BLAZE International Limited

AND CONTROLLED ENTITIES
ABN 15 074 728 019

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Josh Puckridge	Non-Executive Chairman
Mrs Loren King	Non-Executive Director
Mr Maciej Rosiewicz	Non-Executive Director

COMPANY SECRETARY

Mrs Loren King

REGISTERED OFFICE

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Subiaco WA 6008
AUSTRALIA

PRINCIPAL PLACE OF BUSINESS

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EXCHANGE

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Perth WA 6000

ASX Code: BLZ

AUDITORS

HLB Mann Judd
Level 4
130 Stirling Street
Perth WA 6000

LAWYERS

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000
AUSTRALIA

SHARE REGISTRY

Automic Share Registry
Level 2
267 St Georges Terrace
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DIRECTORS' REPORT

The Directors of Blaze International Limited (**BLZ**) (**Company**) (**Blaze**) hereby submit the financial report of the Company, and its controlled entities (**Group**) for the six (6) months ending, 31 December 2017 (**Report**)(**Period**). Members of the Company, and potential investors of the Company, should review all announcements made to the Australian Securities Exchange (**ASX**) prior to reading, or relying on in any way, this Report.

DIRECTORS

The names of the Directors in office at any time during, or since the end of the half-year and until the date of this report are:

Mr Josh Puckridge	Non-Executive Chairman
Mrs Loren King	Non-Executive Director
Mr Maciej Rosiewicz	Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Mrs Loren King

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was mineral exploration within Australia.

No significant change in the nature of these activities occurred during the financial year.

OPERATING RESULTS

The loss of the Group for the financial year after income tax amounted to $244,771 (2016: $771,559).

REVIEW OF OPERATIONS

During the Period the Company assessed many new opportunities in keeping with the Company's strategy and history of precious metal exploration. The Company focused its efforts by assessing and reviewing exploration opportunities for Gold in the West, Central and East Pilbara.

The Company has, and continues to, assess the merits of acquiring pre-existing exploration projects as compared to making applications in its own right. The Company is pleased with the progress that it has shown over the Period and maintains positive expectations for its ability to deliver shareholder value within the remainder of FY18.

Most recently during Period (and as announced 8 December 2017, 'Acquisition of Thundelarra Project'), the Company acquired, and settled, its Thundelarra Project. The Thundelarra project is located within the Warriedar Greenstone Belt (Figure 1) 300km north-east of Perth. The Warriedar Greenstone Belt is made up of a series of mafic and felsic units that have undergone multiple metamorphic and deformation events. Significant precious and base metal mineralisation has been discovered in the belt with the Golden Grove and Golden Dragon mines currently in operation.

