



ABN: 27 128 806 977

And Controlled Entities

CONSOLIDATED ANNUAL REPORT

**For the Year Ended
30 June 2018**

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DIRECTORS

Peter Wall	Non-Executive Chairman
Jeremy Read	Managing Director
Ian Wallace	Executive Director
Matthew O’Kane	Non-Executive Director

SECRETARY

Stephen Kelly

REGISTERED AND BUSINESS OFFICE

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Level 3, London House
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Your Directors submit the financial report of the Consolidated Entity for the year ended 30 June 2018.

DIRECTORS

The following persons were directors of Pursuit Minerals Limited during the year under review and up to the date of this report, unless otherwise stated:

Peter Wall	Non-Executive Director
Jeremy Read	Managing Director (appointed 14 August 2017)
Ian Wallace	Executive Director (appointed 14 August 2017)
Matthew O'Kane	Non-Executive Director (appointed 1 May 2018)
James Ellingford	Non-Executive Director (resigned 14 August 2017)
Adam Blumenthal	Non-Executive Director (resigned 1 May 2018)

COMPANY SECRETARY

Stephen Kelly (appointed 3 October 2017)
Elizabeth Hunt (resigned 3 October 2017)

DIRECTORS' QUALIFICATIONS AND EXPERIENCE

The Directors' qualifications and experience are set out below.

Peter Wall B.Laws, B.Comm (Finance), Masters of Applied Finance and Investment with FINSIA
Non-Executive Chairman

Peter Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Peter Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). Peter Wall has also completed a Masters of Applied Finance and Investment with FINSIA.

Peter Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on resources (hard rock and oil/gas), equity capital markets and mergers and acquisitions.

During the past three years, Peter Wall held the following directorships in other ASX listed companies:

- Non-Executive Chairman of MMJ Phytotech Ltd (formerly Phytotech Medical Limited) (current);
- Non-Executive Chairman of MyFiziq Limited (current);
- Non-Executive Chairman of Sky and Space Global Ltd (current);
- Non-Executive Chairman of Transcendence Technologies Limited (formerly GRP Corporation Ltd) (current);
- Non-Executive Director of Ookami Limited (current);
- Non-Executive Chairman of Bronson Group Ltd (current);
- Non-Executive Chairman of Activistic Limited (resigned 23 April 2018);
- Non-Executive Chairman of Zyber Holdings Limited resigned 22 January 2018);
- Non-Executive Chairman of Zinc of Ireland NL (resigned 21 July 2016),
- Non-Executive Chairman of TV2U International Limited (formerly Galicia Energy Corporation Ltd) (resigned 9 February 2016), and
- Non-Executive Chairman of Brainchip Holdings Ltd (resigned 3 August 2015).

Jeremy Read B.Sc (Hons), MAUSIMM

Managing Director (Appointed 14 August 2017)

Jeremy Read is a seasoned minerals resource industry executive, having worked on a broad range of precious and base metals projects in Australia, Africa, North America, India and Scandinavia. Jeremy Read has wide ranging experience from project generation, greenfields, brownfields and project development. He has extensive exploration experience for nickel sulphides, copper and gold. He played critical roles in the discovery of the Kabanga North nickel deposit, in Tanzania, the Cairn Hill magnetite-copper deposit in South Australia and the Boseto Copper deposit in Botswana. He is skilled in developing new technical teams, management of technical/specialist service groups, project generation activities, risk management and multi-commodity mineral exploration. Jeremy spent 11 years working for BHP in Africa and Australia, including several years as the Manager of BHP's Australian Exploration Team. From 2003 Jeremy Read has concentrated on developing junior mineral resource companies, creating and capturing value for shareholders. Jeremy is currently a Non-Executive Director of Metalsearch Limited and was previously the Managing Director of MinQuest Limited (resigned 30 September 2016).

Ian Wallace**Executive Director (Appointed 14 August 2017)**

Ian Wallace has a 30+ year career in mining, project development and exploration across base and precious metals, coal and coal seam gas. Ian Wallace has held Business, Commercial, Stakeholder Engagement Specialist and Tenure roles with various companies including Avalon Minerals, Meridian Minerals, Anglo American, BHP Billiton, Pancontinental Mining and Renison Goldfields. He has extensive experience in the negotiation and management of joint ventures, acquisitions and divestments across an international mix of resource projects. Ian Wallace also has many successes with the acquisition, granting and optimisation of exploration and production tenures by working with Government agencies throughout Australia and a number of overseas jurisdictions. As well as the Government processes, he also has extensive experience as a stakeholder engagement specialist working with Indigenous people, property owners and the communities in which exploration, mining and production has been undertaken.

Matthew O'Kane**Non-Executive Director (Appointed 1 May 2018)**

Mr. O'Kane is currently the CFO of Crater Gold, an ASX listed gold explorer and producer, as well as providing CFO services to a Hong Kong SFC licensed institutional brokerage and asset management firm. He also provides consulting services to minerals and commodities businesses and is a Director of Northern Territories Resources Pty. Ltd, which owns a significant base metal project in Australia, and a Director of Azarga Uranium Corporation, a TSX listed uranium development company. He was the CFO of a large private commodities trading firm in Hong Kong from August 2014 to August 2016 and was the CFO of Celsius Coal Limited from May 2013 to August 2014, an Australian coal mining company listed on the Australian Stock Exchange. Prior to joining Celsius Coal Limited, Mr. O'Kane was the CFO of SouthGobi Resources Limited, a coal production and development company listed on the Toronto Stock Exchange and the Hong Kong Stock Exchange, from July 2011 to November 2012 and the VP Commercial Operations and Investor Relations of SouthGobi Resources Limited from January 2011 to June 2011. From 2006 to January 2011, Mr. O'Kane was the Finance Director and Executive Director of Volvo Car Australia Pty Ltd., a fully owned subsidiary of Volvo Cars Sweden.

Adam Blumenthal B.Comm, MBA (Masters of Business Administration) and MIR (Master International Relations)**Non-Executive Director (resigned 1 May 2018)**

Adam Blumenthal has been involved in the relisting of several ASX suspended entities and has acted as corporate advisor and assisted in raising fresh capital for those companies. Adam Blumenthal is a guest

university lecturer at Australian Catholic University, North Sydney, lecturing at an undergraduate and post graduate level. Adam Blumenthal has lectured in subjects on Business Ethics, Corporate Governance and Corporate Social Responsibility. Adam Blumenthal is an experienced capital markets professional, with more than 10 years of deep exposure across Australian and international markets, providing capital raising and financing solutions to unlisted and listed organisations. Adam Blumenthal has supported multiple profitable and growing organisations through providing advisory and capital markets support. With deep corporate advisory experience, Adam Blumenthal specialises in creating funding solutions aligned to business strategy. Over the past 5 years, Adam had raised in excess of A\$300m in capital, supporting the growth of companies and providing a profitable exit for shareholders. For investors, Adam Blumenthal provides a unique value proposition across a range of industries, with a focus on profitable exit strategies. Adam Blumenthal's experience includes development of funding strategies, equity/debt capital raise, private placements, stock exchange listings, takeovers and acquisitions, board experience, and cross border listings.

During the past three years, Adam Blumenthal held the following directorships in other ASX listed companies:

- Non-Executive Director of Creso Pharma (current),
- Non-Executive Director of Roots Agriculture International (current),
- MOV Corporation Limited (former), and
- EHG Limited (former).

KEY MANAGEMENT PERSONNEL

Stephen Kelly

Company Secretary and Chief Financial Officer B.Bus, ACA

Mr Kelly was appointed as the Company Secretary and Chief Financial Officer of the Company on 3 October 2017. A qualified Australian Chartered Accountant, Mr Kelly was previously Chief Financial Officer at Allied Gold Mining PLC. He has more than 25 years' international experience in the areas of external and internal audit, risk management and compliance, treasury and corporate finance across a range of industry sectors including mining, infrastructure, property development and banking and finance. Stephen Kelly is currently also Company Secretary of a number of ASX listed entities.

DIRECTORS' INTERESTS IN SHARES AND PERFORMANCE RIGHTS OF THE COMPANY

The relevant interest of each Director in the shares and performance rights issued by the Company at the date of this report is as follows:

Director	Number of Ordinary Shares		Number of Performance Rights		Number of Options	
	Directly	Indirectly	Directly	Indirectly	Directly	Indirectly
Peter Wall	Nil	Nil	Nil	6,000,000 ¹	Nil	Nil
Jeremy Read	500,000	Nil	6,000,000 ¹	Nil	Nil	Nil
Ian Wallace	Nil	Nil	3,000,000 ²	Nil	Nil	Nil
Matthew O'Kane	Nil	Nil	Nil	Nil	Nil	Nil

¹ Consisting of each of 2,000,000 Class A Performance Rights, 2,000,000 Class B Performance Rights and 2,000,000 Class C Performance Rights.

² Consisting of each of 1,000,000 Class A Performance Rights, 1,000,000 Class B Performance Rights and 1,000,000 Class C Performance Rights.

MEETINGS OF DIRECTORS

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

Director	Board	
	Number of meetings eligible to attend	Number of meetings attended
James Ellingford	-	-
Peter Wall	6	6
Adam Blumenthal	5	5
Jeremy Read	6	6
Ian Wallace	6	6
Matthew O'Kane	1	1

The full Board of the Consolidated Entity performs the functions of the Audit, Remuneration and Nomination Committees.

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity is conducting mineral exploration activities on its tenements located in Queensland, South Australia and the newly acquired tenements in Sweden and Finland.

CORPORATE

On 21 August 2017 the Group completed the acquisition of the highly prospective Bluebush, Paperbark and Coober Pedy tenements from Teck Australia Pty Ltd.

In conjunction with the acquisition of these tenements, the Company successfully completed a \$6,000,000 capital raising in August 2017.

In April 2018, Pursuit Minerals completed a major expansion of its project portfolio securing exciting, advanced vanadium projects in Finland and Sweden. In Finland, two projects have been acquired which have historical, non-JORC compliant mineral resource estimates. Recent analysis of historical exploration data suggests both projects are highly prospective, producing high grade vanadium magnetite concentrates. In Sweden, the Company has been granted five exploration licences covering projects where significant vanadium mineralisation was previously identified.

In June 2018, the Company completed a placement of 16.1 million shares at a price of A\$0.10 per share to raise \$1.61 million before costs. The proceeds from the placement will be used for development of the Company's vanadium exploration projects in Finland and Sweden, as well as its zinc projects in north-west Queensland, and for general working capital purposes.

FINLAND VANADIUM PROJECTS

In April 2018, the Company announced that it had secured Mineral Reservations covering the Koitelainen and Karhujupukka Vanadium Projects in northern Finland. The mineral tenements covered open ground, enabling them to be secured in a very cost-effective manner (Figure One).

The Koitelainen Project is comprised of two reservations covering 130km²:

- Koitelainen UC, which contains a historical mineral resource estimate of 70Mt @ 0.4% V (0.7% V₂O₅), 14.4% Cr and 1.1g/t Platinum Group Elements;
- Koitelainen Vosa, which contains an historical mineral estimate of 15Mt @ 0.4% V₂O₅

The Karhujupukka Project covers 398km² and contains a historical mineral estimate of 5.2Mt @ 0.43% V₂O₅, 32% Fe, 6.2% Ti and 0.02% Co.

The historical mineral estimates for the Koitelainen and Karhujupukka Projects are historical estimates and are not reported in accordance with the JORC Code. A Competent Person has not done sufficient work to classify the historical estimates as Mineral Resources in accordance with the JORC Code. It is uncertain that following evaluation and/or further valuation work that the historical estimates will be able to be reported as Mineral Resources in accordance with the JORC code.

For further details refer the ASX Announcements dated 12 April 2018 "Pursuit Secures Vanadium Projects in Finland" and 30 July 2018 "Data Review Enhances High Grade Vanadium Mineralisation"

Koitelainen Project

Pursuit has secured two Mineral Reservations covering the Koitelainen igneous intrusion in northern Finland (Figure Two).

The vanadium mineralisation is associated with two PGE enriched chromite reefs, Koitelainen Upper Chromite (UC) and Koitelainen Lower Chromite (LC) and a vanadium enriched gabbro, at the Koitelainen Vosa prospect.

The Reservations secured by Pursuit cover sections of the Koitelainen UC reef and the Koitelainen Vosa prospect (Figure Two). The Koitelainen UC vanadium mineralisation is defined by 21 drill holes and is open along strike and at depth. A total of 122 diamond drill holes for 15,475m have been previously drilled across the entire Koitelainen intrusion.

Pursuit has completed a detailed analysis of historical exploration work undertaken on the Koitelainen intrusion¹.

