploration, mining services, renewable energy, professional services, manufacturing and transport. Mr Young has been involved in the recapitalisation of various ASX-listed companies.
Interest in Shares and Options	Nil
Special Responsibilities	Nil
Directorships held in other listed entities	Vysarn Limited (current) Raiden Resources Limited (current) Cre8tek Limited (ceased 5 November 2015) Calidus Resources Limited (ceased 13 June 2017)

DIRECTORS' REPORT

Information on Directors

Kyla Garic	**Non-Executive Director (appointed on 3 August 2018)**
Qualifications	BCom, MAcc, CA
Experience	Ms Garic is a Chartered Accountant and Director of Onyx Corporate. Onyx Corporate provides financial reporting and accounting services, including reconstruction and accounting compliance for companies undergoing recapitalisation.
Interest in Shares and Options	Nil
Special Responsibilities	Nil
Directorships held in other listed entities	Aus Asia Minerals, appointed 27 April 2018 Dotz Nano Limited, ceased 31 October 2016 Schrole Group Limited, ceased 6 October 2017 Raiden Resources Limited, ceased 20 February 2018

Information on Company Secretary

Matthew Edmondson	**Company Secretary (appointed on 9 August 2018)**
Qualifications/ Experience	Mr Edmondson holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant and Chartered Secretary. Mr Edmondson has acted as a company secretary for ASX listed companies previously and has approximately 30 years accounting and corporate experience, both in Australia and internationally.

Meeting of directors

The Company was under the Deed of Company Arrangement during the year, there were no meetings of directors during the year ended 30 June 2018.

Share options

As at the date of this report, there are no unissued ordinary shares.

No options were exercised during the year ended 30 June 2018 (2017: nil).

Non-audit services

No fees for non-audit services were paid to the external auditors during the year ended 30 June 2018 (2017: $Nil).

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2018 can be found on page 10 of the financial report.

Remuneration report

This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of Shaw River Manganese Limited's directors and its senior management for the financial year ended 30 June 2018. The Company was in administration from 22 January 2016 and on entering administration the administrators were responsible for the remuneration policies of the Company.

The Directors who are in office at the date of this report had no involvement in adopting, implementing or complying with these remuneration policies. These policies may or may not have been in place during the financial period.

If the recapitalisation process is successful, the Directors who are in office at that date will adopt a new remuneration policy in accordance with the corporate governance framework to be adopted by the Board.

The prescribed details for each person covered by this report are detailed below under the following headings:

- Remuneration policy for directors and senior executives
- Details of remuneration
- Options issued as part of remuneration
- Employment contracts of directors and senior executives

Remuneration policy for directors and senior executives

The remuneration policy of Shaw River Manganese Limited was designed to align Director and Senior Management objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the group's medium and long-term financial outcomes.

The Board's policy for determining the nature and amount of remuneration for Board members and Senior Management of the group was as follows:

- The remuneration policy, setting the terms and conditions for Executives and Directors was developed by the Board.
- All Executives received a base salary (which was based on factors such as scope of responsibilities, length of service and experience), superannuation, fringe benefits, options and performance incentives.
- The Board reviewed Executive Directors and Senior Management performance annually by reference to the goals set at the start of the year

The Board was able to; however, exercise its discretion in relation to approving incentives, bonuses and options. The policy was designed to attract the highest calibre of Executive Directors and reward them for performance that results in long-term growth in shareholder wealth.

All remuneration paid to Executive Directors and Senior Management was valued at the cost to the Company and expensed.

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time and which currently stands at $300,000 per annum.

Details of remuneration

2018 & 2017

From 22 January 2016 the Company was in administration. The Company does not have adequate information to enable the disclosures required by Corporations Act 2001 for the years ended 30 June 2018 and 30 June 2017.

Options issued as part of remuneration

No options were issued as part of remuneration during the financial year ended 30 June 2018 (2017: Nil).

Employment Contracts of Directors and Senior Executives

The previous directors' contracts ended upon entering administration.

KMP options and rights holdings

There were no rights in Shaw River Manganese Limited held by any Director of the Group.

The number of options in Shaw River Manganese Limited held by each Director of the Group during the financial year was as follows:

30 June 2018	Balance at the start of the year	Granted during the year	Disposed or lapsed during the period	Options exercised during the period	Balance at the end of the year or resignation date	Vested at 30 June 2018
Directors						
Luke Innes	-	-	-	-	-	-
Nicholas Young	-	-	-	-	-	-
Kyla Garic	-	-	-	-	-	-
Total	-	-	-	-	-	-

KMP shareholdings

There were no shares held by the KMP during the year ended 30 June 2018.

Loans to Key Management Personnel

To the best of the Directors' knowledge, they are not aware of any loans to Key Management Personnel during the financial year.

Other KMP Transactions

The Directors do not have sufficient information to determine if there are any other KMP transactions.

REMUNERATION REPORT (END)

DIRECTORS' REPORT

Proceedings on behalf of company

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

The Company was not a party to any such proceedings during the year.

Indemnifying officers

Due to the Company being in administration the directors insurance premiums have not been renewed since the last policy was paid.

Environmental regulations

The Directors do not have sufficient information to determine if there are any matters requiring disclosure.

Future developments, prospects and business strategies

The Company is in the process of being recapitalised and its future developments, prospects and business strategies are detailed in the significant events after balance sheet date section of the Directors' report.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Bentleys (WA) Pty Ltd, 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 Bentleys Audit & Corporate (WA) Pty Ltd during or since the financial year.

Signed in accordance with a resolution of the Board of Directors.

Nicholas Young
Non-Executive Director
Dated 29 August 2018

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

To The Board of Directors

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

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

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

Yours faithfully

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 29th day of August 2018

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

	Note	30 June 2018	30 June 2017
		$'000	**$'000**
Other income		-	-
Adjustment to recognise contingent liability to OH vendor		-	-
Adjustment to other assets and liabilities on deconsolidation		-	-
Write-down of exploration and evaluation asset to net realisable value		-	-
Exploration and evaluation expense		-	-
Administration expense	2	(2)	(16)
Depreciation expense		-	-
Employee, director and consultants expense		-	-
Finance expense		-	-
Share of loss of equity accounted investee		-	-
Profit/(Loss) before income tax		**(2)**	**(16)**
Income tax expense		-	-
Profit/(Loss) after income tax		**(2)**	**(16)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Adjustment to reverse the FX reserve		-	-
Exchange differences on translating foreign operations		-	-
Total comprehensive loss for the year		**(2)**	**(16)**
Income/(Loss) for the period attributable to:			
Members of the parent entity		(2)	(16)
Non-controlling interest		-	-
		(2)	**(16)**
Total comprehensive income/(loss) attributable to:			
Members of the parent entity		(2)	(16)
Non-controlling interest		-	-
		(2)	**(16)**
Basic and diluted earnings/(loss) per share (cents per share)	6	(0.0002)	(0.002)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2-018