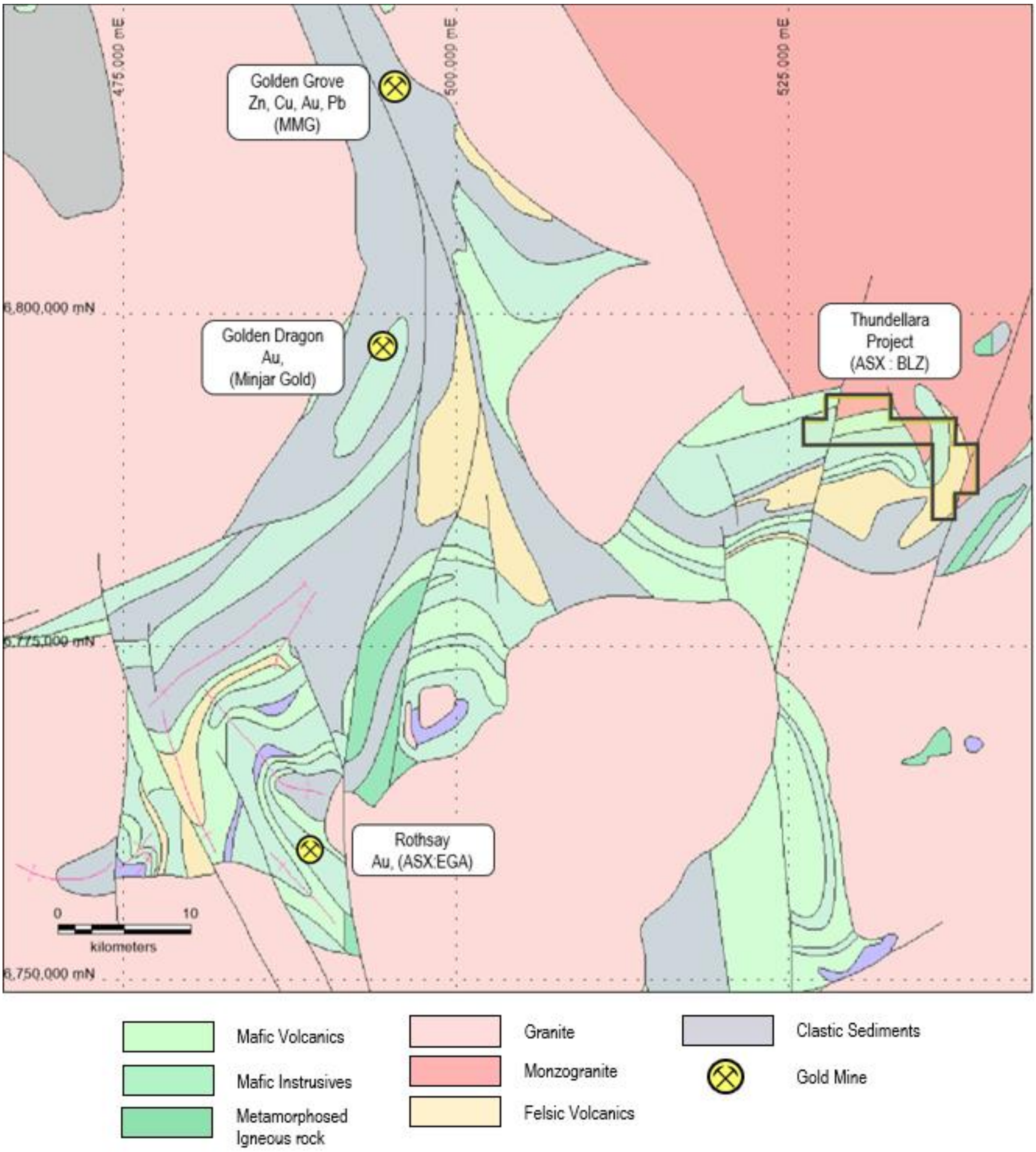

Figure 1. Warriedar Greenstone Belt – Thundelarra Project location and significant projects.

The local geology of the Thundelarra Project is dominated by a sequence of mafic volcanics, felsic volcanics and sediments. The west and centre of the tenement area consists of an east-west striking sequence of mafic volcanics, the same unit that hosts the Rothsay Gold Project 50km to the south west.

Five gold targets have been generated from a compilation of historical soil, rock chip and geochemical sampling (Figure 2). Anomalous gold and copper have been identified using a 5 ppb Au and 100 ppb Cu contour. The resulting target areas lie over greenstone sequences and require verification in the field before planning follow up exploration.