The analysis has identified nine drill holes at the southern section of the Koitelainen Vosa (Figure Two) prospect which produced magnetite concentrates with vanadium grades ranging from 2.0-3.7% V₂O₅ and averaging 2.3% V₂O₅. The intercepts include:

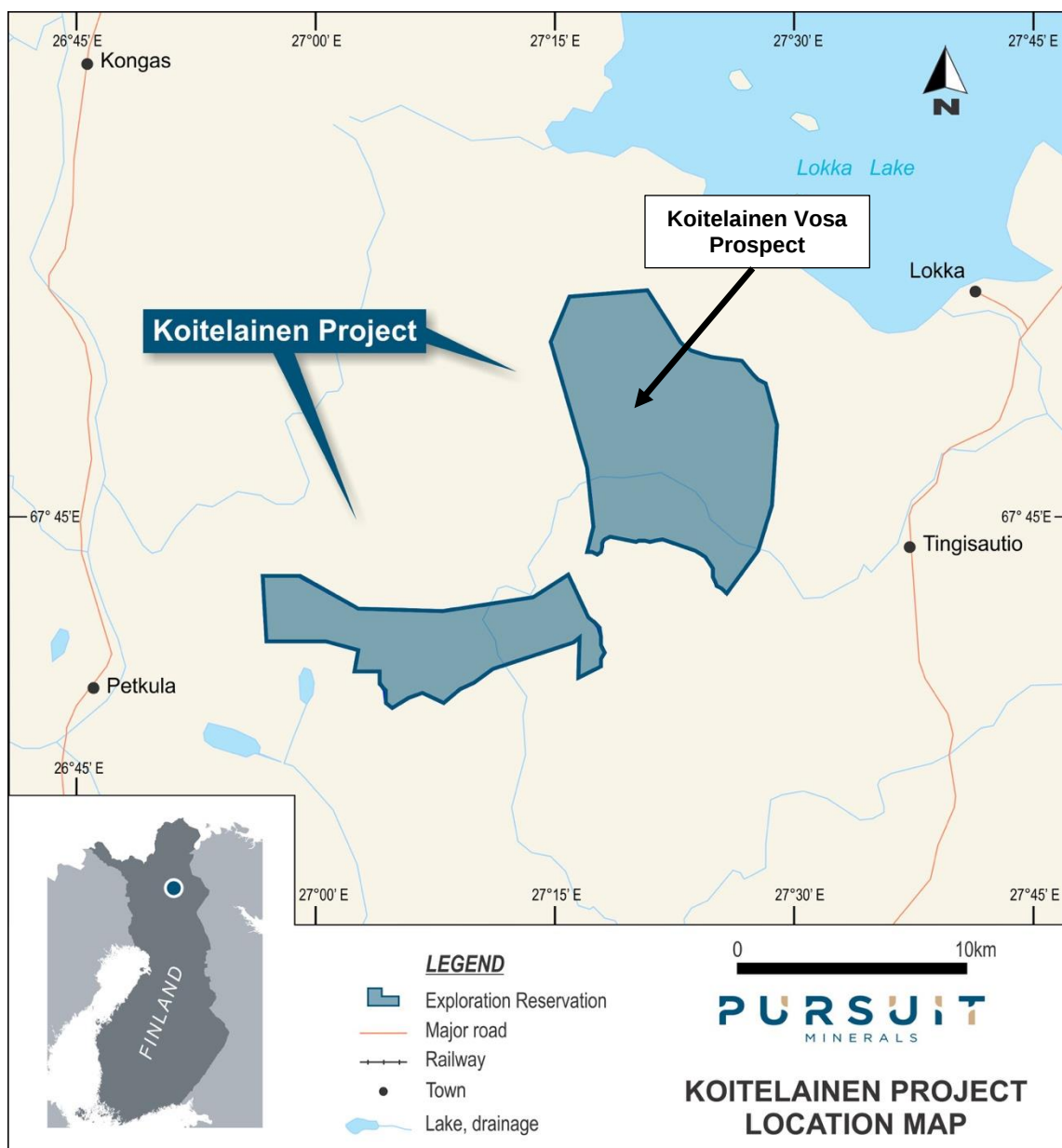
- 7.75m @ 3.07% V₂O₅ in hole M374177R329 from 77.15m
- 9.70m @ 2.68% V₂O₅ in hole M374177R331 from 16.85m
- 40.85m @ 2.39% V₂O₅ in hole M374177R327 from 61.80m
- 8.45m @ 2.36% V₂O₅ in hole M374177R335 from 15.55m
- 12.85m @ 2.15% V₂O₅ in hole M374177R336 from 58.00m

¹ Refer ASX Announcement dated 10 May 2018 and ASX Announcement dated 30 July 2018. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

- 25.45m @ 2.12% V₂O₅ in hole M374177R333 from 45.35m
- 38.15m @ 2.05% V₂O₅ in hole M374177R326 from 60.70m

Figure One – Vanadium Project Locations


Figure Two – Koitelainen Project Location



These grades place this prospect in the upper echelon of vanadium projects globally. Magnetite concentrates with V_2O_5 grades in excess of 1.5% are generally considered high grade.

In addition, analysis of data from the north of the project has identified errors in the compilation the historic data supplied to Pursuit which led to a previous substantial understatement of vanadium grades². Recompilation of the data indicates vanadium in magnetite concentrate grades ranging from 0.59-1.37% V_2O_5 in the north of the project area.

² Refer ASX Announcement dated 30 July 2018. The Company is not aware of any new information or data that materially affects the information contained in that announcement.

Intercepts from the northern section of the Koitelainen Vosa prospect include:

- 38.00m @ 1.88% V₂O₅ in hole M374176R324 from 1.20m
- 13.10m @ 1.37% V₂O₅ in hole M374176R324 from 61.05m
- 19.25m @ 1.24% V₂O₅ in hole M374176R319 from 17.25m
- 14.00m @ 1.13% V₂O₅ in hole M374176R320 from 20.10m
- 24.00m @ 1.02% V₂O₅ in hole M374176R318 from 14.30m

This indicates that the encouraging to exceptional grade vanadium mineralisation extends over at least 1000m along strike, from south to north, is open in both directions and is directly associated with magnetic anomalies in excess of 3.5km in strike length. The mineralisation is not closed off to the north as previously believed.

Pursuit is preparing to apply for an Exploration Permit for Koitelainen Vosa prospect. The application requires an environmental assessment to be carried out, which is currently in progress. It is anticipated that the Exploration Permit will be submitted before the end of 2018.

Karhujupukka Project

The Karhujupukka Project is in north-western Finland, close to the Swedish border and the infrastructure and rail corridor which runs close to the Swedish border.

Vanadium mineralisation was discovered at Karhujupukka by the Geological Survey of Finland (GTK) in 1988, which led to the GTK reporting an historical mineral resource estimate based on 30 drill holes for 3,453m. The strike length of the mineralisation is over 5km and remains open.

The initial focus at the Karhujupukka Project will be to restate the historical mineral resource estimate in accordance with JORC (2012) and to ascertain the size of the mineralisation.

Pursuit has applied for two Exploration Permits (Figures Three and Four) to enable a drilling program to be conducted in the coming winter field season. Drilling will focus on targets identified from an airborne electromagnetic and magnetic survey (Figure Four), conducted by the previous holder of the project area, which identified exploration targets but never followed them up with drill testing. From this airborne electromagnetic and magnetic survey two walk-up shallow Ni-Cu targets have been identified. Prior to drilling, ground magnetic data is also scheduled to be collected to allow improved definition of targets.

SWEDEN VANADIUM PROJECTS

Pursuit has been granted Mineral Exploration Licences covering five project areas in Sweden: Sumåssjön, Kramsta, Simesvallen and Kullberget in Central Sweden and the Airijoki Project in northern Sweden (Figures Five and Six).

Mineral Exploration Licences allow the company to undertake exploration activities including geophysical surveys, mapping, sampling and drilling, subject to the relevant County Administration Boards approving work plans.

Pursuit has conducted a variety of exploration activity across the various prospects since the projects were acquired, mainly focussed on understanding the historical data from the projects, confirming historical drilling intersections, plus mapping and sampling outcropping vanadium mineralisation.