	Note	30 June 2018	30 June 2017
		$'000	$'000
CURRENT ASSETS			
Cash and cash equivalents	7a	1	3
Assets held for sale	8	4,952	4,952
TOTAL CURRENT ASSETS		**4,953**	**4,955**
TOTAL ASSETS		**4,953**	**4,955**
CURRENT LIABILITIES			
Trade and other payables	9	18,380	18,380
TOTAL CURRENT LIABILITIES		**18,380**	**18,380**
NON-CURRENT LIABILITIES			
Borrowings	10	10,656	10,656
TOTAL NON-CURRENT LIABILITIES		**10,656**	**10,656**
TOTAL LIABILITIES		**29,036**	**29,036**
NET LIABILITIES		**(24,083)**	**(24,081)**
EQUITY			
Issued capital	11	70,416	70,416
Reserves	12	-	100
Accumulated losses		(94,499)	(94,597)
TOTAL DEFICIENCY		**(24,083)**	**(24,081)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2018

	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated losses	Non Controlling Interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2016	**70,416**	**223**	**-**	**(94,704)**	**-**	**(24,065)**
Loss for the period	-	-	-	(16)	-	(16)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**(16)**	**-**	**(16)**
Options expired	-	(123)	-	123	-	-
Balance at 30 June 2017	**70,416**	**100**	**-**	**(94,597)**	**-**	**(24,081)**
Balance at 1 July 2017	**70,416**	**100**	**-**	**(94,597)**	**-**	**(24,081)**
Loss for the period	-	-	-	(2)	-	(2)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**(2)**	**-**	**(2)**
Options expired	-	(100)	-	100	-	-
Balance at 30 June 2018	**70,416**	**-**	**-**	**(94,499)**	**-**	**(24,083)**

The accompanying notes form part of these financial statements.

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

		30 June 2018	30 June 2017
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers, employees and others		(2)	(16)
Other income received		-	-
Net cash used in operating activities	7b	**(2)**	**(16)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from property, plant and equipment		-	-
Net cash from investing activities		**-**	**-**
Net decrease in cash and cash equivalents		(2)	(16)
Cash and cash equivalents at beginning of period		3	19
Cash and cash equivalents at end of period	7a	**1**	**3**

The accompanying notes form part of these financial statements

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

These consolidated financial statements cover Shaw River Manganese Limited (“the Company”) and its controlled entities as a consolidated entity (also referred to as “the Group”). The Company is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

This financial report was issued by the Directors on 29 August 2018.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Report) Instrument 2016/91, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars

a) Basis of preparation of the financial report

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (“AASBs”) (including Australian interpretations) adopted by the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001 where possible (refer to Note 1(b)). These financial statements of the Group also comply with the International Financial Reporting Standards (“IFRSs”) and interpretations adopted by the International Accounting Standards Board (“IASB”) where possible (refer to Note 1(b)).

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

b) Incomplete records

To prepare this financial report, the Directors who were not in office during the periods presented in this report have reconstructed the financial records of the Group using data provided by the Administrators and extracted from the Group’s accounting system for the year. However, there may be information that the Directors have not been able to obtain, the impact of which may or may not be material on the financial statements.

These financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the external administration process and/or the change in directorships and key management personnel of the Company.

The Directors have not been able to source books and records of the Company’s subsidiaries up to the date of this report. Ownership of the subsidiaries were transferred to the creditors’ trust on the effectuation of the deed of company arrangement. Accordingly, the financial information of the group’s subsidiaries has been deconsolidated effective 01 July 2015.

Consequently, and although the Directors have prepared this financial report to the best of their knowledge based on the information that is available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group’s financial position as at 30 June 2018.

Refer Note 22: Events subsequent to reporting date for further information.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

c) Going concern

The DOCA provides for, inter alia, the recapitalisation of the Company and (subject to regulatory approval) re-quotation of its securities on the ASX.

Recapitalisation Proposal

A summary of the material terms of the "Recapitalisation Proposal" in relation to the Company is set out below.

(a) the Company will consolidate its share capital on a ratio of 200:1 (**Consolidation**). The post consolidation shares on issue will be 4,524,911;

(b) $520,000 cash was provided towards the Company's creditors (Creditors);

(c) all directors of the Company will be removed and replaced by nominees of the Syndicate;

(d) all secured creditors releasing security over the Company and its assets contemporaneously with the effectuation of the DOCA;

(e) the Creditor Payment is made on the basis that following shareholder approval the DOCA terminates and a creditors' trust fund is established to hold the Creditor Payment and Other Assets for creditors and claimants of the Company ("Creditor's Trust");

(f) all subsidiaries of the Company that are dormant and not required by the syndicate are to be deregistered and/or transferred to the Creditor's Trust, at no cost to the Company or the syndicate; and

(g) the claims of Creditors will be compromised pursuant to the DOCA and the Company will thereafter be debt free.

Bryve Resources Pty Ltd (In Liquidation), which holds the first ranking security over all the assets and undertakes of SRR and who is the majority shareholder in SRR, will release their security to facilitate the Recapitalisation Proposal.

Share Sale Agreement – MN Holdings Limited

Under the Share Sales Agreement ("SSA"), MN Holdings Limited has offered to acquired 100% of issued capital of Shaw River Mauritius, a subsidiary of the Shaw River Namibia Pty Ltd (In Liquidation) and by doing so, MN Holdings Limited will acquire an indirect interest in the Otjozondu Project. The key terms of the SSA are as follows:

- Total consideration of A$4.952M to be paid by MN Holdings to Shaw River Namibia;
- MN Holdings must pay all duties payable in respect of the SSA. The current directors to resign and directors nominated by MN Holdings will be appointed.
- MN Holdings acknowledges that neither the Deed Administrators nor Shaw River Namibia have made any warranties, representations or undertakings in connection with the SSA and agrees to release both the Deed Administrators and Shaw River Namibia from any claims that may arise in connection with the SSA.
- Title to and risk in the Shaw River Mauritius shares remains with Shaw River Namibia until Completion and passes to MN Holdings on and from Completion.

On 1 August 2018 an interim placement of 30,000,000 fully paid ordinary shares at $0.02 was completed as approved by shareholders at the Company's General Meeting on 9 July 2018, with funds raised to be used towards funding the recapitalisation of the Company and for working capital.