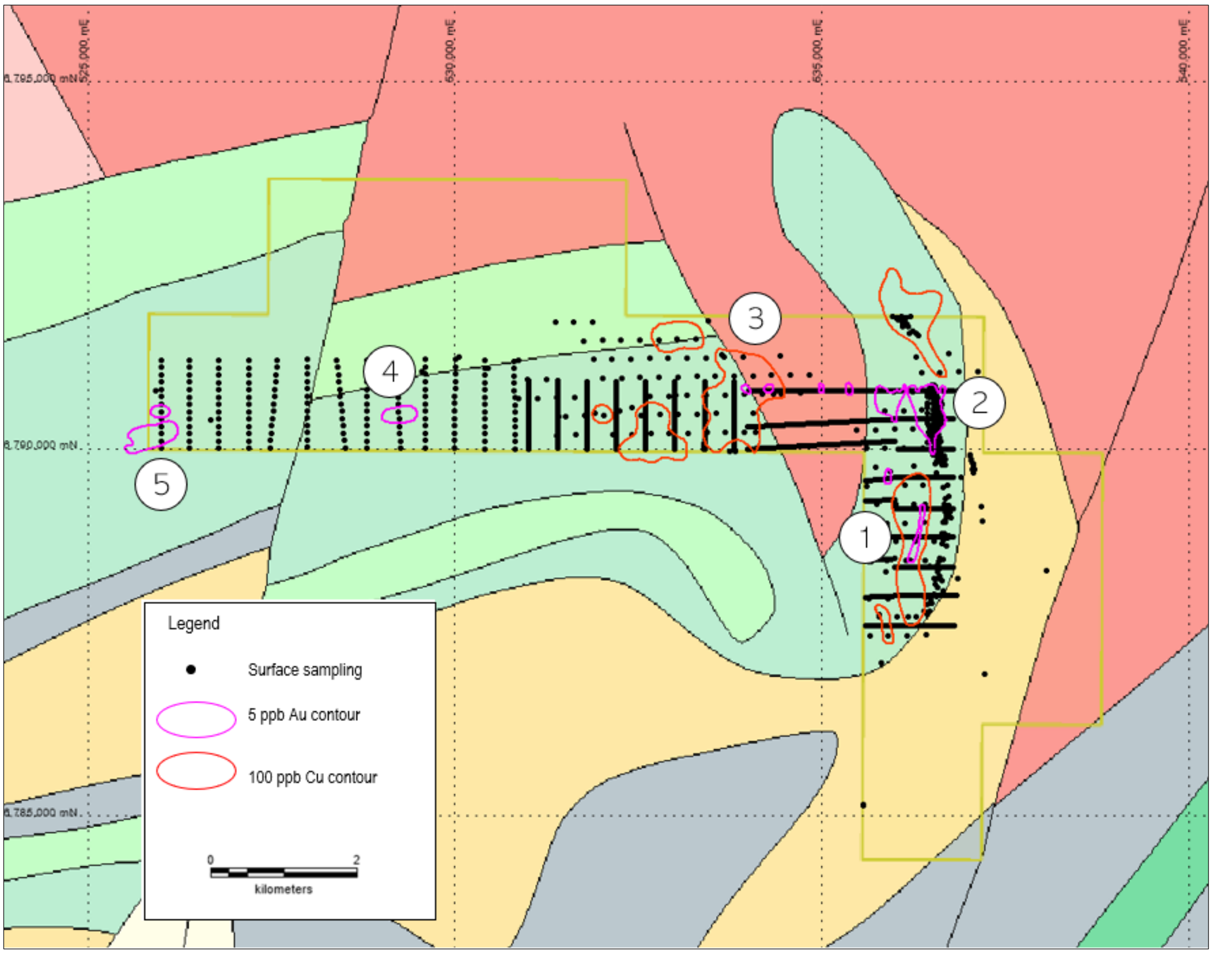

Figure 2. Thundelarra Project – Five gold and copper targets identified from historic surface sampling.

Target 1 is a north south orientated gold copper anomaly associated with a mafic – Banded Iron Formation (**BIF**). Surface sampling has recorded gold and copper values of 32 ppb and 410 ppm respectively.

Target 2 is a wide zone of gold anomalism over the greenstone mafic and BIF units. Targets 3, 4 and 5 are over the east-west trending greenstone sequence in the centre of the tenement. Target 3 is associated with a major south-east trending fault, with the maximum gold reaching 497 ppm. This gold is surrounded by a large zone of copper anomalism with a maximum value of 578 ppm.

Target 4 is a relatively isolated two-point anomaly with a maximum gold value of 35ppm but potentially along strike of target 3 (see Figure 3). Target 5 coincides with a localised greenstone outcrop with a maximum gold value of 406 ppb. The historical surface sampling is widely spaced often at 400m line spacing and identifies some large zones of interest. For example, target 1 which is 8km long.