Figure Three – Location of Karhujupukka Project

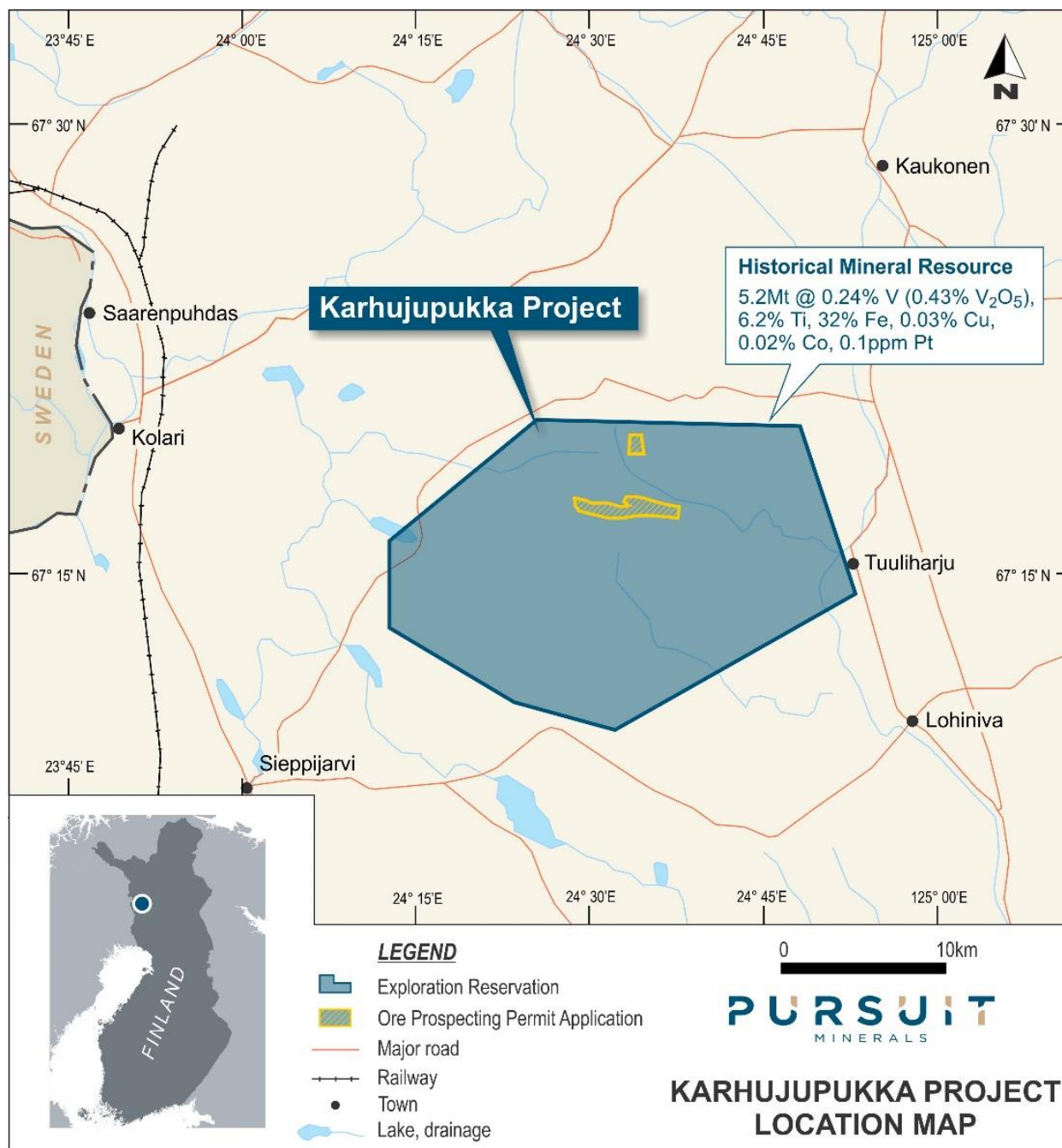


Figure Four– Karhujupukka North and South OPP Applications

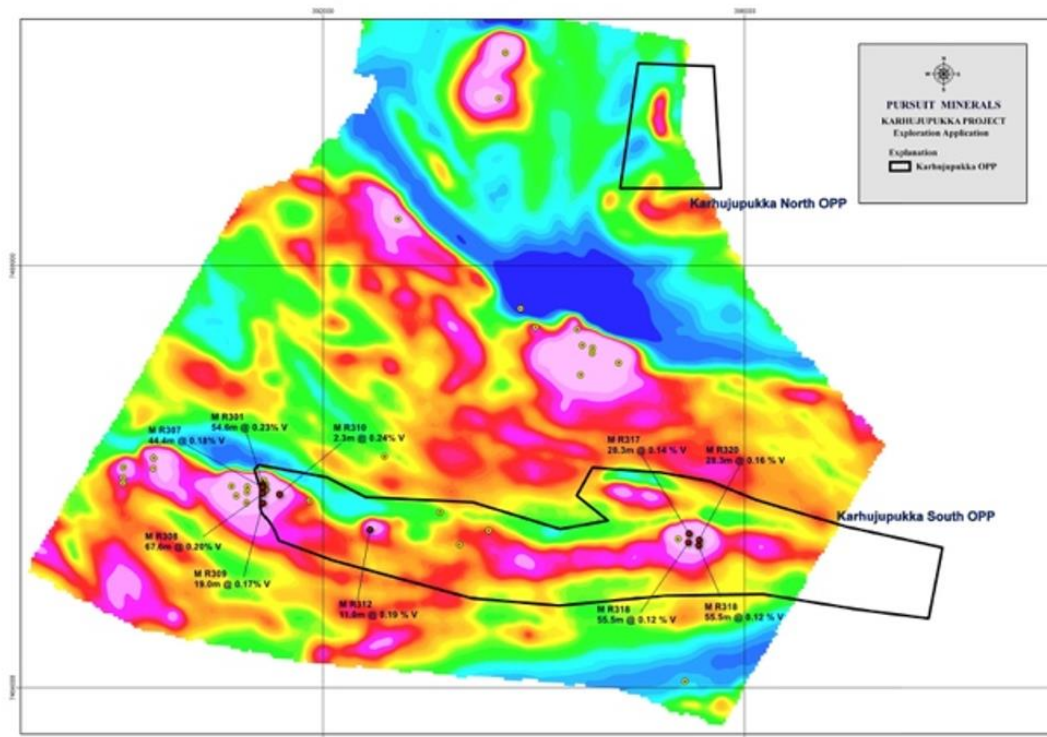


Figure Five – Central Sweden Exploration Licences

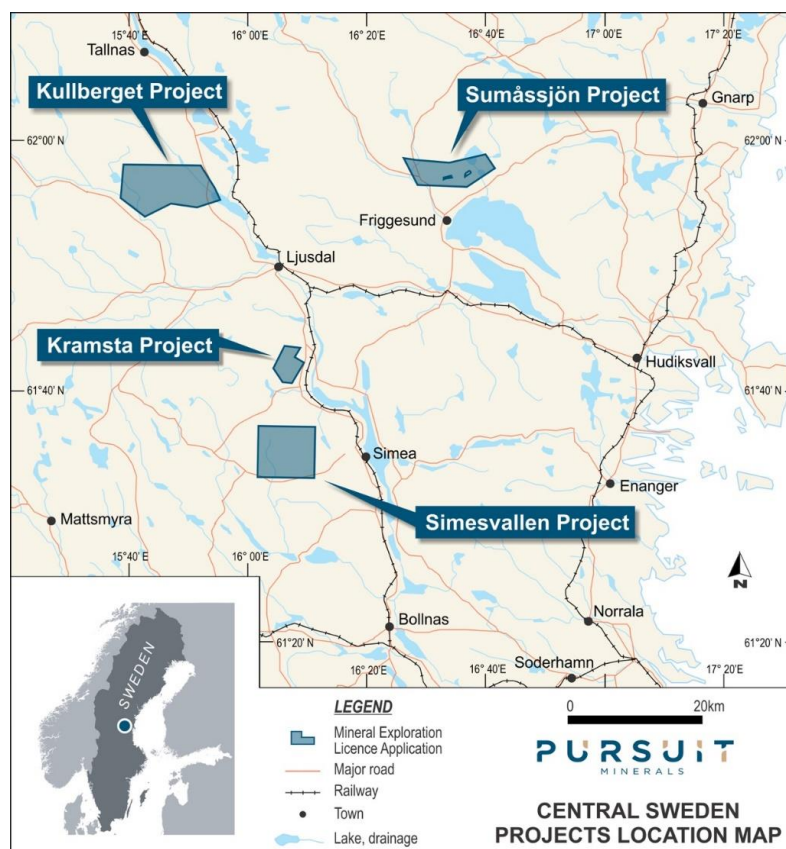
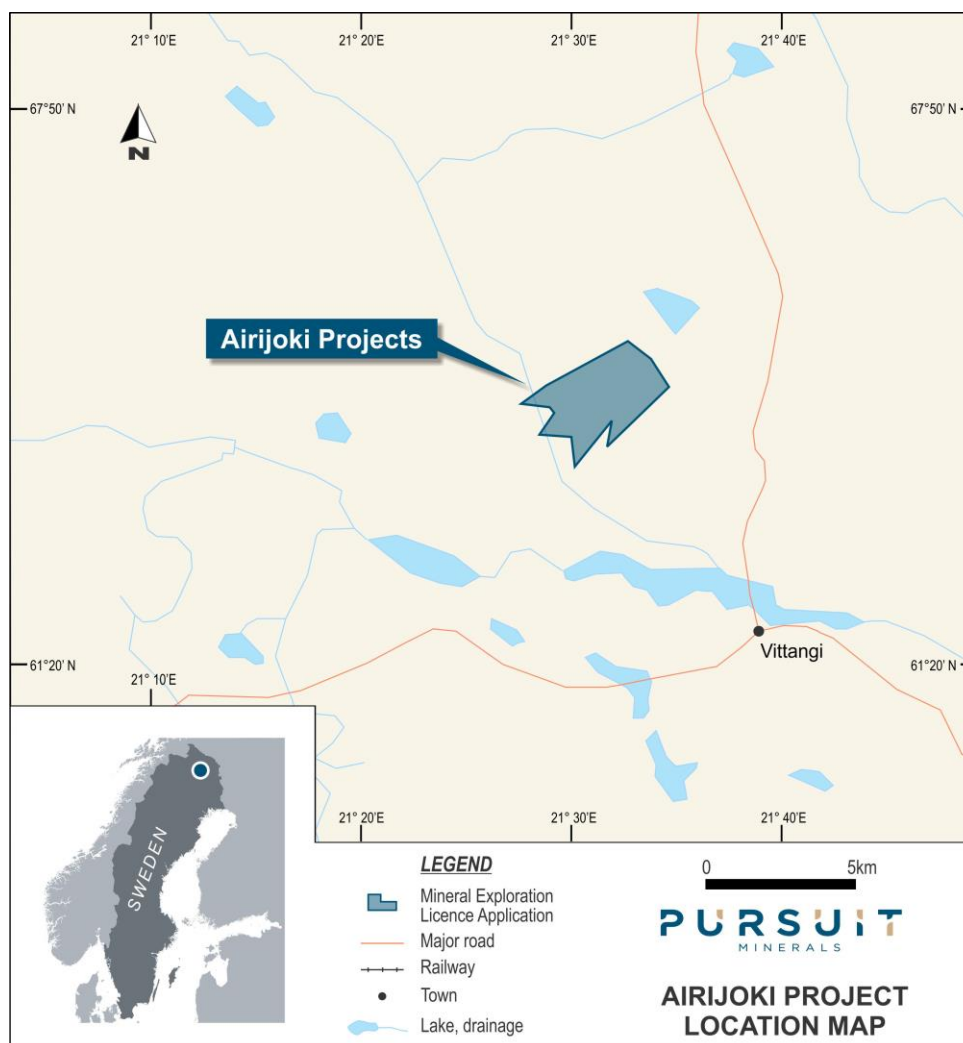


Figure Six – Northern Sweden Exploration Licence Airijoki

*Airijoki Project*

Geochemical assaying of historical drill holes on the Airijoki Project was completed in August and delivered exceptional high-grade vanadium intersections of substantial thickness. Historical drill hole K-AIR1 was assayed and returned the following vanadium results in magnetite concentrates³:

- 178.3m @ 1.33% V₂O₅ from 9.0m, including;
- 31.0m @ 1.40% V₂O₅ from 18.0m, and;
- 16.0m @ 2.03% V₂O₅ from 171.3m

Historical drill hole K-AIR5 also delivered a highly encouraging vanadium in magnetite concentrate, intersection of;

- 10.0m @ 2.01% V₂O₅ from 77.15m

³ Refer ASX Announcement dated 3 September 2018 “. The Company is not aware of any new information or data that materially affects the information contained in that announcement.

The historical drill holes K-AIR1 and K-AIR5 are located 1km apart, suggesting the high-grade vanadium mineralisation is laterally extensive and open to the north.

Rock chip samples taken in the vicinity of K-AIR1, also returned high grade vanadium results ranging between 0.479 - 1.116% V_2O_5 in whole rock samples.

The high-grade vanadium mineralisation located in drill holes K-AIR1 and K-AIR5 is directly associated with a relatively high amplitude magnetic anomaly which continues for at least a further 2.5km to the north-east of drill hole K-AIR5.

The high-grade rock chips at surface, the 3.5km heli-magnetic anomaly and the substantial thicknesses of vanadium mineralisation in historical holes K-AIR1 and K-AIR5, suggest Airijoki has the potential to host a significant body of vanadium mineralisation.

Pursuit has commenced the process to obtain the necessary permits, in order to undertake a drilling program, to further investigate the thick high-grade vanadium mineralisation at Airijoki. Subject to obtaining the required permits, drilling is planned to commence in early November 2018

Simesvallen Project

At Simesvallen a 15km long magnetic anomaly was drilled in the 1980's with 10 drill holes drilled along only 560m of strike length. Rock chip samples from trial mining returned values of 0.9% V_2O_5 and 11-13 TiO_2 ³. Pursuit is currently undertaking rock chip sampling of outcropping vanadium mineralisation.

Kullberget Project

At Kullberget a magnetic anomaly is 6km long and is divided into a western section (Kullberget) and an eastern section (Storäsen). In the Kullberget section, outcropping vanadium mineralisation returned values of 20% Fe and 0.9% V_2O_5 in historical samples. At Storäsen, historical rock samples from a minor trial mine returned values of 12-20% Fe and 0.11-0.2% V_2O_5 ². Pursuit is currently undertaken rock chip sampling along the length of the magnetic anomaly. An heli-magnetic survey to define targets for a drill program to be undertaken early 2019, was completed in August 2018.

Sumåssjön Project

The Sumåssjön project area contains vanadium mineral occurrences and areas of historic mining activity. Seven drill holes have been previously drilled intersecting vanadium mineralisation over a strike length of 200m. Field work by Pursuit has not yet been conducted.

Kramsta Project

An historical Exploration Target of 10-12Mt @ 0.2-0.45% V_2O_5 , 3-5% Ti and 15-25% Fe has been estimated at the Kramsta Project.³ The historical Exploration Target reported for the Kramsta Project is conceptual in nature and there has been insufficient exploration work completed to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource. Pursuit's initial objective at the Kramsta Project will be to estimate a Mineral Resource in accordance with JORC (2012) and to ascertain the size of the mineralisation. Field work by Pursuit has not yet commenced.

AUSTRALIAN EXPLORATION PROJECTS*Paperbark Project*

The Paperbark project consists of two exploration permits located in Northwest Queensland covering an area of approximately 110km². The area is prospective for zinc and copper and host to the JB Prospect Resource (Inferred Mineral Resource of 10.4Mt @ 2.7% Zn, 0.2% Pb, 1g/t Ag at 1.5% Zn cut-off grade).

During the year, the Company undertook exploration programs at the Paperbark Project drilling program with the following objectives⁴:

- Investigate the variability and extent of the higher-grade zinc and lead mineralisation within the JB Zone Mineral Resource.
- Test the potential for substantial copper oxide and copper sulphide mineralisation to occur along the Grunter Fault.
- Determine if economic grades of zinc and lead mineralisation occur at the JE Zone and Stonemouse Prospects.

Drill testing completed during the 2018 resulted in the discovery of a new zinc mineral system at the JE zone. Follow up drilling was undertaken in 2019 to fully ascertain the potential of this new zinc system.

During the year Pursuit drilled nine holes at the Paperbark for a total of 2,627 metres. Results from the drill holes suggest that the JB and JE Zones may form part of one larger mineral system. Consequently, the potential to extend the JB Zone Mineral Resource is significant.

Geological and geochemical data from drill hole PB07-18 suggests it is highly probable that the zinc-lead mineralisation of the JB Zone extends at least 90 metres to the southeast of the existing Mineral Resource.

Best intervals from hole PB07-18 included:

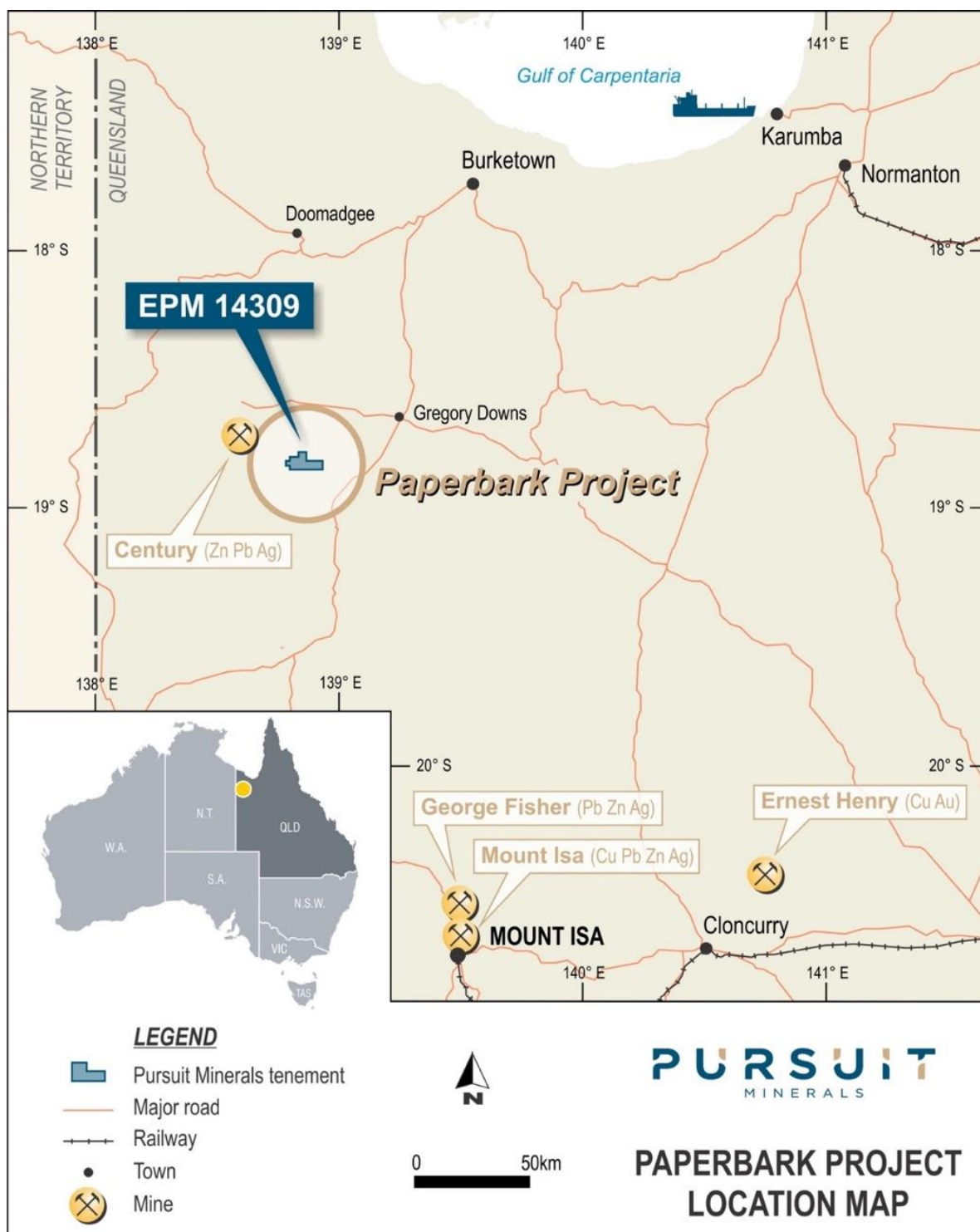
- 18m @ 1.59% Zn & 0.01% Pb (1.6% Zn+Pb) from 168m; including:
 - 5m @ 3.13% Zn and 0.03% Pb (3.16% Zn+Pb) from 168m
- 14m @ 0.84% Zn and 0.14% Pb (0.98% Zn+Pb) from 122m; including:
 - 6m @ 1.65% Zn & 0.17% Pb (1.82% Zn+Pb) from 126m
- 3m @ 2.81% Zn & 2.24% Pb (5.05% Zn+Pb) from 209m

The results for hole PB07-18 followed similar encouraging assays received for drill hole PB05-18 at the southern edge of the JE Zone, which intersected zinc and lead mineralisation over a 53m down hole interval from 201m, with zinc+lead values up to 3.5%. The hole lies 750m south-east of the current eastern limit of the JB Mineral Resource.

Assay results for PB06-18, within the JE Zone, and PB09-18, between the JE and JB Zones, also produced mineralised intervals.

⁴ Refer ASX Announcement dated 21 December 2017. The Company is not aware of any new information or data that materially affects the information contained in that announcement.

Figure Seven – Paperbark Project



The fifth hole in the 2018 campaign (PB08-18) was drilled at the Grunter North prospect to assess the potential for economic copper oxide or copper sulphide deposits. The hole produced an interval of 7m @ 0.33% Cu from 151m.

For full results from the 2018 drilling campaign, please refer to the following ASX releases (The Company is not aware of any new information or data that materially affects the information contained in these releases):

- *July 18, 2018. Drilling Significantly Extends JB Zone Zinc-Lead Mineralisation on the Paperbark Project*
- *June 12, 2018. JE Zone on the Paperbark Project Confirmed as a Major New Area of Zinc-Lead Mineralisation*
- *June 4, 2018. Follow Up Drilling Highlights Potential to Further Extend the JB Zone Zinc Mineral Resource on the Paperbark Project*

Bluebush Project

The Bluebush project, also located in Northwest Queensland (72km northeast of the Century Mine), consists of two exploration permits covering an area of approximately 214km², within which low grade or anomalous zinc mineralisation has been intersected over an area of 120 km², making this probably one of the largest areas of zinc mineralisation in Australia.

In the first half of the year, the Company completed a five-hole drill program on the Bluebush Project, for a total of 1482.2m. Five drill holes were drilled into five potentially separate third-order sub-basins, where SEDEX style mineralisation could have been concentrated and focussed. The overall objective of the drilling program was then to select one of these third-order sub-basins for more detailed work and drilling in 2018, provided the drilling showed evidence of increased grade zinc mineralisation, in comparison to the zinc mineralisation across the broader Bluebush sub-basin.