On 3 August 2018 the Company announced that all conditions precedent to the DOCA had been met and that the DOCA was fully effectuated, with the Company exiting external administration and control of the Company passing to the Company's directors. Pursuant to the terms and conditions of the DOCA, Mr Luke Innes, Mr Nicholas Young and Ms Kyla Garic were appointed as Directors of the Company. Prior to the effectuation of the DOCA the Company divested its interest

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

c) Going concern (continued)

in the subsidiaries that held the Butre Gold project as the licence over the Butre Project expired whilst the Company was under external administration.

On 21 August 2018, the company announced it had entered into a conditional binding agreement to acquire 100% of Rolhold Pty Ltd. The Acquisition Agreement provided an option deed to acquire 100% of Rolek Pty Ltd through which Rolhold will acquire the legal and beneficial ownership of five granted mineral exploration licences and two applications for mineral exploration licences in Western Australia. The Agreement also provides for a Deed of Novation between Rolbar (a wholly owned subsidiary of Rolhold) Advino Resources and Great Sandy Pty Ltd, pursuant to which Advino has agreed to novate all of its rights and obligations under the Rights Deed and Royalty Deed to Rolbar. As a result Rolbar will acquire the exclusive exploration and mining rights in respect to iron and manganese within mineral exploration licence E45/4368. The Company intends to conduct a capital raising to raise $5 million and relist on the ASX as Rolek Resources Limited, subject to completion of the acquisition and re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Subsequent to completion of the DOCA and the initial capital raise the Company has sufficient funds to continue as a going concern. An additional capital raising as announced on 21 August 2018 relating to completion of a transaction and the reinstatement of the Company's securities will be required for re-quotation of the Company's securities on the ASX.

For these reasons, the Directors consider the Group to be a going concern. Notwithstanding the material uncertainties of future events inherent in the above, the Directors consider it is appropriate to prepare financial information on a going concern basis and hence no adjustments have been made to the financial information relating to the recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary if the Group does not continue as a going concern.

d) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

d) Principles of Consolidation (continued)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investments retained
- Recognises any surplus or deficit in profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

e) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowance and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement. Revenue is recognised for the major business activities as follows:

Interest income
Interest income is recognised as its accrues, taking into account the effective yield on the financial asset.

f) Goods and Services Tax (GST)

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

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

g) Income Tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

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

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks with original maturity of three months or less.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

i) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by Key Management Personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(iii) Financial liabilities

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

Derivative instruments

The Group does not trade or hold derivatives.

Financial guarantees

The Group does not have financial guarantees.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been 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 group of financial assets that can be reliably estimated.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

i) Financial Instruments (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

j) Impairment of non-financial assets

At the end of each reporting period, the Director assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits.

If any such indication exists, an impairment test is carried out on the asset by comparing the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

k) Property, plant and equipment

Property, plant and equipment are stated at historical costs less depreciation. Historical costs include expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the costs of the items can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the pirating period in which there are incurred.

Depreciation is calculated using the diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives of, in the case of property improvements and certain lease plant and equipment, the shorted lease term as follows:

Plant and equipment	5 to 12 years
Furniture and fittings	5 to 10 years
Computer equipment	3 to 5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

k) Property, plant and equipment (continued)

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

l) Exploration and evaluation costs

Exploration and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resources. According, exploration and evaluation expenditure are those expenditure are those exploration incurred in the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource and demonstrable.

Exploration and evaluation costs are expensed in the period in which they are incurred, with the exception of acquisition costs (including those acquired in a business combination and external purchase of licenses/ tenements) which are carried forward where the rights to tenure of the area of interest are current and either: the expenditures are expected to be recouped through sale, or successful development and exploitation, of the areas of interest; or where exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Exploration and evaluation assets are transferred to development assets once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are assessed for impairment, and any impairment loss is recognised, prior to being classified.

m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowing using the effective interest method. Fees pad on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

o) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

p) Employee Benefits

Short-term obligations

Liabilities for wages, salaries and annual leave, including non-monetary benefits expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long service leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is therefore recognised in the provision for employee benefits and measure as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 ended of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflow.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination at the earliest of the following dates; (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring what is within the scope of AASB137 and involved the payments of termination benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Profit sharing and bonus plans

The Group recognised a liability and an expense for bonuses and profit-sharing case on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision when contractually obliged or when it is past practice that has created a constructing obligation.

q) Comparative figures

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

r) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each entity within the Group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognized in other comprehensive Income; otherwise the exchange difference is recognised in profit or loss.

s) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

t) Critical Accounting estimates and judgements

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

Key Estimates and judgements

Impairment - General

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

u) Adoption of new and revised accounting standards

Australian accounting standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2018. Relevant Standards and Interpretations are outlined in the table below.

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
AASB 9 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 AASB9, 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.	1 January 2018	1 July 2018
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		

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
Financial Instruments	AASB 139 **Impact on Shaw River Manganese Limited** The company have assessed that there is no expected material impact of the above standard.	1 January 2018	1 July 2018
AASB 15 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 AASB117 (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 **Impact on Shaw River Manganese Limited** The company has assessed that there is no expected material impact of the above standard.	1 January 2018	1 July 2018
AASB 16 Leases	AASB16 requires lessees to account for all leases under a single on balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., 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 (i.e., the lease liability) and an asset representing the right to use the	1 January 2019	1 July 2019

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
	underlying asset during the lease term (i.e., 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 (e.g., 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 AASB117. 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 **Impact on Shaw River Manganese Limited** The company have assessed that there is no expected material impact of the above standard.	1 January 2019	1 July 2019
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based payment transactions	This Standard amends AASB 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ► The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ► Share-based payment transactions with a net settlement feature for withholding tax obligations ► A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. **Impact on Shaw River Manganese Limited** The company have assessed that there is no expected material impact of the above standard.	1 January 2018	1 July 2018

The Company has decided not to early adopt any of the new and amended pronouncements. The impact of the above standards is yet to be determined unless noted otherwise above.