The historical drilling appears limited to the periphery of the tenement and absent from the target areas (Figure 3) indicating that the target areas remain untested.

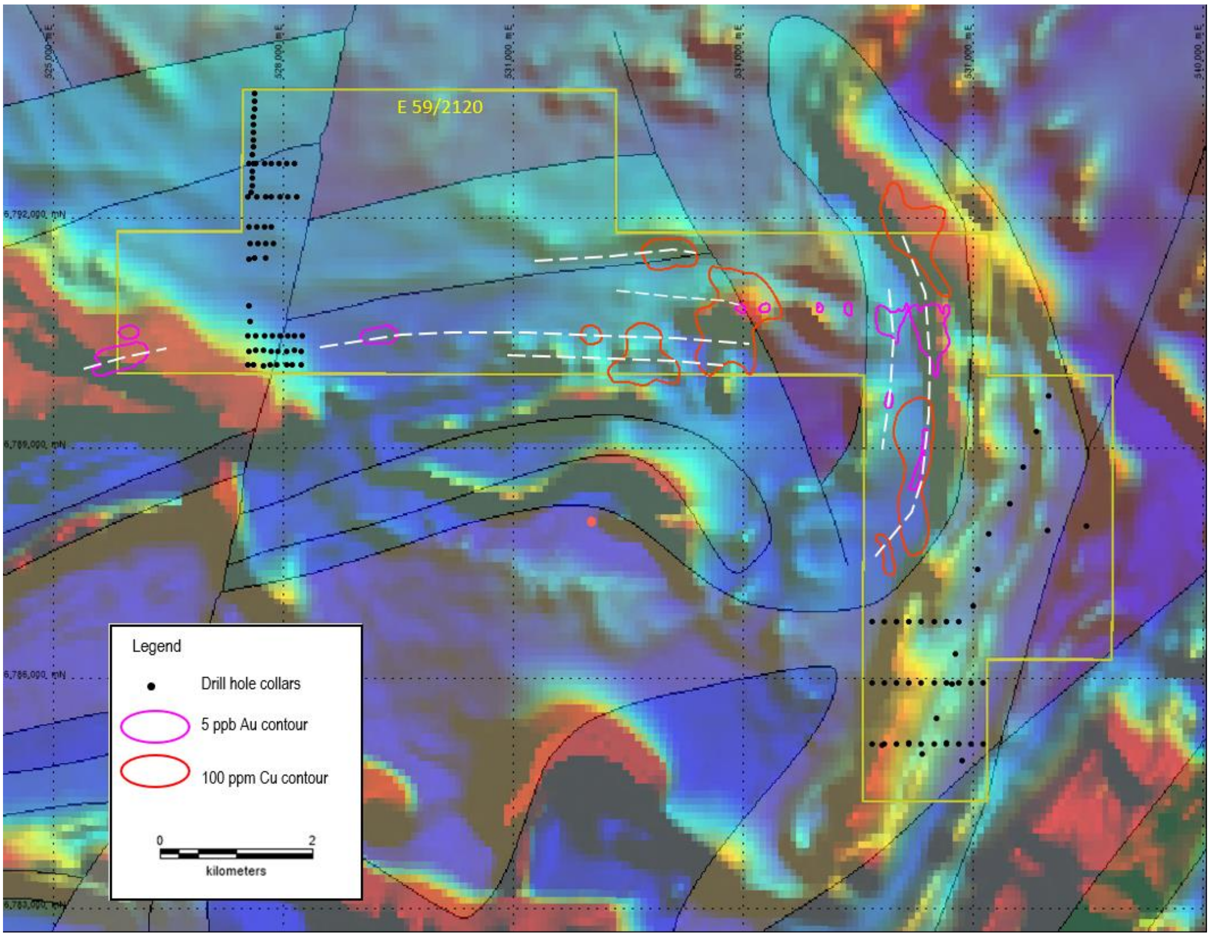

Figure 3. Thundelarra Project - interpreted linear structures in the magnetic data showing correlation with surface anomalism.

The Company continues its review of the Thundelarra Project and will update the market as required in regard to developing the Company's strategy for its exploration.