The results of this program identified an area of enhanced grade SEDEX style zinc mineralisation in the north-west sector of the project area. Consequently, the Bluebush drilling program achieved its objective of defining an area of the project warranting more focused work and follow up drilling.⁵

In June 2018, Pursuit commenced a four-hole drilling program for a total of 1,669.5 metres. The goal of the drilling campaign is to determine if a globally significant, economic, deposit of SEDEX style zinc mineralisation lies in the north-west sector of the Bluebush project area.

Coober Pedy Project

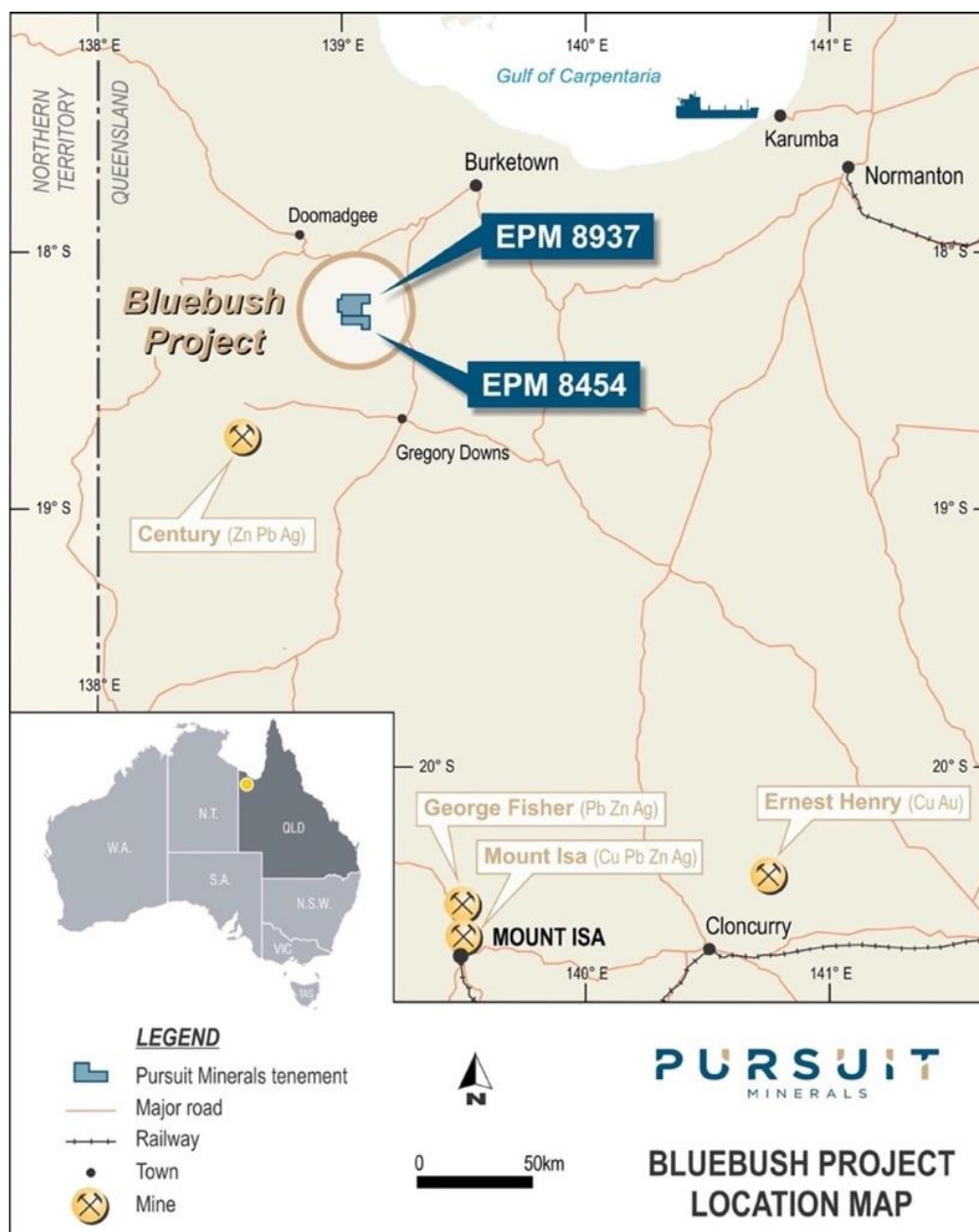
The project is in central South Australia. It consists of two exploration licences covering an area of approximately 424km² and prospective for Iron Oxide Copper Gold (IOCG) mineralisation. Previous drilling at the Cyclops Target intersected some rocks with alteration of the type occurring at the world-class Prominent Hill and Olympic Dam mines.

Age dating of rock alteration and/or mineralisation from existing drill core will be undertaken and if determined to be in the prospective time window for IOCG mineralisation, further drilling will be undertaken to ascertain if a Prominent Hill style deposit occurs at Cyclops.

No exploration activity was undertaken on the Coober Pedy Project during the period as the Company's exploration activities were focussed on the Bluebush and Paperbark projects.

⁵ Refer ASX Announcement dated 1 November 2017. The Company is not aware of any new information or data that materially affects the information contained in that announcement.

Figure Eight – Bluebush Project



REVIEW OF RESULTS

The loss after tax for the year ended 30 June 2018 was \$3,510,282 (2017: \$689,398). The significant items affecting the loss after tax were:

- Performance rights issued to Directors and third-party consultants were recognised in accordance with the requirements of AASB 2 Share Based Payments, totalling \$2,000,000.
- Administrative and operating expenses totalling \$779,280 reflecting the increase in the nature and scope of the Company's activities following the acquisition of the exploration tenements from Teck Australia Pty Ltd and the related equity raising.

- c) New business development costs of \$145,850 for the investigation of new project opportunities.
- d) Impairment charges totalling \$463,712 in relation to capitalised exploration and evaluation expenditure.
- e) The Company incurred capitalised exploration and evaluation expenditure totalling \$3,259,301 in relation to the exploration programs described above, in addition to the acquisition value for the exploration tenements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period the Company completed the following:

- a) Changed its name from Burrabulla Corporation Limited to Pursuit Minerals Limited on 21 August 2017;
- b) Completed a public offer on 18 August in which 30,000,000 Shares were issued at a price of \$0.20 per share raising \$6,000,000;
- c) In addition to the securities issued, as approved by the Company's shareholders, the following additional securities were issued:
 - o 1,500,000 Shares and 1,500,000 options to purchase Shares (Options) to the lender under a convertible loan agreement, which converted into Shares and Options at settlement of the Acquisition;
 - o 4,000,000 Shares to seed capital investors, who advanced funds to the Company under convertible loan agreements, which converted into Shares at settlement of the Acquisition;
 - o 24,000,000 performance rights to directors, proposed directors and a contractor of the Company (or their nominee(s)); and
 - o 15,000,000 Options to brokers (or their nominee(s)) in consideration for broking services provided to the Company.
- d) On 21 August 2017 the Company completed the acquisition of 100% interests in three highly prospective base metals projects owned by Teck Australia Pty Ltd (Teck) (the Acquisition). The Company issued 13,008,723 fully paid ordinary shares in the Company (Shares) to Teck in part consideration under the Acquisition;
- e) On 21 August 2017, Jeremy Read and Ian Wallace were appointed as directors of the Company and James Ellingford resigned;
- f) On 23 August 2017, the Company was granted Reinstatement to Official ASX Quotation. The quotation of the Company's securities commenced on 25 August 2017; and
- g) An interest-bearing loan of \$150,000 was made to the Company on 19 July 2017 and was repaid by the Company on 22 August 2017.
- h) In April 2018, Pursuit Minerals completed a major expansion of its project portfolio securing exciting, advanced vanadium projects in Finland and Sweden.
- i) The Company completed a share placement on 7 June 2018 in which 16,100,045 fully paid ordinary shares were issued at \$0.10 per share to raise \$1.61m before issue costs.

DIVIDENDS

No dividends were paid during the year and no recommendation is made as to payment of dividends.

EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Following the completion of the Group's acquisition of the vanadium projects in Sweden and Finland, it is anticipated that the short-term focus of the Group will continue to be the exploration of these projects.

PERFORMANCE RIGHTS

The following Performance Rights were issued by the Company during the period.

Class A	Class B	Class C
# Performance Rights	# Performance Rights	# Performance Rights
8,000,000	8,000,000	8,000,000

As at the date of this report, the performance milestone for Class A has been met. On 25 August 2018, being 12 months after the Reinstatement Date, the Class A Performance Rights vested but will remain subject to ASX imposed mandatory trading restrictions until 14 August 2019.

Performance milestones are set out as follows:

Class A	The Company (or a subsidiary) still holds at least one of the Projects and has completed a minimum of 3,000m of drilling at the Paperbark Project, the Bluebush Project or both (as required by the Agreement) 12 months after the Reinstatement Date, or, the volume weighted average price of Shares as traded on ASX over 20 consecutive trading days is not less than \$0.30 within 12 months after the Reinstatement Date.
Class B	Zinc mineralisation of greater than 10m thickness with zinc equivalent grade of 10% or higher is intersected on the Bluebush Project within 24 months after the Reinstatement Date, or, a positive Scoping Study is completed and the Board resolves to commence a Pre-Feasibility Study on the Paperbark Project within 24 months after the Reinstatement Date, or, the volume weighted average price of Shares as traded on ASX over 20 consecutive trading days is not less than \$0.40 within 24 months after the Reinstatement Date.
Class C	A Mineral Resource is delineated on any Project of equal to or greater than 450,000t of contained zinc equivalent metal within 36 months after the Reinstatement Date, or, the volume weighted average price of Shares as traded on ASX over 20 consecutive trading days is not less than \$0.50 within 36 months after the Reinstatement Date.

SHARE OPTIONS

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant Date	Vest Date	Expiry Date	Exercise price of options	Number under options
14/8/2017	14/08/2017	28/02/2021	\$0.20	1,500,000
14/8/2017	14/08/2017	14/08/2021	\$0.20	15,000,000
				<u>16,500,000</u>

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

No shares were issued during the financial year as a result of the exercise of options.

ENVIRONMENTAL REGULATION

The Company was not subject to any significant environmental regulation under a law of the Commonwealth of a State or Territory of Australia.

SCHEDULE OF TENEMENTS

As at 30 June 2018 the Group had interests in the following mineral exploration licences:

Project	Tenement	Location	Area (km ²)	Expiry Date
Paperbark	EPM 14309	Queensland	75	12/9/22
Bluebush	EPM 8937	Queensland	144	6/9/19
Bluebush	EPM 8454	Queensland	70	11/11/19
Coober Pedy	EL 5982	South Australia	215	23/5/19
Coober Pedy	EL 5983	South Australia	209	23/5/19
Karhujupukka	Karhujupukka	Finland	398.76	29/3/20
Koitelainen	Koitelainen A	Finland	44.42	29/3/20
Koitelainen	Koitelainen B	Finland	86.18	29/3/20
Simesvallen	Simesvallen nr 100	Sweden	63.00	20/6/21
Kullberget	Kullberget nr 100	Sweden	81.40	20/6/21
Kramsta	Kramsta nr 100	Sweden	15.50	20/6/21
Sumåssjön	Sumåssjön nr 1	Sweden	37.31	21/6/21
Airijoki	Airijoki nr 100	Sweden	3.60	27/6/21

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2018 has been received and is included within the financial statements.

REMUNERATION REPORT

Introduction

The Directors present the Remuneration Report for the Consolidated Entity for the year ended 30 June 2018. This Remuneration Report forms part of the Directors' Report in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Parent Entity.

Remuneration Policy

The remuneration policy of the Company has been designed to align KMP objectives with Shareholders' interests and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Entity's financial results. The Board believes that the remuneration policy is appropriate and effective in its ability to attract and retain the best KMP to run and manage the Consolidated Entity, as well as create goal congruence between Directors, Executives and Shareholders.

The table below shows for the current financial year and previous four financial years the total remuneration cost of the key management personnel, earnings per ordinary share (EPS), dividends paid or declared, and the closing price of ordinary shares on ASX at year end.

	Total Remuneration \$	EPS (Cents)	Dividends (Cents)	Share Price (Cents)
2018	765,866	(5.02)	-	8.8
2017	252,884	(4.09)	-	n/a [#]
2016	89,209	0.42	-	n/a [#]
2015	2,220,991	(171.18)	-	n/a [#]
2014	3,068,922	(7.23)	-	113.5

[#]The Company's shares were suspended from trading on the ASX from 22 May 2015 to 23 August 2017.

Given the stage of the Company's development and the fact that it does not currently have any revenue producing operations, the Board does not consider EPS or dividends paid or declared to be meaningful measures for assessing executive performance.

Executive Directors and Key Management Personnel

The Board's policy for determining the nature and amount of remuneration for Executive Directors and Key Management Personnel of the Consolidated Entity was in place for the financial year ended 30 June 2018.

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

The Board's policy is to remunerate Executive Directors and Key Management Personnel based on market practices, duties and accountability. Independent external advice is sought when required.

Non-Executive Directors

The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is

subject to approval by Shareholders at the Annual General Meeting ("AGM"). The maximum aggregate amount of fees payable is currently \$750,000.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The fees paid to Non-Executive Directors are reviewed annually.

Use of Remuneration Consultants

To ensure the Board acting in its capacity as the Remuneration Committee is fully informed when making remuneration decisions, it may seek external remuneration advice. The Board did not engage external remuneration advice in 2018.

Remuneration Report Approval at FY2017 AGM

The remuneration report for the year ended 30 June 2017 was put to shareholders and approved at the Company's 2017 AGM held on 30 November 2017. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Share Trading and Margin Loans by Directors and Executives

Directors, executives and employees are prohibited from:

- a. Short term trading: trading in securities (or an interest in securities) on a short-term trading basis other than when a director, employee or executive exercises employee options or performance rights to acquire shares at the specified exercise price. Short-term trading includes buying and selling securities within a 3-month period, and entering into other short-term dealings (e.g. forward contracts).
- b. Hedging unvested awards: trading in securities which operate to limit the economic risk of an employee's holdings of unvested securities granted under an employee incentive plan; or
- c. Short positions: trading in securities which enable an employee to profit from or limit the economic risk of a decrease in the market price of shares.

KMP may not include their securities in a margin loan portfolio or otherwise trade in securities pursuant to a margin lending arrangement without first obtaining the consent of the Chairman. Such dealing would include:

- a. Entering into a margin lending arrangement in respect of securities;
- b. Transferring securities into an existing margin loan account; and
- c. Selling securities to satisfy a call pursuant to a margin loan except where they have no control over such sale.