	Note	30 June 2018	30 June 2017
NOTE 2: PROFIT FROM ORDINARY ACTIVITIES		**$'000**	**$'000**
Other income			
Atlas non-repayable fund		*	*
Royalty income		*	*
Gain on sale of associates		*	*
Realised foreign exchange gains		*	*
Employee salaries and costs recharged to Kalamazoo		*	*
Other		*	*
Total other income		*	*
Finance income and expense			
Finance income			
Fair value gain on Atlas loan		*	*
Bank interest received and receivable		*	*
Total finance income		*	*
Finance expense			
Related party interest payable		*	*
Fair value gain amortised		*	*
Other interest paid and payable		*	*
Total finance expense		*	*
Exploration and evaluation expense			
Exploration and evaluation costs incurred		*	*
Total exploration and evaluation		*	*
Administration expense			
Accounting and audit fees		*	*
Advertising, promotion and investor relations		*	*
Insurance		*	*
Legal fees		*	*
Occupancy costs		*	*
Stock exchange fees		*	*
Consultants		*	*
Other		*	*
Total administration expense		**2**	**16**

* The Group was placed into voluntary administration on 22 January 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

	Note	30 June 2018	30 June 2017
NOTE 2: PROFIT FROM ORDINARY ACTIVITIES		**$'000**	**$'000**
Employees, directors and consultants expense			
Salaries and wages and contractors		*	*
Superannuation		*	*
Director fees (non-executive)		*	*
Share-based payment expense		*	*
Payroll tax		*	*
Other		*	*
Total employees, directors and consultants expense		*	*

∗ The Group was placed into voluntary administration on 22 January 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

	Note	30 June 2018	30 June 2017
NOTE 3: INCOME TAX		**$'000**	**$'000**
(a) Income tax expense			
Current tax		*	*
Deferred tax		*	*
		*	*
(b) The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Income tax benefit on operating loss at 30% (2017: 30%)		(1)	(4.8)
Add / (Less)			
Tax rate difference for foreign operations		*	*
Items not assessable for income tax purpose		*	*
Non-deductable expense		*	*
Current year tax loss not brought to		*	*
Income attributable to operating income/ (loss)		*	*
Deferred tax liabilities			
Deferred tax liability on mineral rights recognised on business combination		*	*
		*	*
Deferred tax assets			
Capitalised expenditure		*	*
Other		*	*
		*	*
Net deferred tax liability		*	*

	Note	30 June 2018	30 June 2017
NOTE 3: INCOME TAX		**$'000**	**$'000**
Deferred tax assets not recognised			
Tax losses		*	*
Capital losses		*	*
Temporary difference		*	*
		*	*

Deferred tax assets have not been recognised on tax losses because it is not probable that the Group will be able to utilise the benefits.

∗ The Group was placed into voluntary administration on 22 January 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2018.

The totals of remuneration paid to KMP during the year are as follows:

	30 June 2018	30 June 2017
	$'000	**$'000**
Short-term employee benefits	-	*
Post-employment benefits	-	*
Equity Settled	-	*
Other payments	-	*
Total KMP Compensation	-	*

∗ The Group was placed into voluntary administration 22 January 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

Loans to Key Management Personnel and Other KMP Transactions.

As noted above the Company was placed into voluntary administration on 22 January 2016, as a result of this the current directors do not have sufficient information to disclose the level of detail required under these categories.

NOTE 5: AUDITOR'S REMUNERATION	30 June 2018	30 June 2017
	$'000	**$'000**
Remuneration of the auditor of the Group for:		
- auditing or reviewing the financial reports	-	*
- other services	-	*
	-	*

∗ The Group was placed into voluntary administration on 22 January 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

NOTE 6: LOSS PER SHARE	**30 June 2018**	**30 June 2017**
	$'000	**$'000**
Earnings per share (in cents)	(0.0002)	(0.002)
Profit/ Loss used in calculation of basic EPS	(2)	(16)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share ('000)	904,982	904,982

Diluted loss per share has not been calculated as any option outstanding will be anti-dilutive.

NOTE 7a: CASH AND CASH EQUIVALENTS	**Note**	**30 June 2018**	**30 June 2017**
		$'000	**$'000**
Cash at bank and on hand		1	3
Total cash and cash equivalents		1	3

NOTE 7b: CASH FLOW INFORMATION	**Note**	**30 June 2018**	**30 June 2017**
		$'000	**$'000**
Loss after income tax		(2)	(16)
Non-cash flows in loss after income tax			
Depreciation and amortisation expense		-	-
Write-off exploration assets to net realisable value		-	-
Other adjustments on deconsolidation		-	
Changes in assets and liabilities			-
- (Increase)/decrease in trade and other receivables		-	-
- (Increase)/decrease in prepayments		-	-
- Increase/(decrease) in trade and other payables		-	-
-Increase/(decrease) in provisions and employee benefits		-	-
Cash flow used in operations		(2)	(16)

Non-Cash investing and financing activities

There were nil non-cash investing and financing activities for the year.

NOTE 8: ASSETS HELD FOR SALE

	30 June 2018	30 June 2017
	$'000	$'000
Investments		
Investment in Shaw River Mauritius	4,952	4,952
Other	*	*
	4,952	**4,952**

* The Group was placed into voluntary administration on 22 January 2016. As a result of this and as detailed in Note 1 (b), there is insufficient information to enable this level of disclosure to be made.

The Administrators have entered into a Share Sale Agreement (SSA) with MN Holdings Limited under which MN is offering to acquire 100% of issued capital of Shaw River Mauritius, a subsidiary of Shaw River Namibia Pty Ltd, and by doing so, MN Holdings Limited will acquire an indirect interest in the Otjozondu Project.

The key terms of the SSA are as follows:

- Total consideration of A$4.952M to be paid by MN Holdings to Shaw River Namibia;
- MN Holdings must pay all duties payable in respect of the SSA. The current directors to resign and directors nominated by MN Holdings will be appointed.
- MN Holdings acknowledges that neither the Deed Administrators nor Shaw River Namibia have made any warranties, representations or undertakings in connection with the SSA and agrees to release both the Deed Administrators and Shaw River Namibia from any claims that may arise in connection with the SSA.
- Title to and risk in the Shaw River Mauritius shares remains with Shaw River Namibia until Completion and passes to MN Holdings on and from Completion.

NOTE 9: TRADE AND OTHER PAYABLES	Note	30 June 2018	30 June 2017
		$'000	$'000
CURRENT			
Trade payables		*	*
OH Vendor payable (Refer to Note 21)		17,360	17,360
Other payables and accrual		1,020	1,020
		18,380	18,380

* The Group was placed into voluntary administration 22 January 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

NOTE 10: BORROWINGS

	30 June 2018	30 June 2017
	$,000	$,000
Non-Current		
Bryve Resources Pty Ltd Loan (i)	4,362	4,362
Atlas Iron Limited Loan (ii)	6,294	6,294
	10,656	**10,656**

(i) On 13 August 2014, Shaw River Manganese Limited entered into a Loan facility Agreement (Facility Agreement) with Bryve Resources Pty Ltd (its majority shareholder) whereby Bryve will provided up to $8 million debt funding under two separate, secured facilities under the following structure:

- Facility 1: an amount of up to $2 million – convertible loan facility
- Facility 2: an amount of up to $6 million – contingent working capital facility

Each drawdown of amounts above $1.4 million under the Facility 1 and all drawdown's under Facility 2 are subject to the consent of the Bryve Board. Shaw River has granted Bryve all assets security in respect of its obligations under the Facility.