Subsequent to the Period, and as announced 3 January 2018 ('Blaze to Acquire Everest Minerals'), the Company entered into a binding agreement to acquire 100% Everest Minerals Pty Limited (**Everest**). Everest also holds an option to acquire 100% of ELA59/2280 from its current registered holder, Bar None Exploration Pty Limited, which is proposed to be the Company's Kirkalocka Gold Project.

This project is located in Western Australia, within Meekathara's Greenstone Belt. The option to acquire 100% of the Project is exercisable by Everest through a cash payment of A$100,000 and is exercisable at any time prior to 30 April 2018. The negotiation and assessment of the Everest acquisition represents a significant allocation of the board's commercial resources during the Period.

BUSINESS DEVELOPMENT

The Company is assessing project(s) for acquisition in the interests of creating shareholder value. All discussions remain incomplete, non-binding and confidential. The Company will update the market accordingly to any progress.

DIRECTORS' REPORT (CONTINUED)

AUDITOR'S DECLARATION OF INDEPENDENCE

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 8 and forms part of this Directors' Report for the half year ended 31 December 2017.

Signed in accordance with a resolution of the Directors.

J Puckridge

Josh Puckridge
Non-Executive Chairman
Dated this 23rd day of February 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Blaze International Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
23 February 2018

D I Buckley
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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DIRECTORS' DECLARATION

1. In the opinion of the Directors of Blaze International Limited (the 'Company'):

   a. the accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:

      i. giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half- year then ended; and

      ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the *Corporations Act 2001* for the half-year ended 31 December 2017.

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

J Puckridge

Josh Puckridge
Non-Executive Chairman
Dated this 23rd day of February 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Blaze International Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Blaze International Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Blaze International Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the

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auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D Buckley

D I Buckley
Partner

Perth, Western Australia
23 February 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2017

	Half-year ended 31 Dec 2017 $	Half-year ended 31 Dec 2016 $
Continuing operations		
Revenue	3,578	6,777
Gain on settlement of liabilities	-	22,481
Accounting and audit fees	(28,199)	(17,230)
Administration expenses	(60,000)	(60,437)
Corporate compliance costs	(27,382)	(44,290)
Consultants fees	(6,000)	(26,495)
Depreciation	(32,722)	-
Director fees, salaries and superannuation	(58,000)	(70,000)
Exploration expenditure written off	(948)	(503,298)
Legal fees	(25,341)	(22,664)
Other expenses from ordinary activities	(9,757)	(56,403)
Loss before income tax expense	**(244,771)**	**(771,559)**
Income tax (benefit)/expense	-	-
Loss for the period from continuing operations	**(244,771)**	**(771,559)**
Other comprehensive income	-	-
Total comprehensive loss for the period	**(244,771)**	**(771,559)**
Earnings/(loss) per share		
Basic and diluted loss per share (cents per share)	(0.19)	(0.63)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Note	Half-year ended 31 Dec 2017 $	Full-year ended 30 Jun 2017 $
Current assets			
Cash and cash equivalents		1,094,817	1,318,381
Trade and other receivables		12,390	14,755
Total current assets		1,107,207	1,333,136
Non-current assets			
Property, plant and equipment		56,846	89,568
Deferred exploration and evaluation expenditure	7	15,000	-
Total non-current assets		71,846	89,568
Total assets		**1,179,053**	**1,422,704**
Liabilities			
Current liabilities			
Trade and other payables	2	16,788	15,668
Total current liabilities		16,788	15,668
Total liabilities		**16,788**	**15,668**
Net assets		**1,162,265**	**1,407,036**
Equity			
Issued capital	3	36,541,893	36,541,893
Reserves		989,745	989,745
Accumulated losses		(36,369,373)	(36,124,602)
Total equity		**1,162,265**	**1,407,036**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2017