The Company may, at its discretion, make any consent granted in accordance with the above paragraph conditional upon such terms and conditions as the Company sees fit (for example, regarding the circumstances in which the securities may be sold to satisfy a margin call).

Key management personnel

The following persons were key management personnel of the Group during the financial year (unless noted otherwise the persons listed were key management personnel for the whole of the financial year):

Name	Position Held
Peter Wall	Non-Executive Director
Adam Blumenthal	Non-Executive Director (resigned 1 May 2018)
Matthew O'Kane	Non-Executive Director (appointed 1 May 2018)
James Ellingford	Non-Executive Director (resigned 14 August 2017)
Jeremy Read	Managing Director (appointed 14 August 2017)
Ian Wallace	Executive Director (appointed 14 August 2017)
Elizabeth Hunt	Chief Financial Officer and Company Secretary (resigned 3 October 2017)
Stephen Kelly	Chief Financial Officer and Company Secretary (appointed 3 October 2017)

Details of Remuneration

Compensation paid, payable or provided by the Group or on behalf of the Group, to key management personnel is set out below. Key management personnel include all Directors of the Group and certain executives who, in the opinion of the Board and Managing Director, have authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.

		Fixed			STI	LTI		Proportion of Remuneration		
	Year	Salary fees and leave \$	Consultancy fees \$	Super-annuation ⁶ \$	Incentive Payments \$	Fair value of Performance Rights (equity settled) \$	Total \$	Fixed %	STI %	LTI %
Peter Wall	2018	60,000	-	-	-	500,000	560,000	42	-	58
	2017	60,000	-	-	-	-	60,000	100	-	-
Adam Blumenthal (resigned 1 May 2018)	2018	50,000	-	-	-	500,000	550,000	38	-	62
	2017	60,000	-	-	-	-	60,000	100	-	-
Matthew O'Kane (appointed 1 May 2018)	2018	10,000	-	-	-	-	10,000	100	-	-
	2017	-	-	-	-	-	-	-	-	-
James Ellingford ⁷ (resigned 14 August 2017)	2018	-	-	-	-	-	-	-	-	-
	2017	60,000	-	-	-	-	60,000	100	-	-
Total Non-Executive Directors	2018	120,000	-	-	-	1,000,000	1,120,000			
	2017	180,000	-	-	-	-	180,000			
Jeremy Read (appointed 14 August 2017)	2018	205,539	-	19,526	-	500,000	725,065	64	-	36
	2017	-	-	-	-	-	-	-	-	-
Ian Wallace (appointed 14 August 2017)	2018	31,385	-	2,982	-	250,000	284,367	46	-	54
	2017	-	-	-	-	-	-	-	-	-
Total Executive Directors	2018	236,924	-	22,508	-	750,000	1,009,432			
	2017	-	-	-	-	-	-			

⁶ Includes superannuation payment in Australia and any voluntary fee sacrifice to superannuation.

⁷ \$85,000 of director fees owed to James Ellingford as at 30 June 2017 were forgiven during the 2018 year.

		Fixed			STI	LTI	Total \$	Proportion of Remuneration		
		Salary fees and leave \$	Consultancy fees \$	Super- annuation ⁶ \$	Incentive Payments \$	Fair value of Performance Rights (equity settled) \$		Fixed %	STI %	LTI %
Elizabeth Hunt (resigned 3 October 2017)	2018	-	40,816	-	-	-	40,816	100	-	-
	2017	-	72,884	-	-	-	72,884	100	-	-
Stephen Kelly (appointed 3 October 2017)	2018	-	58,150	-	-	-	58,150	100	-	-
	2017	-	-	-	-	-	-	-	-	-
Total KMP	2018	-	98,966	-	-	-	98,966			
	2017	-	72,884	-	-	-	72,884			
TOTAL REMUNERATION	2018	356,924	98,966	22,508	-	1,750,000	2,228,398			
	2017	180,000	72,884	-	-	-	252,884			

Service Agreements

The Company has entered into executive services agreements with key management personnel.

Jeremy Read

- Position: Managing Director.
- Commencement Date: The date of reinstatement of the Company's securities to official quotation on the ASX, following completion under the Acquisition Agreement.
- Term: Two years from the Commencement Date (at which point the parties may mutually agree to extend the agreement for an additional 12 months), unless validly terminated prior.
- Notice period: The Company must give 6 months' notice to terminate the agreement other than for cause. The executive must give 3 months' notice to terminate the agreement.
- Salary: \$240,000 per annum (plus superannuation), inclusive of director's fees.
- Bonuses: The Company may, at any time during the Term, pay to Mr Read a performance-based bonus of an additional \$30,000, subject to Mr Read achieving certain milestones as agreed between him and the Company. In determining the milestones, the Board shall take into consideration the key performance indicators of the executive and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.
- Performance Rights: Following the Commencement Date, in accordance with Shareholder approval, the Company issued to Mr Read 6,000,000 Performance Rights (equally across the three classes).
- Expenses: The Company will reimburse Mr Read for all reasonable expenses incurred by him in the performance of his duties in connection with the Company. The agreement otherwise contains leave entitlements, termination and confidentiality provisions and general provisions considered standard for an agreement of this nature.

Ian Wallace

- Position: Executive Director
- Commencement Date: The date of reinstatement of the Company's securities to official quotation on the ASX, following completion under the Acquisition Agreement.

- Term: Two years from the Commencement Date (at which point the parties may mutually agree to extend the agreement for an additional 12 months), unless validly terminated prior.
- Notice period: The Company must give 1 months' notice to terminate the agreement other than for cause. The executive must give 1 months' notice to terminate the agreement.
- Salary: Mr Wallace will receive director's fees of \$3,000 per month (plus superannuation) and is also engaged as a consultant to the Company on a part-time basis (for a minimum average of two days per month with additional days subject to prior Board approval) at a rate of \$750 per day.
- Performance Rights: Following the Commencement Date, in accordance with Shareholder approval, the Company issued to Mr Wallace 3,000,000 Performance Rights (equally across the three classes).
- Expenses: The Company will reimburse Mr Wallace for all reasonable expenses incurred by him in the performance of his duties in connection with the Company.

Stephen Kelly

The Company has entered into a Consultancy Agreement with KCG Advisors Pty Ltd pursuant to which Mr Kelly is engaged to provide Chief Financial Officer and Company Secretarial services to the Company effective from 3 October 2018. The key terms of the Agreement are:

- KCG Advisors Pty Ltd to receive \$225 per hour, exclusive of GST, for services provided by Mr Kelly.
- Unless otherwise agreed between the parties, a monthly cap of \$6,750, exclusive of GST, will apply to payments to KCG Advisors Pty Ltd; and
- The Agreement may be terminated by either party at any time on the giving of not less than one month's notice in writing.

Share Based Compensation

No unlisted share options were held by directors or key management personnel during the year ended 30 June 2018.

During the year the following Performance Rights were issued to directors and key management personnel:

	Balance at 30 June 2017	Grant Date	Granted as Remuneration	Fair Value OF Performance Rights at Grant Date	Exercised or (lapsed)	Held when ceasing to be a KMP	Balance at 30 June 2018
Non-Executive Directors							
Peter Wall	-	14-Aug-17	6,000,000	\$500,000	-	-	6,000,000
Adam Blumenthal ¹ (resigned 1 May 2018)	-	14-Aug-17	6,000,000	\$500,000	-	6,000,000	-
Matthew O'Kane	-	-	-	-	-	-	-
Total Non-Executive Directors	-	-	12,000,000	\$1,000,000	-	-	6,000,000
Executive Directors							
Jeremy Read	-	14-Aug-17	6,000,000	\$500,000	-	-	6,000,000
Ian Wallace	-	14-Aug-17	3,000,000	\$250,000	-	-	3,000,000
Total Executive Directors	-	-	9,000,000	\$750,000	-	-	9,000,000
KMP							
Total	-	-	21,000,000	\$1,750,000	-	-	15,000,000

Loans to key management personnel

There were no loans to key management personnel at any time during the financial year.

Other transactions with Key Management Personnel

- i. During the year, the Company repaid a \$30,000 loan to Peter Wall which had been made to assist with working capital purposes.
- ii. Steinepreis Paganin, a company of which the Director, Mr Peter Wall is a Partner, was paid or due to be paid an aggregate amount of \$62,281 (2017: \$245,152) for legal services rendered.
- iii. Everblu Capital, a company of which the Director, Mr Adam Blumenthal is a Director was paid an aggregate amount of \$445,300 for services rendered in relation to the Capital Raising. In addition, Everblu Capital was issued 15,000,000 unlisted options in consideration for broking services provided to the Company.
- iv. Prior to entering the executive services agreement, Mr Jeremy Read was paid \$13,687 for consulting fees during the Company's re-listing and capital raising.
- v. Mr Ian Wallace was paid \$31,500 for resource development consulting services.

- End of Audited Remuneration Report -**Insurance of officers**

To the extent permitted by law, the Company has indemnified (fully insured) each director and the secretary of the Company. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Company or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities

Proceedings on behalf of the Group

The Group is not aware that any person has applied to the court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings in which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

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

Non-audit Services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group and/or the Group are important. No non-audit assignments were engaged with the auditor during the year (2017: none)

Details of the amounts paid or payable to the auditor, Bentleys (WA) Pty Ltd for audit services provided during the year are set out in note 8 to the financial report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to this report.

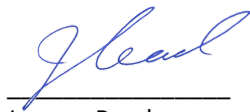
Auditor

Bentleys Audit & Corporate (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of amounts in accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2017/191

The amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

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



Jeremy Read
Managing Director

7 September 2018

**Bentleys Audit & Corporate
(WA) Pty Ltd**

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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 Pursuit Minerals 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 7th day of September 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018



	Note	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
Other income	3	26,702	-
Administrative and other expenses	4	(779,280)	(581,074)
Business development costs	5	(145,850)	(76,272)
Impairment of exploration and evaluation expenditure	12	(463,712)	-
Depreciation		(2,158)	(112)
Share based payments	17	(2,175,500)	-
Finance income / (expense)	6	29,516	(31,940)
Loss before tax		(3,510,282)	(689,398)
Income tax benefit/(expense)	7	-	-
Net loss for the year from operations		(3,510,282)	(689,398)
Other comprehensive income		-	-
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
Exchange differences on translation of foreign operations		(2,748)	-
Total comprehensive loss for the year		(3,513,030)	(689,398)
Loss attributable to:			
Owners of the parent		(3,510,282)	(689,398)
		(3,510,282)	(689,398)
Total comprehensive loss attributable to:			
Owners of the parent		(3,513,030)	(689,398)
		(3,513,030)	(689,398)
Basic and diluted (loss) per share (cents)	9	(5.86)	(4.09)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018



	Note	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	10	2,624,043	577,272
Trade and other receivables	11	127,976	44,100
Prepayments		100,981	10,702
Total Current Assets		2,853,000	632,074
Non-Current Assets			
Exploration and evaluation assets	12	5,747,334	100,000
Plant and equipment	13	15,736	3,432
Total Non-Current Assets		5,763,070	103,432
Total Assets		8,616,070	735,506
LIABILITIES			
Current Liabilities			
Trade and other payables	14	1,018,413	857,895
Interest bearing loans and borrowings	15	-	550,000
Total Current Liabilities		1,018,413	1,407,895
Total Liabilities		1,018,413	1,407,895
Net (Deficiency)/Assets		7,597,657	(672,389)
EQUITY			
Contributed equity	16	56,470,686	48,843,110
Share based payments reserve	17	7,357,674	3,202,174
Foreign currency translation reserve		(2,748)	-
Accumulated losses	18	(56,227,955)	(52,717,673)
Total Equity		7,597,657	(672,389)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**



Consolidated Entity

	Contributed Equity \$	Share Based Payment Reserve \$	Foreign currency translation reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2017	48,843,110	3,202,174	-	(52,717,673)	(672,389)
(Loss) for the year	-	-	-	(3,510,282)	(3,510,282)
Other comprehensive income	-	-	(2,748)	-	(2,748)
Total comprehensive loss for the year	-	-	(2,748)	(3,510,282)	(3,513,030)
Transactions with owners in their capacity as owners:					
Shares issued during the year	10,761,750	-	-	-	10,761,750
Reduction in shares applied for but not issued	(561,000)	-	-	-	(561,000)
Share issue expenses	(2,573,174)	-	-	-	(2,573,174)
Options and performance rights issued	-	4,155,500	-	-	4,155,500
Balance at 30 June 2018	56,470,686	7,357,674	(2,748)	(56,227,955)	7,597,657
Balance at 1 July 2016	48,539,000	3,202,174	-	(52,028,275)	(287,101)
(Loss) for the year	-	-	-	(689,398)	(689,398)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(689,398)	(689,398)
Transactions with owners in their capacity as owners:					
Security issue expenses	(256,890)	-	-	-	(256,890)
Shares applied for but unissued	561,000	-	-	-	561,000
Balance at 30 June 2017	48,843,110	3,202,174	-	(52,717,673)	(672,389)

The accompanying notes form part of these financial statements.

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



		Consolidated 30 June 2018 \$ Inflows/ (Outflows)	Consolidated 30 June 2017 \$ Inflows/ (Outflows)
Cash flows from operating activities			
Rental income received		20,782	-
Payments to suppliers and employees		(1,583,974)	(455,447)
Interest paid		(1,440)	(984)
Interest received		5,920	-
Net cash used in operating activities	20(b)	(1,558,712)	(456,431)
Cash flows from investing activities			
Payments for plant and equipment		(14,462)	(3,544)
Payment for exploration and evaluation assets		(2,554,665)	(29,852)
Net cash used in investing activities		(2,569,127)	(33,396)
Cash flows from financing activities			
Proceeds from share issues		7,049,005	561,000
Costs of issuing equity		(871,232)	(45,732)
Proceeds from borrowings		180,000	550,000
Repayment of borrowings		(180,000)	-
Net cash provided from financing activities		6,177,773	1,065,268
Net increase in cash held		2,049,934	575,441
Cash and cash equivalents at beginning of the period		577,272	1,831
Foreign exchange difference on cash and cash equivalents		(3,163)	-
Cash and cash equivalents at end of the period	20(a)	2,624,043	577,272
Non-cash financing and investing activities	20(c)		

The accompanying notes form part of these financial statements.

1. Corporate information

This annual report covers Pursuit Minerals Limited (formerly Burrabulla Corporation Limited, the “Company”), a company incorporated in Australia, and the entities it controlled at the end of, or during, the year ended 30 June 2018 (the “Consolidated Entity”). The presentation currency of the Consolidated Entity is Australian Dollars (“\$”). A description of the Consolidated Entity’s operations is included in the review and results of operations in the Directors’ report. The Directors’ report is not part of the financial statements. The Company is an Australian incorporated public company limited by shares whose shares are traded under the ASX code “PUR”.