The key terms of the Bryve Facility are as follows:

Facility 1	Facility 2
• Facility limit of up to AU$2 million • Five year term • Interest rate of 10% per annum • First ranking security • Convertible into Shaw River shares at a price of A$0.01 per share as approved by shareholders at the General Meeting held on 14 November 2014 • Drawdown's beyond AU$1.4 million are subject to approval by Bryve board. • The loan is repayable quarterly with free cashflow from operations, if any, and ultimately at maturity date in August 2019	• Facility limit of up to AU$6 million • Five year term • Interest rate of 10% per annum for both facilities • First ranking security • All drawdown's are subject to approval by Bryve • The loan is repayable quarterly with free cashflow from operations, if any, and ultimately at maturity date in August 2019

(ii) On 5 July 2013 Shaw River entered into a facility agreement (Loan Agreement) with Atlas Iron Limited (Atlas) for a total facility of AU$4 million. Interest rate was set at 11% per annum and the loan was repayable in 12 months. The terms of the Loan Agreement were varied on 2 May 2014 and the facility increased to AU$4.95 million. The Loan Agreement was also varied to allow for the loan to become payable once Shaw River had the financial capacity to repay the loan in full.

On 13 August 2014 the terms of the Loan Agreement were further varied. The interest payable under the Loan Agreement was reduced from 11% to 6% per annum and the repayment of the facility was extend for a period of five years.

NOTE 11: ISSUED CAPITAL	**Note**	**30 June 2018**	**30 June 2017**
		$'000	**$'000**
(a) Issued Capital:			
Ordinary shares fully paid		70,416	70,416

(b) Movement in ordinary share capital of the Company during the period was as follows:

	Number ('000)	**$'000**
Opening balance at 1 July 2017	904,982	70,416
Closing balance at 30 June 2018	**904,982**	**70,416**

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Shares have no par value.

NOTE 12: RESERVES	**Note**	**30 June 2018**	**30 June 2017**
		$'000	**$'000**
Reserves			
Share-based payments reserve		-	100
Foreign currency translation reserve		-	-
		-	100
Movements:			
Share-based payments reserve			
Balance at beginning of the year		100	223
Options expense		-	-
Transfer to accumulated losses		(100)	(123)
Balance at the end of the year		-	100

NOTE 13: OPERATING SEGMENTS

Segment Information - identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Company and its controlled entities operate in one business segment and two geographical segments, being mineral exploration and evaluation in Australia and Africa. The Group was placed into voluntary administration on 22 January 2016. As a result of this and as detailed in Note 1 (b), there is insufficient information to enable this level of disclosure to be made.

NOTE 14: FINANCIAL INSTRUMENTS

The Group was placed into voluntary administration on 22 January 2016. As detailed in Note 1 (b), to prepare the financial report, the Directors have utilised the information provided by the administrators to reconstruct the financial records of the Group. Accordingly, the Directors have not been able to make the required disclosures as this information is unascertainable due to the receivership and administration process.

As a result of this, the preparers of this report have determined that the inclusion of the disclosures related to the previous directors' financial risk management policy inclusive of the prior year comparatives could be misleading to readers of this Annual Report.

NOTE 15: RELATED PARTY TRANSACTIONS	**Note**	**30 June 2018**	**30 June 2017**
		$'000	**$'000**

(a) Parent entities

The ultimate parent entity is Shaw River Manganese Limited

(b) Subsidiaries

Interest in subsidiaries are note in Note 19

(c) Key management personnel compensation

Short-term employee benefits		-	-
Post-employment benefits		-	-
		-	*

* The Group was placed into voluntary administration on 22 January 2016. As a result of this and as detailed in Note 1 (b), there is insufficient information to enable this level of disclosure to be made.

(d) Transactions with other related parties

The current directors of the Company who were not in the office during the year ended 30 June 2018 or year ended 30 June 2017 are not aware of any other related party transaction during these periods.

NOTE 16: PARENT ENTITY DISCLOSURES

(a) Financial Position of Shaw River Manganese Limited

	Note	30 June 2018 $'000	30 June 2017 $'000
ASSETS			
Current assets		*	*
Non-current assets		*	*
Total assets		*	*
LIABILITIES			
Current liabilities		*	*
Total liabilities		*	*
NET ASSETS/ (LIABILITIES)		*	*
SHAREHOLDERS' DEFICIT			
Issued capital		*	*
Reserves		*	*
Accumulated Losses		*	*
SHAREHOLDERS' DEFICIT		*	*

(b) Financial Performance of Shaw River Manganese Limited

	Note	30 June 2018 $'000	30 June 2017 $'000
Loss for the year		*	*
Other comprehensive income		*	*
Total comprehensive loss		*	*

* The Group was placed into voluntary administration on 22 January 2016. As a result of this and as detailed in Note 1 (b), there is insufficient information to enable this level of disclosure to be made.

(c) Guarantees entered into by Shaw River Manganese Limited for the debts of its subsidiary

The current directors do not have sufficient information to determine if there are any guarantees entered into by Shaw River Manganese Limited for the debts of its subsidiary as at 30 June 2018 or 30 June 2017.

(d) Contingent liabilities of Shaw River Manganese Limited

The current directors do not have sufficient information to determine if there are any contingent liabilities as at 30 June 2018 or 30 June 2017.

(e) Commitments by Shaw River Manganese Limited

The current directors do not have sufficient information to determine if there are any commitments as at 30 June 2018 or 30 June 2017.

NOTE 17: CONTROLLED ENTITIES CONSOLIDATED

Shaw River Manganese Limited

		Percentage Owned	
Controlled entities	**Country of Incorporation**	**2018**	**2017**
Mt Minnie Mining Company Pty Ltd	Australia	100%	100%
Shaw River Ghana Pty Ltd	Australia	100%	100%
Shaw River International Ltd	British Virgin Islands	100%	100%
Butre Ahanta Exploration Limited	Ghana	90%	90%
Pickaxe City PTY Ltd	Australia	100%	100%
Twelve Mile Pty Ltd	Australia	100%	100%
Shaw River Namibia Pty Ltd	Australia	100%	100%
Shaw River Mauritius Pty Ltd	Australia	100%	100%
Otjozondu Holdings (Pty) Ltd	Australia	100%	100%
Otjozondu Mining (Pty) Ltd	Australia	100%	100%

NOTE 18: COMMITMENTS	**30 June 2018 $'000**	**30 June 2017 $'000**
(a) Exploration expenditure commitments		
No longer than 1 year	*	*
Longer than 1 year and not longer than 5 years	*	*
Longer than 5 years	*	*
	*	*
(b) Lease expenditure commitments (non-cancellable)		
No longer than 1 year	*	*
Longer than 1 year and not longer than 5 years	*	*
	*	*

* The Group was placed into voluntary administration on 22 January 2016. As a result of this and as detailed in Note 1 (b), there is insufficient information to enable this level of disclosure to be made.