	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2016	36,291,073	686,585	(35,074,901)	1,902,757
Consolidated loss for the period	-	-	(771,559)	(771,559)
Total comprehensive loss for the period	**-**	**-**	**(771,559)**	**(771,559)**
Shares issued during the period	550,000	-	-	550,000
Share issue costs - restated	(349,844)	299,060	-	(50,784)
Balance at 31 December 2016- restated	**36,491,229**	**985,645**	**(35,846,460)**	**1,630,414**
Balance at 1 July 2017	36,541,893	989,745	(36,124,602)	1,407,036
Consolidated loss for the period	-	-	(244,771)	(244,771)
Total comprehensive loss for the period	**-**	**-**	**(244,771)**	**(244,771)**
Shares issued during the period	-	-	-	-
Share issue costs	-	-	-	-
Balance at 31 December 2017	**36,541,893**	**989,745**	**(36,369,373)**	**1,162,265**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2017

	Half-year ended 31 Dec 2017 $	Half-year ended 31 Dec 2016 $
Cash flows from operating activities		
Payments to suppliers and employees	(211,194)	(302,259)
Interest received	3,578	6,777
Net cash used in operating activities	**(207,616)**	**(295,483)**
Cash flows from investing activities		
Payments for property, plant and equipment	-	(96,224)
Payments for exploration and evaluation	(15,948)	(503,298)
Net cash used in investing activities	**(15,948)**	**(599,522)**
Cash flows from financing activities		
Proceeds from issue of shares	-	550,000
Payment for shares issue costs	-	(50,784)
Net cash generated by financing activities	**-**	**499,216**
Net (decrease)/increase in cash and cash equivalents	(223,564)	(395,789)
Cash and cash equivalents at the beginning of the year	1,318,381	1,923,998
Cash and cash equivalents at the end of the half-year	**1,094,817**	**1,528,209**

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2017

1. BASIS OF PREPARATION

1.1. BASIS OF PREPARATION

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Blaze International Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial report, the half-year has been treated as a discrete reporting period.

1.2. STATEMENT OF COMPLIANCE

The interim financial statements were authorised for issue on 23 February 2018.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

1.3. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the half-year ended 31 December 2017

1.4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY ESTIMATES

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2017.

1.5. NEW AND REVISED ACCOUNTING STANDARDS

In the half-year ended 31 December 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2017.

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

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to the Group's accounting policies.

2. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	31 Dec 2017 $	30 Jun 2017 $
Current		
Trade and sundry payables (i)	16,788	15,668

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

3. ISSUED CAPITAL

	CONSOLIDATED	
	31 Dec 2017 $	30 Jun 2017 $
127,013,264 fully paid ordinary shares (30 June 2017: 127,013,264)	36,541,893	36,541,893

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the half-year ended 31 December 2017

3.1. FULLY PAID ORDINARY SHARES

	CONSOLIDATED			
	31 Dec 2017		30 Jun 2017	
	No.	$	No.	$
Balance at beginning of period	127,013,264	36,541,893	115,000,000	36,291,073
Shares issued during the period	-	-	12,012,597	600,611
Options converted	-	-	667	53
Share issue costs	-	-	-	(349,844)
Balance at end of the period	127,013,264	36,541,893	127,013,264	36,541,893

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

4. EVENTS AFTER BALANCE DATE

4.1. PROPOSED ACQUISITION

On 3 January 2018, the Company entered into a share sale agreement with Everest Minerals Pty Ltd (ACN 149 201 963) (**Everest**) (**Share Sale Agreement**), pursuant to which the shareholders of Everest agreed to sell (**Everest Shareholders**) and the Company agreed to purchase all of the outstanding share capital in Everest (**Acquisition**) in consideration for 48,520,012 Shares.

4.2. PLACEMENT

As announced by the Company on 19 January 2018 the Company issued 31,753,316 Shares to sophisticated and professional investors, at an issue price of $0.05 per Share to raise $1,587,666 (before costs) (**Placement**). The Placement was completed on 1 February with 19,051,990 Shares being issued at $0.03 per Share and the remaining 12,701,326 Shares having an issue price of $0.08 per share.

4.3. EVEREST MINERALS PTY LTD

Everest holds investments in other listed mining and exploration companies, as at 22 December 2017 the value of these investments totals approximately $340,000, and $880,000 in cash.