2. Accounting policies

Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with the other requirements of the law. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial standards were authorised for issue by the Directors on 7 September 2018.

Basis of preparation

The consolidated general purpose financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB2 and measurements that have some similarities to fair value but are not fair value such as value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3

based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Going Concern

As at 30 June 2018 the Consolidated Entity had cash reserves of \$2,624,043, net working capital of \$1,834,587 and net assets of \$7,597,657. The company generated negative cash flows from operating and investing activities of \$4,127,839 for the year ended 30 June 2018.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the following:

- the successful exploration and subsequent exploitation of the Consolidated Entity's tenements; and
- the ability of the Company to raise additional funding in the future to fund those exploration programs.

These conditions give rise to material uncertainty which may cast significant doubt over the Consolidated Entity's ability to continue as a going concern.

Based on the success of previous capital raisings combined with the potential to attract farm-in partners for projects and / or the potential sale of the current portfolio of exploration assets held, the Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Directors are confident of securing funds as and when necessary to meet the Consolidated Entity's obligations as and when they fall due.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.

a) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company at the end of the reporting period. A controlled entity is any entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries more than half of the voting power of the entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. The Company and its controlled entities together are referred to as the Consolidated Entity. The effects of all transactions between entities in the Consolidated Entity are eliminated in full. Where control of an entity is obtained during a financial year, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

b) Significant management judgement in applying accounting policies and estimate uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

Exploration and evaluation expenditure

The application of the Consolidated Entity's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Share based payments

The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Fair value is calculated using the Black Scholes valuation model, taking into account the terms and conditions upon which the options were granted. The assumptions used in these valuation models are set out in note 17.

Where the vesting of share-based payments contains performance based and market-based milestones, in estimating the number and fair value of the equity instruments issued, the Group assesses the probability of the milestones being met, and therefore the probability of the instruments vesting. Management applies judgement to arrive at the probabilities that are applied to these instruments. These estimates will be adjusted over time to reflect actual performance and management's best estimates of the conditions being met.

Acquisition of the Teck assets

On 21 August 2017 the Company completed the acquisition of 100% interests in three highly prospective base metals projects owned by Teck Australia Pty Ltd (Teck) (the Acquisition). The Company issued 13,008,723 fully paid ordinary shares in the Company to Teck in part consideration under the Acquisition. The acquisition also included the issue of lender options (in consideration for the conversion of a loan outstanding for an amount of \$150,000); performance rights (issued to directors and consultants as part of agreed remuneration in relation to the transaction); and broker options (issued to the brokers).

In determining the fair value of these options and performance shares issued management has applied judgement. Assumptions and estimates used in the recognition of these transactions has been disclosed in note 17.

Deferred tax assets

No members of the Group have generated taxable income in the financial year and as such the Group continues to carry forward tax losses that give rise to deferred tax assets. Given that the Group's projects remain in early exploration stages, it is unlikely that the Group will generate taxable income in the foreseeable future in the absence of asset sales.

Taking account of the above, the deferred tax assets have not been recognised in the financial statements as management does not believe that the members of the Group satisfy the criteria set out in paragraph 35 of AASB 112 that the Group is yet to earn taxable income.

c) Changes in accounting policies

There have been no changes to the accounting policies during the year other than for standards which were early adopted. These are detailed below.

d) New accounting standards and interpretations

New, revised or amending accounting standards and interpretations adopted

The Company is required to change some of its accounting policies as the result of new or revised accounting standards which became effective for the annual reporting period commencing on 1 January 2017. The affected policies and standards are:

- AASB 2016-1 Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107
- AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle

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

Early adopted standards

AASB 9 Financial Instruments (effective from 1 January 2018)

The Group has elected to apply AASB 9 Financial Instruments as issued in December 2014, from 1 July 2017. In accordance with the transitional provisions in AASB 9, comparative figures have not been restated. The adoption of AASB 9 did not result in a change to the recognition or measurement of financial instruments for the Group as presented in the financial report. The Group will continue to recognise and measure financial instruments at amortised cost.

As a result of adopting AASB 9, no changes have been made to the Group's accounting policies.

New accounting standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 15 Revenue from contracts with customers (effective from 1 January 2018)

AASB 15 Revenue from contracts with customers will replace AASB 118 Revenue and introduces a new framework based on a five-step process where revenue is recognised for each distinct performance obligation, at the point control of the good or service passes to the customer. This replaces the previously applied risks and rewards approach under AASB 15. Pursuit Minerals is an exploration entity and does not currently produce any saleable product.

Rental income is earned under two sublease agreements. This income is currently accounted for in accordance with AASB 117 Leases, with the impacts of the new accounting standard AASB 16 considered below.

The entity has assessed that the initial application of this standard will have no impact on the Company.

AASB 16 Leases (effective from 1 January 2019)

AASB 16 Leases will replace AASB 117 Leases and removes the distinction between operating and financing leases and introduces a single framework which results in the lessee being required to recognise all leases with a term longer than 12 months on the balance sheet. This is presented in the balance sheet as a right to use asset being the leased item, and financial liability being the lease payments over the term of the lease. For operating leases, the cost of these leases will then be presented as amortisation of the leased asset and interest expense as the discount rate on the liabilities unwind, rather than operating cash costs as the current approach under AASB 117.

As at 30 June 2018 the Group has entered into lease arrangements for office premises in Brisbane, Australia ("head lease") and sub-leases for defined areas of the office to two parties. Currently the Group accounts for these lease arrangements as operating leases and records rental payments under the lease as an expense when incurred, or as rental income for the sub-leases. No lease asset or lease liability is recognised by the Group.

Under the new standard the head lease will be accounted for as a finance lease. In the Statement of Financial Position, the Company will recognise a right-of-use asset and a lease liability (calculated as the present value of the future rentals, discounted using an applicable rate). As at 30 June 2018, the Group estimates that a lease asset of approximately \$67,593 and a lease liability of approximately \$66,850 would have been recognised had the new standard been early adopted by the Group.

Subsequent to initial measurement, the Company will depreciate the right-of-use asset in accordance with the depreciation requirements in AASB 116 whilst the lease liability will be increased to reflect the interest on the liability and reduced over the term of the lease by the fixed lease payments.

The subleases are required to be recognised separately to the head lease. The subleases do not transfer substantially all the risks and rewards incidental to ownership of the underlying asset and therefore will be classified by the Company as operating leases, in accordance with the AASB requirements. Pursuit will continue to recognise rental income for these arrangements.

The Group's mineral exploration licences are outside of the scope of the standard and will continue to be accounted for under AASB 6 Exploration for and Evaluation of Mineral Resources.

AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions (effective 1 January 2018)

The amendments made to AASB2 clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled.

The Group has various share-based payment arrangements. All arrangements are recognised and accounted for as equity-settled share-based payment transactions. The Group does not have any cash-settled share-based payments nor does it have equity-settled awards that include net settlement features relating to tax obligations.

The amendments to AASB 2 therefore have no impact on the Group.

	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
3. Other income		
Interest income	5,920	-
Rental income	20,782	-
	<u>26,702</u>	<u>-</u>

Rental income represents income received from the partial sub-letting of office premises leased by the Company.

Accounting policy

Revenue is recognised and measured at the fair value of consideration received or receivable to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
4. Administrative and other expenses		
Accounting fees	54,418	2,520
Auditors' remuneration	40,358	32,000
Costs of compliance listing on ASX	-	153,609
Consulting fees	137,828	15,515
Directors and Key Management Personnel remuneration	322,425	252,884
Rent	42,897	880
Legal fees	78,279	625
Travel and accommodation	3,298	20,280
Other administrative expenses	99,777	102,781
	<u>779,280</u>	<u>581,074</u>

	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
5. Business Development Costs		
New project generation costs	<u>145,850</u>	<u>76,272</u>
Business development costs includes expenditure incurred for preliminary assessment of potential mineral resources, including an internal cost allocation for management's fees.		
6. Finance Costs		
Interest expense/(income)	<u>(29,516)</u>	<u>31,940</u>
Finance costs includes a reversal of prior year over accrual of \$30,956.		
7. Income tax benefit/(expense)		
(a) Income tax benefit		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
(b) Deferred income tax/(revenue)		
Deferred income tax/(revenue) included in tax expense comprises:		
(Increase)/decrease in deferred tax assets	-	-
Increase/(decrease) in deferred tax liabilities	-	-
	<u>-</u>	<u>-</u>
(c) Reconciliation of income tax expense to prima facie income tax		
Loss before income tax from continuing operations	<u>(3,510,282)</u>	<u>(689,398)</u>
Tax at the Australian tax rate of 27.5% (2017: 30%)	<u>(965,327)</u>	<u>(206,819)</u>
Increase / (decrease) in income tax due to tax effect of:		
Different tax rates in other jurisdictions	973	-
Deductible capital raising costs	(59,563)	(29,606)
Non-deductible share-based payments expense	598,263	-
Movement in unrecognised temporary differences	<u>425,654</u>	<u>236,426</u>
	<u>-</u>	<u>-</u>

	Consolidated 30 June 2018	Consolidated 30 June 2017
	\$	\$
(d) Deferred tax assets / liabilities comprise		
Accruals	6,531	94,587
Unrealised foreign exchange gains	-	-
Capitalised exploration and evaluation expenditure	(801,892)	-
Prepayments	(1,689)	(2,943)
Tax losses available for offset against future taxable income	5,190,840	3,877,878
Net deferred tax assets not recognised	<u>4,393,790</u>	<u>3,969,522</u>

(e) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

- Temporary differences and tax losses at 27.5% (2017: 30%)	<u>4,393,790</u>	<u>3,969,522</u>
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Accounting policy

Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are recognised for all taxable temporary differences:

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred income tax to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and services and sales tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of the asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
8. Auditor's remuneration		
Audit and review of the financial report:		
Bentleys	33,828	17,950
Ernst & Young	6,530	14,050
	40,358	32,000

9. Earnings/(loss) per share

The following reflects the earnings/(loss) and number of shares used in the calculation of the basic and diluted earnings/(loss) per share.

Basic earnings/(loss) per share (cents per share)	(5.86)	(4.09)
Diluted earnings/(loss) per share (cents per share)	(5.86)	(4.09)
Net profit/(loss) attributable to ordinary shareholders (\$)	(3,510,282)	(689,398)
	Shares	Shares
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings/(loss) per share	59,916,971	16,861,745

The weighted average number of ordinary shares outstanding during the period and for all periods presented has been adjusted for the share consolidation which occurred on 4 July 2017.

Options issued during the period have not been included in the determination of diluted earnings per share as they are not 'in the money' at reporting date and therefore are not considered to be potential ordinary shares.

Accounting policy

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), dividend by the weighted average number of ordinary shares, adjusted for any bonus element. The diluted earnings per share is calculated as net profit or loss attributable to members of the parent dividend by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element. The weighted average number of shares was based on the consolidated weighted average number of shares in the reporting period. The net profit or loss attributable to members of the parent is adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after-tax effect if dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares.

	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
10. Cash and cash equivalents		
Cash at bank	2,624,043	577,272
	2,624,043	577,272

Accounting policy

Cash and cash equivalents include cash on hand and in the bank, and other short-term deposits with an original maturity of three months or less. Bank overdrafts are shown separately in current liabilities on the Statement of Financial Position. For the purposes of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts.

11. Trade and other receivables

Goods and services tax receivable	97,420	43,022
Other receivables	30,556	1,078
	127,976	44,100

Other receivables include deposits paid for office bonds.

12. Exploration and evaluation assets

Balance at beginning of year	100,000	-
Acquisition cost	2,851,745	100,000
Exploration expenditure during the period	3,259,301	-
Impairment	(463,712)	-
	5,747,334	100,000

During the year the Consolidated Entity completed the acquisition of 100% interests in three base metal projects from Teck Australia Pty Ltd. The consideration paid by the Consolidated Entity was as follows:

- \$100,000 paid on signing of the acquisition agreement (paid pre-30 June 2017);
- \$250,000 paid on completion of the acquisition; and
- 13,008,723 shares issued to Teck at an issue price of \$0.20 per share for a total value of \$2,601,745.

During the period the Company impaired the following exploration and evaluation expenditure:

- an amount of \$4,628 following a decision by the Board of Directors to surrender EPM25191 as it was not considered necessary for the future exploration programs to be conducted on the Paperbark project; and

- an amount of \$459,084 in relation to the Coober Pedy project as the Company does not have any plan to undertake further exploration and evaluation activity on the project.

The ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Accounting policy

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. A regular review for impairment is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

13. Plant and equipment

	Office Equipment \$	Plant and Equipment \$	Total \$
Carrying value at 30 June 2016	-	-	-
Additions	3,544	-	3,544
Depreciation	(112)	-	(112)
Carrying value at 30 June 2017	3,432	-	3,432
Additions	9,162	5,300	14,462
Depreciation	(1,894)	(264)	(2,158)
Carrying value at 30 June 2018	10,700	5,036	15,736

Accounting policy

Property, plant and equipment are recorded at historical cost less accumulated depreciation and any impairment. The carrying value of assets is reviewed for impairment at the reporting date. An asset is immediately written down to its recoverable amount if the carrying value of the asset exceeds its estimated recoverable amount. The depreciation rates per annum for each class of fixed asset are as follows:

Plant and equipment:	between 10% - 12%
Office equipment	between 10% - 20%

Subsequent expenditure relating to an item of property, plant and equipment, that has already been recognised, is added to the carrying amount of the asset if the recognition criteria are met. All assets are depreciated over their anticipated useful lives up to their residual values using a straight-line depreciation basis. These useful lives are determined on the day of capitalisation and are re-assessed annually by Management.

	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
14. Trade and other payables		
Sundry creditors and accruals	28,796	343,952
Trade creditors	989,617	513,943
	1,018,413	857,895

Accounting policy

Trade and other payables amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of the date of the invoice.

	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
15. Interest bearing loans and borrowings - current		
Balance at beginning of year	550,000	-
Proceeds from loans	180,000	550,000
Repayment of loans	(730,000)	-
Balance at end of year	-	550,000

The following transactions have occurred during the period:

- In accordance with the conditions precedent for the convertible loans, on 21 August 2017 the \$550,000 loans were repaid through the issue of shares and options. The loans converted at \$0.10 per share as follows:
 - 1,500,000 Shares and 1,500,000 options to purchase Shares (Options) to the Lender in consideration for the conversion of a loan outstanding for an amount of \$150,000;
 - 4,000,000 Shares to seed capital investors in consideration for the conversion of a loan outstanding for an amount of \$400,000.
- An interest-bearing loan of \$150,000 was made to the Company on 19 July 2017 and was repaid by the Company on 22 August 2017.
- The Company repaid a \$30,000 non-interest bearing loan on 22 August 2017.