NOTE 19: CONTINGENT LIABILITIES

On 8 December 2010, Shaw River Manganese Limited entered into a share sale agreement with OH Vendors, whereby Shaw River Manganese Limited acquired Otjozondu Mining (Pty) Ltd. As part of the consideration for this transaction, Shaw River Manganese granted a royalty to the OH Vendors in proportion to the number of shares they held at the time of the sale, up to maximum of US$12,773,000. The liability to pay the royalty is triggered when the quantum of manganese extracted and sold from Otjozondu Project equals 10,000 dry metric tonnes (DMT) in aggregate (excluding the sale of manganese samples of up to 1,500 DMT to prospective purchasers).

The OH Vendors advised that they intended to make an application to the High Court of Namibia to enforce their claim with Shaw River Manganese being joined to the proceedings. On this basis the amount relating to contingent liabilities have been included in trade and other payables at 30 June 2018. On 1 May 2018 the Company received orders in the Supreme Court of Western Australia confirming the claims from the OH Vendors are captured and released under the DOCA.

The current directors who were not in the office during the year ended 30 June 2018 do not have sufficient information to determine if there are any other contingent liabilities as at 30 June 2018.

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

On 9 July 2018, it was announced that all resolutions presented at the General Meeting were approved by shareholders.

On 11 July 2018, it was announced that the consolidation of capital resulted in the reduction of issued number of shares from 904,982,273 to 4,524,911.

On 1 August 2018 an interim placement of 30,000,000 fully paid ordinary shares at $0.02 was completed as approved by shareholders at the Company's General Meeting on 9 July 2018, with funds raised to be used towards funding the recapitalisation of the Company and for working capital.

On 3 August 2018 the Company announced that all conditions precedent to the DOCA had been met and that the DOCA was fully effectuated, with the Company exiting external administration and control of the Company passing to the Company's directors. Pursuant to the terms and conditions of the DOCA, Mr Luke Innes, Mr Nicholas Young and Ms Kyla Garic were appointed as Directors of the Company. Prior to the effectuation of the DOCA the Company divested its interest in the subsidiaries that held the Butre Gold project as the licence over the Butre Project expired whilst the Company was under external administration.

On 9 August 2018 the Company announced the appointment of Mr Matthew Edmondson as Company Secretary.

On 21 August 2018, the company announced it had entered into a conditional binding agreement to acquire 100% of Rolhold Pty Ltd. The Acquisition Agreement provided an option deed to acquire 100% of Rolek Pty Ltd through which Rolhold will acquire the legal and beneficial ownership of five granted mineral exploration licences and two applications for mineral exploration licences in Western Australia. The Agreement also provides for a Deed of Novation between Rolbar (a wholly owned subsidiary of Rolhold) Advino Resources and Great Sandy Pty Ltd, pursuant to which Advino has agreed to novate all of its rights and obligations under the Rights Deed and Royalty Deed to Rolbar. As a result, Rolbar will acquire the exclusive exploration and mining rights in respect to iron and manganese within mineral exploration licence E45/4368

DIRECTOR'S DECLARATION

1. In the opinion of the Directors of Shaw River Manganese Limited and its controlled entities ('the Group'):

(a) As set out in Note 1(b), although the Directors have prepared the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report, to the best of their knowledge based on the information made available to them, they are of the opinion that it **is not possible** to state that the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report, 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 financial year ended on that date;

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

(iii) Complying with International Financial Reporting Standards.

2. Subject to the matters highlighted in Note 1 (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.

3. The declaration required to be made in accordance with Section 295A of the Corporation Act 2001 for the financial year ended 30 June 2018 has been **unable** to be made due the reasons set out in Note 1(b).

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by

Nicholas Young
Non-Executive Director
Dated 29 August 2018

Independent Auditor's Report

To the Members of Shaw River Manganese Limited

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

Report on the Audit of the Financial Report

Disclaimer of Opinion

We were engaged to audit the financial report of Shaw River Manganese Limited (“the Company”) and its subsidiaries (“the Consolidated Entity”), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

We do not express an opinion on the accompanying financial report of the Consolidated Entity. Because of the significant of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

Basis for Disclaimer of Opinion

As disclosed in Note 1(b) to the financial statements, the financial report has been prepared by Directors who were not in office at the time Shaw River Manganese Limited entered voluntary administration or the full period presented in the 30 June 2018 financial report.

Due to the above, the Directors of Shaw River Manganese Limited have been unable to conclude without qualification, within its directors declaration, that the financial statements of the Consolidated Entity for the year ended 30 June 2018 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards, to give a true and fair view of the financial position of the Consolidated Entity as at 30 June 2018 and of its performance for the year then ended.

As a result of these matters, we were unable to determine the completeness and accuracy of financial information presented to us for audit.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the Consolidated Entity is currently in the process of recapitalising after having exited External Administration. As stated in Note 1(c), this, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity’s ability to continue as a going concern. Our Disclaimer of Opinion is not further modified in respect of this matter.

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 Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that where possible the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the entity's financial report in accordance with the Australian Auditing Standards and to issue an auditor's report.

However, because of the matters described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

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.

Report on the Remuneration Report

Disclaimer of Opinion on the Remuneration Report

We were engaged to perform an audit on the Remuneration Report included in the directors' report for the year ended 30 June 2018. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to issue an audit report based on our audit of the remuneration report conducted in accordance with Australian Auditing Standards.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the remuneration report.

Basis for Disclaimer of Opinion on the Remuneration Report

As disclosed in Note 1 to the financial statements, the remuneration report has been prepared by Directors who were not in office at the time Shaw River Manganese Limited entered voluntary administration or the full period presented in the 30 June 2018 remuneration report.

Due to the above, the Directors of Shaw River Manganese Limited have been unable to conclude without qualification, within its directors declaration, that the remuneration report of the Consolidated Entity for the year ended 30 June 2018 has been prepared in accordance with s 300A of the Corporations Act 2001.

As a result of these matters we are unable to determine the completeness and accuracy of information related to the remuneration report presented to us for audit.

BENTLEYS	**DOUG BELL CA**
Chartered Accountants	**Partner**

Dated at Perth this 29th day of August 2018

CORPORATE GOVERNANCE STATEMENT

The Company's Board of Directors is responsible for establishing the corporate governance framework of the Company and its related bodies corporate. In establishing this framework, the Board has considered and reports against the Principles of Corporate Governance and Best Practices Recommendations (3rd Edition) as published by the ASX Corporate Governance Council ("ASX Corporate Governance Principles").