Everest also holds an option to acquire 100% of E59/2280 from its current registered holder, Bar None Exploration Pty Ltd, which is proposed to be the Company's Kirkalocka Gold Project. The Kirkalocka Gold Project is located in Western Australia, within Meekathara's Greenstone Belt. The option to acquire 100% of the Kirkalocka Gold Project is exercisable by Everest through a cash payment of $100,000 and is exercisable at any time prior to 30 April 2018.

As part of the Transaction, Mr. Klaus Eckhof and Corporate & Resource Consultants Pty Ltd were appointed as commercial and technical advisors to the Company.

The Company further announced on the 19 January 2018, the appointments of Mr. Tolga Kumova and Mr. Evan Cranston as advisors to the Company in relation to the Company's exploration activities and ongoing business development initiatives.

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the half-year ended 31 December 2017

4.4. GENERAL MEETING OF SHAREHOLDERS

The Company's Shareholders will be voting on the resolutions necessary to complete the Acquisition of Everest (**Resolutions**) on 26 February 2018 at a General Meeting (**GM**).

A summary of the Resolutions is as follows:

(a) approval for the Acquisition which, if successfully completed, will represent a significant change in the nature and scale of the Company's operations (Resolution 1); and
(b) approval for the Company issuing the Consideration Shares as consideration for the Acquisition, being 48,520,012 Shares and 25,000,000 Consultancy Options to each of Corporate & Resource Consultants Pty Ltd (ACN 073 232 318) and Klaus Eckhof of Everest in consideration for consultancy services provided (Resolution 2).
(c) ratification of the issue of 31,753,316 Shares to be issued under the Placement (Resolutions 3 and 4);
(d) approval for the Company to issue 31,753,316 attaching Options under the Placement (Resolution 5);
(e) approval for the Company to issue 27,741,038 Options to advisors that have assisted with the Placement and the Acquisition (Resolutions 6, 7 and 8).
(f) approval for the Company to change its name to Everest Minerals Ltd (Resolution 9); and
(g) approval of the Company's payment to Kalgoorlie Mine Management Pty Ltd (ACN 009 235 625) (Resolution 10).

Refer to the Notice of Meeting (**NOM**) announced to market on 29 January 2018 as well as the addendum to the NOM, released 8 February 2018, for the further details.

5. SEGMENT REPORTING

The Group has adopted AASB 8 'Operating Segments' which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker (considered to be Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Group reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports.

During the period, the Group operated predominantly in one segment being the mineral exploration sector in Western Australia. Accordingly, under the 'management approach' outlined above only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

6. FAIR VALUE MEASUREMENT

The Directors consider that the carrying amount of other financial assets and liabilities recognised in the consolidated financial statements approximate their fair value.

7. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED	
	31 Dec 2017 $	30 Jun 2017 $
Expenditure brought forward	-	442,874
Expenditure incurred during year	-	482,800
Expenditure written off during year	-	(482,800)
Disposal of exploration asset to KMM	-	(442,874)
Acquisition of Thundelarra Project	15,000	-
Expenditure carried forward	15,000	-

The ultimate recoupment of the mining tenements, exploration and evaluation expenditure carried forward is dependent upon the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value.

8. RESTATEMENT OF COMPARATIVE

On 30 November 2016, shareholders approved the issue of 50,000,000 unlisted options exercisable at 8 cents expiring 1 March 2019 (**Options**) to persons who assisted with the Company's placement (completion of which was announced on 17 August 2016).

The Options value was not recognised on grant date, as a share issue cost, in the period to 31 December 2016, in error.

Refer to the 30 June 2017 Annual Report for disclosure of the valuation assumptions.

Equity	31 Dec 2016 $	Restatement $	31 Dec 2016 Restatement $
Share capital	36,790,289	(299,060)	36,491,229
Reserves	686,585	299,060	985,645
Accumulated Losses	(35,846,460)	-	(35,846,460)
Balance at end of the period	1,630,414	-	1,630,414