Accounting policy

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are de-recognised, as well as through the amortisation process. At the General Meeting of shareholders on 30 June 2017, approval was received to convert these loans into equity, upon the completion of the acquisition.

16. <i>Contributed equity</i>	Consolidated 30 June 2018		Consolidated 30 June 2017	
	No.	\$	No.	\$
Balance at beginning of year	489,000,300	48,843,110	489,000,300	48,539,000
Share consolidation (i)	(472,138,555)	-	-	-
Share issue pursuant to Prospectus	30,000,000	6,000,000	-	-
Share issue to repay convertible loans (refer note 15)	5,500,000	550,000	-	-
Share issue as partial consideration for acquisition of mineral tenements (refer note 12)	13,008,723	2,601,745	-	-
Share issue pursuant to Private Placement	16,100,045	1,610,005	-	-
Shares applied for but unissued	-	(561,000)	-	561,000
Share issue costs	-	(2,573,174)	-	(256,890)
Balance at end of year	81,470,513	56,470,686	489,000,300	48,843,110

- (i) The Company consolidated its issued capital on the basis of every 29 Shares or Options being consolidated into 1 Share or Option on July 4th 2017. The consolidation had no monetary impact.

Ordinary shares

Ordinary shares have no par value and have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Capital management

Management managed the capital of the Consolidated Entity in order to maintain a capital structure that ensured the lowest cost of capital available to the Consolidated Entity. Management's objective is to ensure the Consolidated Entity continues as a going concern as well as to maintain optimal returns to shareholders.

	Consolidated 30 June 2018 No.	Consolidated 30 June 2017 No.
<u>Unlisted options</u>		
Balance at beginning of year	889,450	2,367,712
Consolidation	(858,780)	-
Options issued (refer also note 17(ii))	16,500,000	-
Options cancelled	-	(1,478,262)
Options exercised	-	-
Balance at end of year	16,530,670	889,450

	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
17. Share based payment reserve		
Share based payment reserve	7,357,674	3,202,174

The Share based payment reserve is used to record the fair value of share-based payments made by the Company.

Accounting Policy

The fair value of share-based payment transactions is determined at grant date using an option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of equity instruments granted to directors and key management personnel as share-based compensation benefits is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of equity instruments that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The following expenses arising from share-based payment transactions were recognised during the period:

Performance rights issued to Directors and Management Consultants (i)	2,000,000	-
Options issued to lender (Finance costs) (ii)	175,500	-
Options issued to Brokers to equity issue (iii)	1,980,000	-
Total share-based payments for the year	\$4,155,500	-
Share based payments recognised as capital raising costs (refer note 16)	(1,980,000)	-
<i>Share-based payments expense</i>	2,175,500	-

- (i) On 14 August 2017 the Consolidated Entity issued 24,000,000 Performance Rights to directors and consultants as part of agreed remuneration, across three classes of rights - Class A, Class B, and Class C, on the following terms and conditions:

- Each Performance Right entitles the holder to subscribe for one fully paid ordinary share in the capital of Burrabulla Corporation Limited upon satisfaction of the Milestone and issue of the Conversion Notice by the Holder;
- Each Performance Right is issued subject to the rules of the Company's Performance Rights Plan;
- The Performance Rights carry no dividend or voting rights;
- The Performance Rights carry no rights to return of capital.

Each Performance Right in the relevant class will be able to be converted into one share by a holder upon satisfaction of certain performance based and market-based milestones.

The Directors have assessed at balance date the likelihood of these milestones being met within the vesting period. This estimate of performance rights expected to ultimately vest will be adjusted over time to reflect actual performance and management's best estimates of the conditions being met. A grant date fair value of \$0.20 per performance share has been attributable to the instruments being the Initial Public Offer price of the Company's shares.

Class	Milestone	Probability	Grant date share price	Fair Value
Class A	The Company (or a subsidiary) still holds at least one of the Projects and has completed a minimum of 3,000m of drilling at the Paperbark Project, the Bluebush Project or both 12 months after the Reinstatement Date, <u>or</u> , the volume weighted average price of Shares as traded on ASX over 20 consecutive trading days is not less than \$0.30 within 12 months after the Reinstatement Date.	100%	\$0.20	\$1,600,000
Class B	Zinc mineralisation of greater than 10m thickness with zinc equivalent grade of 10% or higher is intersected on the Bluebush Project within 24 months after the Reinstatement Date, <u>or</u> , a positive Scoping Study is completed and the board of directors of the Company resolves to commence a Pre-Feasibility Study on the Paperbark Project within 24 months after the Reinstatement Date, <u>or</u> , the volume weighted average price of Shares as traded on ASX over 20 consecutive trading days is not less than \$0.40 within 24 months after the Reinstatement Date.	20%	\$0.20	\$320,000
Class C	A Mineral Resource is delineated on any Project of equal to or greater than 450,000t of contained zinc equivalent metal within 36 months after the Reinstatement Date, <u>or</u> , the volume weighted average price of Shares as traded on ASX over 20 consecutive trading days is not less than \$0.50 within 36 months after the Reinstatement Date.	5%	\$0.20	\$80,000

- (ii) On 14 August 2017 the Consolidated Entity issued 1,500,000 unlisted options to purchase shares to the lender under a convertible loan agreement, which converted into shares and options at settlement of the Teck Australia Acquisition (refer note 15). The fair value of the options at grant date has been estimated using the Black Scholes valuation model, taking into account the terms and conditions upon which the options were granted. The following assumptions were used:

Exercise price	\$0.20
Expected volatility	100%
Risk-free interest rate	2.003%
Expected life of share options (years)	2.5
Grant date share price	\$0.20
Fair value per option	\$0.117

The options were issued to the lender in addition to the repayment of the loan. They have been recognised as a finance cost.

- (iii) On 14 August 2017 the Consolidated Entity issued 15,000,000 unlisted options to brokers in consideration for broking services provided to the Company. The fair value of the options at grant date has been estimated using the Black Scholes valuation model, taking into account the terms and conditions upon which the options were granted. The following assumptions were used:

Exercise price	\$0.25
Expected volatility	100%
Risk-free interest rate	2.18%
Expected life of share options (years)	4
Grant date share price	\$0.20
Fair value per option	\$0.132

The options have been recognised as a share issue cost (refer note 16).

	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
18. Accumulated losses		
Balance at 1 July	(52,717,673)	(52,028,275)
Loss after tax attributable to the equity holders of the parent entity during the year	(3,510,282)	(689,398)
Balance at 30 June	(56,227,955)	(52,717,673)

19. Operating segments

Accounting policy

Operating segments are identified based on the internal reports that are regularly reviewed by the Board of Director's, the entities' Chief Operating Decision Maker, for the purpose of allocating resources and assessing performance. The adoption of this "management approach" has resulted in the identification of reportable segments.

During the year the Group has acquired the following new operating segments:

- Bluebush, Paperbark and Coober Pedy tenements located in Australia, acquired from Teck Australia
- Scandinavian projects located in Sweden and Finland

Financial information presented to the Board of Directors is reported by these projects. Items of income and expenditure and assets and liabilities that are not allocated to the exploration projects are allocated to the Corporate segment

The following tables present revenue and profit information for the Group's operating segments for the year ended 30 June 2018 and 2017, respectively.

(i) Segment performance

2018	Paperbark	Bluebush	Coober Pedy	Scandinavian Projects	Corporate	Total
	\$	\$	\$	\$	\$	\$
Total segment revenue	-	-	-	-	26,702	26,702
Segment expenditure	(3,023,385)	(2,498,958)	(459,084)	(229,619)	(3,073,272)	(9,284,318)
Segment result	(3,023,385)	(2,498,958)	(459,084)	(229,619)	(3,046,570)	(9,257,616)

Reconciliation of segment result to Group loss before tax:

- Capitalised expenditure	6,211,046
- Impairment of Exploration and Evaluation expenditure	(463,712)

Net loss before tax **(3,510,282)**

2017	Paperbark	Bluebush	Coober Pedy	Scandinavian Projects	Corporate	Total
	\$	\$	\$	\$	\$	\$
Total segment revenue	-	-	-	-	-	-
Segment expenditure	-	-	-	-	(689,398)	(689,398)
Segment result	-	-	-	-	(689,398)	(689,398)

Reconciliation of segment result to Group loss before tax:

- Capitalised expenditure	-
Net loss before tax	(689,398)

(ii) Segment assets

The following tables present assets information for the Group's operating segments for the year ended 30 June 2018 and 2017, respectively.

The following table shows assets by geographical segment.

	Australia	Sweden	Finland	Total
	\$	\$	\$	\$
30 June 2018				
Segment assets	8,386,451	151,706	77,913	8,616,070
30 June 2017				
Segment assets	-	-	735,507	735,507

20. Cash flow information

a) Cash and cash equivalents	2,624,043	577,272
Cash at bank and on hand		
b) Reconciliation of cashflows from operating activities		
Profit/(loss) before tax	(3,510,282)	(689,398)
Unrealised foreign exchange gains/(losses)	-	-
Impairment of exploration and evaluation expenditure	463,712	-
Depreciation	2,158	112
Share based payments	2,175,500	-
Accrued interest expense	(30,956)	30,596
Change in trade & other receivables	(83,876)	(22,426)
Change in prepayments	(90,278)	(10,702)
Change in trade & other payables	(484,690)	234,403
Add back other income/interest paid	-	984
Net cash used in operating activities	(1,558,712)	(456,431)
c) Non-cash investing and financing activities		
Acquisition of Teck Australia projects by means of share issue (note 16)	2,601,745	-
Repayment of convertible loan by means of share issue (note 15)	550,000	-
Capital raising costs paid by means of share options (note 17)	1,980,000	-

	30 June 2018 \$	30 June 2017 \$
21. Parent company information		
Current assets	2,653,863	632,074
Non-current assets	5,874,481	3,433
Total assets	8,528,344	635,506
Current liabilities	329,607	1,402,849
Total liabilities	329,607	1,402,849
Net Assets	8,198,737	(767,343)
Contributed equity	60,583,172	48,843,110
Accumulated losses	(59,742,109)	(51,277,941)
Share based payments reserve	7,357,674	3,202,174
Total shareholders' equity	8,198,737	(767,343)
Profit/(loss) of the parent entity	(2,988,221)	(689,398)
Total comprehensive profit/(loss) of the parent entity	(2,988,221)	(698,398)

22. Commitments and contingencies

Pursuant to the terms of the agreement for the acquisition of the exploration tenements from Teck, the Group will be required to meet the minimum spend requirement and royalty obligations.

(a) Operating expenditure commitments

Commitments for minimum payments under office rental agreements to which the Group is a party are::

Less than one year	52,731	-
Later than one year but not later than five years	14,118	-
	66,849	

(b) Exploration expenditure commitments

Commitments for minimum exploration expenditure required to retain tenure on the Group's exploration tenements are:

Later than one year but not later than five years	1,051,000	-
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(c) Contingent liabilities

The group had contingent liabilities at 30 June 2018 in respect of:

- A 2% net smelter return royalty payable to Teck pertaining to 100% of production from each of the Tenements or any replacement tenements.
- The Group has a contingent liability to pay the following royalties:

- Cash payment of \$3M to South32 Royalty Investments Pty Ltd (South32) upon completion of a feasibility study that demonstrates that it is technically and economically viable to establish and carry out the extraction and mining of minerals from the Bluebush Project and which is in a form acceptable to the Group to enable the Group to decide whether or not to proceed with the development and operation of a mine within the Bluebush Project;
- Cash payment of \$3.5M to South32 following three consecutive months during which the average daily throughput from the extraction and mining of minerals from the Bluebush Project is at least 85% of the design capacity as contained in the Feasibility Study;
- Cash payments of \$1M per annum to South32 for the first three years following Commercial Production; and
- 1% Net Smelter Return (NSR) royalty to Anglo American Exploration (Australia) Pty Ltd for the life of any mining operation on the Bluebush Project.

23. *Related party transactions*

Subsidiaries

Subsidiary	Country of Incorporation	% of Equity Interest	
		30 June 2018	30 June 2017
NorthernX Pty Ltd	Australia	100%	Nil%
NorthernX Finland Oy	Finland	100%	-
NorthernX Scandinavia AB	Sweden	100%	-

Key Management Personnel Compensation

	Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
Short-term benefits	455,890	252,884
Post-employment benefits	22,508	-
Share based payments	1,750,000	-
Total shareholders' equity	2,228,398	252,884

During the period the Group had the following dealings with related parties.

(a) Mr Peter Wall

Mr Wall is a Non-Executive Director of the Company. He is also a partner at Steinepreis Paganin a Perth based corporate law firm that provides legal services to the Company on commercial terms.

The following payments/transactions occurred during the year:

Director fees \$60,000 for services provided in the year ended 30 June 2018. \$85,000 for services provided and accrued for in the year-end 30 June 2017.

Performance Rights	Mr Wall received 6,000,000 performance rights (2m Class A, 2m Class B, 2m Class C). Refer note 17 for detail.
Other	Steinepreis Paganin was paid or due to be paid an aggregate amount of \$62,281 for legal services rendered during the year.

(b) Mr Adam Blumenthal

Adam Blumenthal, a Non-Executive Director of the Company, is also a Director of Everblu Capital, who acted as corporate advisor and assisted in the Company's capital raising.

The following payments/transactions occurred during the year:

Director fees	\$50,000 for services provided in the 1 May 2018 when Mr Wall resigned. \$85,000 for services provided and accrued for in the year-end 30 June 2017.
Performance Rights	Mr Blumenthal received 6,000,000 performance rights (2m Class A, 2m Class B, 2m Class C). Refer note 17 for detail.
Other	Everblu Capital was paid an aggregate amount of \$455,300 for services rendered in relation to the Capital Raising. In addition, Everblu Capital was issued 15,000,000 unlisted options in consideration for broking services provided to the Company. Refer note 17 for detail.

(c) Mr Jeremy Read

Mr Read is the Managing Director of the Company. Prior to this appointment on 14 August 2017 he provided consulting services during the Company's re-listing and capital raising.

The following payments/transactions occurred during the year:

Director fees	\$225,065 for services provided in the year ended 30 June 2018.
Performance Rights	Mr Read received 6,000,000 performance rights (2m Class A, 2m Class B, 2m Class C). Refer note 17 for detail.
Other	\$13,688 was paid for consulting fees during the Company's re-listing and capital raising.

(d) Mr Ian Wallace

Ian Wallace is an Executive Director of the Company who also provides resource development consulting services.