The Company's securities were suspended from official quotation on 22 January 2016 and have remained suspended since that date.

On 22 January 2016, the Board of Directors of the Company appointed Mr Bryan Hughes and Mr Daniel Bredenkamp of Pitcher Partners as Joint and Several Administrators of the Company and its subsidiary Shaw River Namibia Pty Ltd, pursuant to section 436A if the Corporations Act.

On 27 October 2017, the Deed Administrator announced that the offer submitted by Otsana Pty Ltd ("Otsana Capital") to undertake a recapitalisation of the Company, with retention of the Brute manganese and gold projects in Ghana, and the offer submitted by MN Holdings (an entity incorporated in Mauritius) to undertake the purchase of Otjozondu project by a way of share sale agreement, provided the most favourable outcome for creditors and shareholders.

On 9 July 2018 the Shareholders approved the necessary resolutions to effectuate the DOCA. The DOCA was effectuated on 3 August 2018, at which time the Administrator resigned and control and management of the Company reverted to the Directors (approved by Shareholders) on 3 August 2018 pursuant to the terms of the DOCA. Further information on the history of the Company and the DOCA can be found in sections 4.1 and 4.2 of the Company's previous notice of general meeting released to ASX on 12 June 2018.

As the current Board was appointed on 3 August 2018, it is unable to comment on the extent to which the Company followed the applicable ASX Corporate Governance Principles prior to this date, whether any recommendation was not followed or the reason for the departure, if any. From 28 August 2018, the Board adopted implemented Corporate Governance Plan which is based on the ASX Corporate Governance Principles.

This Corporate Governance Statement has been approved and summarises the corporate governance practices and procedures incorporated in the Corporate Governance Plan from 28 August 2018 and to the date of this statement. In addition to the information contained in this statement, the Company's website contains a copy of its Corporate Governance Plan.

The ASX Listing Rules require listed companies to include in their Annual Report or website a statement disclosing the extent to which they have complied with the ASX Corporate Governance Principles in the reporting period. The recommendations are not prescriptive and if a company considers that a recommendation is inappropriate having regard to its particular circumstances, the company has the flexibility not to adopt it. Where the Company considered it was not appropriate to presently comply with a particular recommendation, the reasons are set out in the relevant section of this Corporate Governance Statement.

With the exception of the departures detailed in this Corporate Governance Statement, the corporate governance practices of the Company from 28 August 2018 were compliant with the ASX Corporate Governance Principles.

Board, Management and Corporate Governance

The Directors in office and the term of their appointment at the date of this Corporate Governance Statement are:

Name	Position	Date of Appointment
L Innes	Non-executive Director	3 August 2018
N Young	Non-executive Director	3 August 2018
K Garic	Non-executive Director	3 August 2018

The skills, experience and expertise relevant to the position of Director held by each Director at the date of this Statement are included in the remuneration report of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

The composition of the Board will be reviewed regularly by the Board to ensure that the Directors between them bring the range of skills, knowledge and experience necessary to direct the Company's operations.

1.1 Corporate Governance

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

The ASX Corporate Governance Council has developed and released its third edition of the ASX Corporate Governance Principals and Recommendations (**Recommendations**) for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The Recommendations are not prescriptions, but guidelines. However, under the Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed he Recommendations in the reporting period. Where the Company does not follow a recommendation it must identify the recommendation that it has not followed and provide reasons for not following it.

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 Company's main corporate governance policies and practices as at the date of this Annual Report are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website.

(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. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

(i) providing leadership and setting the strategic objectives of the Company;

(ii) appointing and when necessary replacing the Executive Directors and the Managing Director;

(iii) approving the appointment and when necessary replacement, of other senior executives;

(iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director;

(v) overseeing management's implementation of the Company's strategic objectives and its performance generally;

(vi) approving operating budgets and major capital expenditure;

(vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;

CORPORATE GOVERNANCE STATEMENT

(viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the board expects management to operate; and

(x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of the three Non-Executive Directors (one of whom is independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) **Independence of the Board**

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisers as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

In accordance with the Board Charter, it is intended that the Board will be comprised of a majority of independent directors. The Board considers an independent Director to be a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent and unfettered exercise of their judgement. The Board has adopted a definition of independence that is based on the definition in the Recommendations. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board assesses independence of Directors upon appointment and annually through attestation from each Director.

The Board considers that Mr Luke Innes is free from any interest, position, association or relationship that may influence or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the Recommendations.

Ms Kyla Garic and Mr Nicholas Young are considered by the Board not to be independent on the basis that they are associated with companies that provide various corporate and accounting services to the Company at normal commercial rates.

Accordingly, the Board will consist of one independent Directors. The Board considers that each of the non-executive Directors brings an objective and independent judgement to the Board's deliberations and that each of the non-executive Directors makes a valuable contribution to the Company through the skills they bring to the Board and their understanding of the Company's business.

(d) **Ethical Standards**

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

CORPORATE GOVERNANCE STATEMENT

(e) **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.

(f) **Remuneration and Nomination Committee**

Due to the size of the Board following Completion, it will not be possible for the Company to maintain a discrete Remuneration Committee. Accordingly, the responsibilities ordinarily ascribed to a Remuneration Committee will by subsumed by the Board.

The Board will decide the remuneration of an executive Director without the affected executive Director participating in the 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 Listing Rules, as applicable. This amount is currently $300,000. The determination of non-executive Director's 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 fees paid to Directors in the past two financial years and for this financial year are detailed in Section 11.3.

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, accommodation 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 regard to the amount considered appropriate for a company of its size and level of activity as well as the relevant Director's 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) **Risk and Audit Committee**

The Company does not have a formal Risk & Audit Committee. This function is currently performed by the full Board. In carrying out this function, the Board's role includes, but is 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, the Company's risk management systems, the identification and management of business, economic, environmental and social sustainability risk and the external audit function.

(h) **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 following the recommendation from the Audit Committee.

CORPORATE GOVERNANCE STATEMENT

(i) **Internal Audit**

The Company does not have an internal audit function. The Board considers the Risk and Audit Committee and financial control function in conjunction with its risk management policy is sufficient for a Company of its size and complexity.

1.2 Corporate Governance Policies

The Company has adopted the following policies, each of which has been prepared having regard to the Recommendations and is available on the Company's website.

(a) **Code of Conduct** - This policy details the standards of ethical behaviour that the Company expects from its Directors, officers and employees.

(b) **Continuous Disclosure Policy** - As an entity listed on the ASX, the Company must comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.