The following payments/transactions occurred during the year:

Director fees	\$34,366 for services provided in the year ended 30 June 2018.
Performance Rights	Mr Wallace received 3,000,000 performance rights (1m Class A, 1m Class B, 1m Class C). Refer note 17 for detail.

Other \$31,500 for resource development consulting services.

(e) Mr James Ellingford

James Ellingford was a Non-Executive Director of the Company.

The following payments/transactions occurred during the year:

Director fees \$85,000 of director fees owed to James Ellingford as at 30 June 2017 were forgiven during the 2018 year.

24. *Events after the end of the reporting period*

No matter or circumstance has arisen since the end of the reporting period that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or the Group's state of affairs in subsequent periods.

25. *Financial risk management*

The Consolidated Entity's overall financial risk management strategy is to ensure that the Consolidated Entity is able to fund its business operations and expansion plans. Exposure to credit risk, liquidity risk, foreign currency risk, interest rate risk and commodity price risk arises in the normal course of the Consolidated Entity's business. The Consolidated Entity's risk management strategy is set by and performed in the close co-operation with the Board and focuses on actively securing the Consolidated Entity's short to medium-term cash flows by limiting credit risk of customers, regular review of its working capital and minimising the exposure to financial markets. The Consolidated Entity does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Consolidated Entity is exposed are described below.

Financial Assets and Liabilities

The financial assets and liabilities for financial years 2018 and 2017 are reflected at amortised cost, and are not fair valued through the Statement of comprehensive income. The Directors consider that the carrying amounts of the financial assets and liabilities approximate their fair values.

Specific Financial Risk Exposures and Management

The main risks the Consolidated Entity is exposed to through its financial instruments are credit risk, liquidity risk and market risk, including in interest rates, foreign currency, commodity and equity prices.

a) Credit risk

Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents and trade and other receivables. Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual obligations that could lead to a financial loss to the Consolidated Entity. Credit risk is managed through the maintenance of credit assessment and monitoring procedures and it is the Consolidated Entity's policy that all customers who wish to trade on credit terms and subject to credit verification procedures. The Consolidated Entity only trades with recognised, credit-worthy third parties and such collateral is not requested nor is it the Consolidated Entity's policy to securitise its trade and other receivables. In addition, receivable balances are monitored on an on-going basis with the result that the Consolidated Entity's exposure to bad debts is not significant. A provision for doubtful debts is made when there is objective evidence that the Company will not be able

to collect the debts. Doubtful debts are written off to the income statement. To date the Consolidated Entity has not been required to write off any significant debts.

Set out below is an ageing analysis on the Consolidated Entity's total receivables:

	Total \$	0-30 days \$	31-60 days \$	61-90 days \$	91-120 days \$	Over 120 days \$
Total receivables 30 June 2018	127,976	98,420	-	-	-	29,556
Total receivables 30 June 2017	44,100	43,022	-	-	-	1,078

b) Liquidity Risk

Liquidity risk is the risk that there will be inadequate funds available to meet financial commitments as they fall due. The Consolidated Entity recognises the on-going requirements to have committed funds in place to cover both existing business cash flows and provide reasonable headroom for cyclical debt fluctuations and capital expenditure programs. The key funding objective is to ensure the availability of flexible and competitively priced funding from alternative sources to meet the Consolidated Entity's current and future requirements. The Consolidated Entity utilises a detailed cash flow model to manage its liquidity risk. This analysis shows that available sources of funds are expected to be sufficient over the lookout period. The Consolidated Entity attempts to accurately project the sources and uses of funds which provide an effective framework for decision making and budgeting. The table below summarises the maturity profile of the Company's contractual cash flow financial liabilities based on contractual undiscounted repayment obligations. Repayments, which are subject to notice, are treated as if notice were to be given immediately.

Consolidated	30 days \$	1-3 months \$	3-12 months \$	1 to 5 years \$	Total \$
As at 30 June 2018					
Trade and other payables	994,663	23,750	-	-	1,018,413
Interest payable	-	-	-	-	-
Interest bearing loans and borrowings	-	-	-	-	-
Total liabilities	994,663	23,750	-	-	1,018,413
As at 30 June 2017					
Trade and other payables	399,821	108,615	26,249	292,254	826,939
Interest payable	-	30,956	-	-	30,956
Interest bearing loans and borrowings	-	550,000	-	-	550,000
Total liabilities	399,821	689,571	26,249	292,254	1,407,895

c) Foreign Currency Risk

Since the acquisition of the Scandinavian entities, the Company has incurred financial liabilities denominated in foreign currencies that are different to the functional currency of the respective Consolidated Entities during the current year (2017: Nil).

The Group's policy is to convert its local currency to the foreign currency at the time of the transaction. Foreign exchange risk arises from future commercial transactions and recognised financial liabilities denominated in a currency that is not the Group's functional currency (which is the Australian dollar).

The Group manages foreign exchange risk on an as-needs basis. The risk is measured using sensitivity analysis and cash-flow forecasting. The Group's exposure to foreign currency risk, expressed in Australian dollars at the reporting date, was as follows:

Consolidated	AUD Denominated Balances	USD Denominated Balances	EUR Denominated Balances	SEK Denominated Balances	Total \$
	AUD	AUD	AUD	AUD	AUD
As at 30 June 2018					
Trade and other receivables	-	-	-	-	-
Total assets	-	-	-	-	-
Trade and other payables	860,402	70,187	41,044	46,780	1,018,413
Net Exposure	860,402	70,187	41,044	46,780	1,018,413

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A negative number in the table represents a decrease in the operating profit before tax and reduction in equity where the Australian dollar strengthens against the relevant currency. For a 10% strengthening of the Australian dollar against the relevant currency, there would be a comparable impact on the loss or equity, and the balances below would be positive.

Impact on pre-tax profit	30 June 2018 \$
Profit / (loss) before tax and equity – 10% increase	101,841
Profit / (loss) before tax and equity – 10% decrease	(101,841)

d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Consolidated Entity is not exposed to interest rate movement through borrowings. The following table sets out the variable interest bearing and fixed interest bearing financial instruments of the Consolidated Entity:

	Variable interest \$	Fixed interest \$
2018		
Financial assets		
Cash and cash equivalents	2,624,043	-
Total	2,624,043	-
2017		
Financial assets		
Cash and cash equivalents	577,272	-
Total	577,272	-

The following table illustrates the estimated sensitivity to a 1% increase and decrease to interest rate movements.

Impact on pre-tax profit	30 June 2018 \$	30 June 2017 \$
Interest rates + 1%	26,240	-
Interest rates – 1%	(26,240)	-

Accounting policy

Financial assets

Initial recognition and measurement

Financial assets are categorised as financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, available for sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Consolidated Entity determines the categorisation of its financial assets as initial recognition. Categorisation is re-evaluated at each financial year end. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except where the instrument is classified as “at fair value through profit or loss”, in which case transaction costs are expensed to profit and loss immediately.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently re-measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature in twelve months after the end of the period (all other loans and receivables are included as non-current assets).

De-recognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets is de-recognised when:

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

Impairment of financial assets

The Consolidated Entity assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred ‘loss event’) and that 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. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or in principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Consolidated Entity first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for the financial assets that are not individually significant. If the Consolidated Entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows excluding assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Consolidated Entity. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

Financial liabilities

Initial recognition

Financial liabilities within the scope of AASB139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Consolidated Entity determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs. The Consolidated Entity's financial liabilities include trade and other payables, bank overdraft, loans and borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

i. At fair value through profit and loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Consolidated Entity that are not designated as hedging instruments in hedge relationships as defined by AASB 39. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the

income statement. The Consolidated Entity has not designated any financial liabilities upon initial recognition as at fair value through profit or loss. Options granted that are not part of a continuing share-based payment relationship (i.e. there is no ongoing provision of goods and/or services and are denominated in a currency other than the entity's functional currency) are accounted for as derivative liabilities in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* and IFRIC guidelines. Such options are recorded on the balance sheet at fair value with movements in fair value of the derivative liability, during the period and cumulatively, is not attributable to changes in the credit risk of that liability. In addition, contractual arrangements whereby the Company agrees to issue a variable number of shares are accounted for as a liability. To the extent that these contractual arrangements meet the definition of a derivative, the value of the contractual arrangement is recorded on the balance sheet at fair value with movements in fair value being recorded in the income statement.

ii. Loans and borrowings

All loans and borrowings are initially recognised at the fair value of the considerations received less directly attributable transaction cost. After initial recognition loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are de-recognised as well as through the effective interest rate method amortisation process.

De-recognition

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

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 29 to 59, are in accordance with the Corporations Act 2001 and:
 - a. Comply with Accounting Standards;
 - b. Are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 2 to the financial statements; and
 - c. Give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company and consolidated Group.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Chief Executive Officer and Chief Financial Officer have each declared that:

- a. The financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
- b. The financial statements and notes for the financial year comply with the Accounting Standards; and
- c. The financial statements and notes for the financial year give a true and fair view.

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



Jeremy Read
Managing Director

7 September 2018

Independent Auditor's Report

To the Members of Pursuit Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pursuit Minerals 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.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report which indicates that the Consolidated Entity incurred negative cash flows from operating and investing activities of \$4,127,839 during the year ended 30 June 2018. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets As disclosed in note 12 to the financial statements, as at 30 June 2018, the Consolidated Entity's exploration and evaluation assets was carried at \$5,747,334. The recognition and recoverability of the exploration and evaluation assets was considered a key audit matter due to: – The carrying value represents a significant asset of the Consolidated Entity, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of this asset may exceed the recoverable amount; and – Determining whether impairment indicators exist involves significant judgement by management.	Our audit procedures included but were not limited to: – Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 <i>Exploration and Evaluation of Mineral Resources</i> ("AASB 6"); – Assessing the rights to tenure for a sample of tenements; – Testing the exploration costs for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; – By testing the status of the tenure and planned future activities, reading board minutes and enquiries with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the exploration and evaluation assets: – The licenses for the rights to explore expiring in the near future or are not expected to be renewed; – Substantive expenditure for further exploration in the area of interest is not budgeted or planned;

Key audit matter	How our audit addressed the key audit matter
	– Decision or intent to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and – Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recorded in full from successful development or sale. We also assessed the appropriateness of the related disclosures in note 12 to the financial statements.
Accounting for share based payments As disclosed in note 17 to the financial statements, during the year ended 30 June 2018 the Company incurred share based payments totaling \$4,155,500. Share based payments are considered to be a key audit matter due to – the value of the transactions; – the complexities involved in the recognition and measurement of these instruments; and – the judgement involved in determining the inputs used in the valuations. Management used the Black-Scholes Option Valuation Model to determine the fair value of the options granted, and with respect to the performance rights considered the likelihood of the milestones being met within the vesting period. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.	Our procedures amongst others included: – Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with <i>AASB 2 Share Based Payments</i>; – Evaluating management's Black-Scholes Option Valuation Models and assessing the assumptions and inputs used; – Evaluating the key assumptions used to value the performance rights including the probability of the performance milestones being met as disclosed in note 17 of the financial statements; – Assessing the adequacy of the disclosures included in Note 17 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that 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 express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

We have audited 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 express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Independent Auditor's Report

To the Members of Pursuit Minerals Limited *(Continued)*



Auditor's Opinion

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

A stylized, handwritten-style signature of the word "Bentleys" in blue ink.

BENTLEYS
Chartered Accountants

A handwritten signature in blue ink, appearing to read "Doug Bell".

DOUG BELL CA
Partner

Dated at Perth this 7th day of September 2018

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 24 August 2018.

A. Distribution of securities

Analysis of the number of equity securities by size of holding:

Holding	Number of holders
1 to 1,000	605
1,001 to 5,000	120
5,001 to 10,000	144
10,001 to 100,000	366
100,001 and over	137
	1,372

There were 759 holders of less than a marketable parcel of listed shares.

B. Equity security holders

Twenty largest quoted equity security holders

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

Name	Units	% of Units
HSBC Custody Nominees Pty Ltd	13,290,479	16.31%
Suburban Holdings Pty Ltd	4,450,000	5.46%
J P Morgan Nominees Australia Pty Ltd	3,471,913	4.26%
Nero Resource Fund Pty Ltd	2,000,000	2.45%
Golden Dawn Ltd	1,500,000	1.84%
Equity Trustees Limited	1,500,000	1.84%
Gaule Michael William	1,023,000	1.26%
St Barnabas Investment Pty Ltd	1,000,000	1.23%
Borget Pty Ltd	1,000,000	1.23%
Melbor Pty Ltd	950,000	1.17%
Sunset Capital Management Pty Ltd	932,886	1.15%
Goldfire Enterprises Pty Ltd	865,000	1.06%
BNP Paribas Nominees Pty Ltd	863,704	1.06%
Stock Assist Group Pty Ltd	800,000	0.98%
Avania Nominees Pty Ltd	800,000	0.98%
L1 Capital Global	750,000	0.92%
Mao Haiping	650,000	0.80%
Mickle Richard Stirling	600,000	0.74%
Tialing Pty Ltd	552,524	0.68%
Satyricon Pty Ltd	550,000	0.68%
	37,549,506	46.10%

SHAREHOLDER INFORMATION

Unquoted equity securities

Security	Number on issue	Escrowed until	Number of holders	Holders of more than 20%
Unlisted options with an exercise price of \$0.20 expiring 28 February 2021	1,500,000	23 August 2019	1	
Unlisted options with an exercise price of \$0.25 expiring 14 August 2021	15,000,000	23 August 2019	1	
Performance Rights (Class A)	8,000,000	23 August 2019	5	Peter Wall, Jeremy Read and Adam Blumenthal each hold 2,000,000 rights.
Performance Rights (Class B)	8,000,000	23 August 2019	5	Peter Wall, Jeremy Read and Adam Blumenthal each hold 2,000,000 rights.
Performance Rights (Class C)	8,000,000	23 August 2019	5	Peter Wall, Jeremy Read and Adam Blumenthal each hold 2,000,000 rights.

Unquoted equity securities represent options or rights to acquire ordinary shares. Each option or right entitles the holder to acquire one ordinary share.

C. Substantial shareholders

Substantial shareholders of the Company's quoted equity securities are set out below:

Shareholder	Number of listed shares held	Percentage
Teck Australia Pty Ltd	13,290,479	16.31%
Suburban Holdings Pty Ltd	4,450,000	5.46%

D. Voting rights

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

(a) Ordinary shares

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

(b) Options

No voting rights.

(c) Performance rights

No voting rights.

E. Use of funds

The Group has used the cash and assets in a form readily convertible into cash at the time of its re-listing on the ASX on 23 August 2017 in a manner that is consistent with its business objectives.