(c) **Risk Management Policy** - This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business. The Board's collective experience will assist in the 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) **Securities 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 key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

(e) **Shareholder Communications Policy** - This policy details the practices which the Company will implement to ensure effective communication with its shareholders.

(f) **Diversity Policy** - The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

CORPORATE GOVERNANCE STATEMENT

1.3 Departures from the Recommendations

The Recommendations set out recommended corporate governance practices for entities that, in the ASX Corporate Governance Council's view, are likely to achieve good governance outcomes and meet the reasonable expectations of most investors in most situations. However, the Council recognises that different entities may legitimately adopt different governance practices, having regard to a range of factors including their size, complexity, history and corporate culture.

As noted above, the Company has adopted the Recommendations to the extent the Board considers appropriate, but has chosen to depart from the Recommendations in a number of respects. The Company's departures from the Recommendations as at the date of this Annual Report, and the reasons for the departures, are detailed in the table below.

Table 1: ASX Corporate Governance Principles and Recommendations Departures

Principles and Recommendations	Explanation for Departure
Recommendation 2.1 The board of a listed entity should have a nomination committee.	The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate, independent consultants will be engaged to identify possible new candidates for the Board.
Recommendation 2.4 The majority of the board should be independent directors.	Whilst the Board Charter requires that, where practical, the majority of the Board to be comprised of independent Directors, the Board considers that only one (Mr Luke Innes) of the three Directors is an independent Director and, accordingly, the Company does not currently satisfy Recommendation 2.4. Whilst the Board intends to canvass experienced candidates to be appointed as independent Directors in due course, the Board considers that the current size of the Company does not justify the costs associated with appointing additional independent Directors without further merit.
Recommendation 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.	Upon appointment, new Directors will be 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. The Board will, when it considers the Company to be of an appropriate size, implement a formal induction process that complies with Recommendation 2.6.
Recommendation 4.1 The board of a listed entity should have an audit committee.	The Board has not established a separate Audit Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee. Accordingly, the Board performs the role of Audit Committee and performs the following responsibilities: • reviewing and approving statutory financial reports and all other financial information distributed externally; • monitoring the effective operation of the risk management and compliance framework; • reviewing the effectiveness of the Company's internal control environment including compliance with applicable laws and regulations; • the nomination of the external auditors and the review of the adequacy of the existing external audit arrangements; and • considering whether non audit services provided by the external auditor are consistent with maintaining the external auditor's

Principles and Recommendations	Explanation for Departure
	independence.
Recommendation 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 het 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 het opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	The Company does not yet have a CFO but has engaged Bentleys as its independent auditors who currently audit the Company's financial records. The intention is to adopt this practice follow re-admission to the Official List. As noted in the financial statements with which this Corporate Governance Statement is attached the current Directors who are also key management personnel were not in control of the Company during the period included in these financial statements and can not provide a declaration as to the historical presentation. .
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has not adopted a formal investor relations program, however it does seek to inform investors of developments regularly by communication 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 phone +61 8 9226 1860.
Recommendation 7.1 The board of a listed entity should have a committee to oversee risk.	The Board has not established a separate Risk Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board performs the role of Audit and Risk Committee. The Board is responsible for effective oversight and management of risks, including but not limited to identification of principal risks and effective management of those risks. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit and Risk Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.
Recommendation 8.1 The board of a listed entity should have a remuneration committee.	The Board has not established a separate Remuneration Committee. Given the current size and composition of the Company, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee. The full Board approves all management remuneration including the allocation of options (if any) and involves itself in the nomination, selection and retirement of Directors. No Director may be involved in setting their own remuneration or terms and conditions and in such a case relevant Directors are required to be absent from the full Board discussion. The Board seeks to ensure that collectively its membership represents an appropriate balance between Directors with experience and knowledge of the Company and Directors with an external or fresh perspective. It shall review the range of expertise of its members on a regular basis and seeks to ensure that it has operational and technical expertise relevant to the operation of the Company.

ASX ADDITIONAL INFORMATION

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as set out below. The information is current as at 17 August 2018.

As at 17 August 2018 there were 1,497 holders of Ordinary Fully Paid Shares

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options and performance shares that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Full Paid Shares

	Holder Name	**Holding**	**%**
1	DJ CARMICHAEL PL	5,000,000	14.48
2	XCEL CAP PL	3,250,000	9.41
3	CITICORP NOM PL	2,550,285	7.39
4	TSIMILAS PETER	2,500,000	7.24
5	BRYVE RES PL <BRYVE UNIT A/C>	1,976,540	5.73
6	LIU BIN	1,750,000	5.07
7	LEETHAL PL	1,500,000	4.34
8	JONES ASHLEY STEWART	1,255,555	3.64
9	CAMPBELL & PTNRS SUPER PL	1,250,000	3.62
10	VOLTA INV PL <VOLTA A/C>	1,000,000	2.90
11	SUNSET TIDAL PL <SUNSET TIDAL INV>	1,000,000	2.90
12	RIMOYNE PL	1,000,000	2.90
13	YOUNG ANDREW STEVEN <YOUNG-CHEE ESTATE>	1,000,000	2.90
14	SILVER KNIGHT HLDGS PL <GANDOSSI FAM A/C>	1,000,000	2.90
15	MARSTON SUZANNE DOROTHY	1,000,000	2.90
16	BRYSON-HAYNES STEVEN S <BH FAM A/C>	750,000	2.17

17	DAGAN SHAI	650,000	1.88
18	FLEMINGSG CAP SPECIAL OP <FLEMING SG SPEC OP>	500,000	1.45
19	ALLAMBI HLDGS PL	500,000	1.45
20	FREEDOM TRADER PL	500,000	1.45
	Totals	**29,932,380**	**86.72**

SUBSTANTIAL HOLDERS

The names of the substantial shareholders disclosed to the Company as substantial shareholders as at 17 August 2018 are:

Holder Name	Holding	%
DJ CARMICHAEL PL	5,000,000	14.48
XCEL CAP PL	3,250,000	9.41
LIU BIN	1,750,000	5.07

DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	1,184	297,128	0.86%
1,001 - 5,000	225	520,856	1.51%
5,001 - 10,000	32	229,167	0.66%
10,001 - 100,000	28	803,310	2.33%
Over 100,000	28	32,674,237	94.64%
Totals	**1,497**	**34,524,698**	**100.00%**

Unmarketable Parcels – 1461 Holders

RESTRICTED SECURITIES

As at 17 August 2018 there were no restricted securities.

UNQUOTED SECURITIES

As at 17 August 2018, there were no unquoted securities.

ON-MARKET BUY BACK

There is currently no on-market buyback program.

ASX LISTING RULE 4.10.19

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing of the Company’s securities to quotation in a way consistent with its business objectives.