



# **RAIDEN RESOURCES LIMITED**

**(Formerly known as A.C.N 009 161 522 Limited)**

**ABN 68 009 161 522**

**ANNUAL REPORT  
30 JUNE 2018**



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## **CORPORATE DIRECTORY**

### **Directors**

Mr Dusko Ljubojevic – Managing Director  
Mr Michael Davy – Non-Executive Chairman  
Mr Nicholas Young – Non-Executive Director  
Mr Martin Pawlitschek – Non-Executive Director  
Mr Chris Hansen – Non-Executive Director

### **Company Secretary**

Ms Kyla Garic

### **Registered office & Principal place of business**

108 Outram Street  
West Perth WA 6005

### **Auditor**

RSM Australia Partners  
Level 32, Exchange Tower, 2 The Esplanade  
Perth WA 6000

### **Bankers**

NAB  
1232 Hay Street  
West Perth WA 6005

### **Share Registry**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

### **Securities Exchange Listing**

ASX Limited  
20 Bridge Street  
Sydney NSW 2000  
**ASX Code – RDN**

### **Website**

[www.raidenresources.com.au](http://www.raidenresources.com.au)

## **CHAIRMAN'S LETTER**

### **Dear Shareholder**

I am pleased to present Raiden Resources Limited Annual Report for the financial year ended 30 June 2018, our first since relisting on the Australian Securities Exchange (ASX) earlier this year. In reflection of the progress made over the last six months, as your Board, we are proud to provide a summary of the achievements made to date.

With high-expectations owing to the exploration licences located in the renowned and established Western Tethyan Metallogenic Belt within Serbia, the combined efforts of our team allowed these anticipations to be met early after listing. In March 2018, the Company announced an Earn-in and Joint Venture Agreement (Agreement) with Rio Tinto Mining and Exploration Limited (Rio Tinto). This Agreement included the Company's Zapadni Majdanpek, Majdanpek Pojas and Donje Nevlje exploration licenses, underpinning the quality of the licences the Company had secured.

Following commencement of the Agreement with Rio Tinto in May 2018, the team quickly shifted their focus to the Stara Planina Project. By early June 2018, the Company announced that it had completed a review of all the historical exploration data and commenced a geophysical (induced polarisation) program to further define the two main anomalies on the Stara Planina Project.

The Company also announced that it had engaged with drilling service providers for the planned maiden drill campaign which was proposed to commence following completion of the geophysical survey. Late in June 2018, the Company announced that the Aldinac IP survey defined a large and intense, chargeability anomaly which was correlated with high copper, molybdenum and gold values defined by a historical soil survey. In addition, the Company announced that it had identified outcropping massive sulphide and disseminated sulphide mineralization in vicinity of the IP anomaly.

Although the Company was not able to complete the Gradiste IP or commence its maiden drill program during the financial year due to an extended late winter in Europe, the team and its contractors worked diligently and shortly in July 2018 defined a significant very large copper/gold target and commenced the maiden drill program on the Stara Planina Project.

In August 2018, the Company announced the appointment of Mr Chris Hansen as a Non-Executive Director. Mr Hansen possesses a vast technical background in geology, with strong corporate and financial expertise on a global scale with experience throughout Europe, North America, South America and Australia. We believe Chris is a fantastic addition to the Board, and his experience means that he is ideally placed to provide local investor relations coverage in Australia.

Throughout this period, the Board has continued its focus on keeping costs well under control and devoted time to evaluating other potential assets that can be added to the existing portfolio, and which are in line with the Company's growth strategy in order to provide value to all shareholders.

In terms of outlook, the Company remains well-funded to continue with the maiden drilling campaign as it awaits renewal of the Stara Planina licence and the assay results from the initial 1,700m of drilling, as well as, target definition on further projects which are in the application process.

On behalf of your representatives on the Board of Raiden Resources Limited, we would like to extend our thanks to existing and past shareholders for your support, allowing us to have successfully listed on the ASX as we continue to aggressively pursue a discovery on our portfolio of projects.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Michael Davy".

Michael Davy

## **DIRECTOR'S REPORT**

The Directors of Raiden Resources Limited present the following report for the year ended 30 June 2018.

The financial report covers Raiden Resources Limited (formerly known as A.C.N 009 161 522 Limited) ("the Company") and its subsidiaries ("the Group"). The financial report is presented in Australian Dollars.

On 8 February 2018 Raiden Resources Limited (Raiden) (formerly A.C.N 009 161 522 Limited) completed the acquisition of the Timok Resources Pty Ltd (Timok). Under the Australian Accounting Standards Timok was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which Timok acquires the net assets and listing status of Raiden Resources Limited.

Accordingly the consolidated financial statements of Raiden Resources Limited have been prepared as a continuation of the business and operations of Timok. As the deemed acquirer, Timok has accounted for the acquisition of Raiden Resources Limited from 8 February 2018. The comparative information for the year ended 30 June 2017 should be that of Timok; however Timok was not in existence at 30 June 2017, having only been incorporated on 9 November 2017. Therefore there are no comparative numbers for the year ended 30 June 2017. Refer to note 2 for further details.

### **Directors**

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

The powers of the Directors were suspended from 11 February 2016, being the date of the appointment of the Voluntary Administrators and Receivers and Managers and remained so during the term of the Deed of Company Arrangement ("DOCA") made in relation to the Company. On completion of the DOCA on 24 October 2017 the control reverted back to the Directors.

| <b>Name</b>           | <b>Status</b>          | <b>Appointment/ Resignation</b>                         |
|-----------------------|------------------------|---------------------------------------------------------|
| Mr Dusko Ljubojevic   | Managing Director      | Appointed on 20 February 2018                           |
| Mr Michael Davy       | Non-Executive Chairman | Appointed on 29 June 2017                               |
| Mr Nicholas Young     | Non-Executive Director | Appointed on 29 June 2017                               |
| Ms Kyla Garic         | Non-Executive Director | Appointed on 29 June 2017, resigned on 20 February 2018 |
| Mr Martin Pawlitschek | Non-Executive Director | Appointed on 20 February 2018                           |
| Mr Chris Hansen       | Non-Executive Director | Appointed on 22 August 2018                             |

### **Company Secretary**

| <b>Name</b>   | <b>Status</b>     | <b>Appointment/ Resignation</b> |
|---------------|-------------------|---------------------------------|
| Ms Kyla Garic | Company Secretary | Appointed on 29 June 2017       |

### **Principal activities**

During the year the principal activities of the Group were mineral exploration in the Republic of Serbia.

### **Operating and financial review**

The consolidated loss for the year amounted to (\$2,522,588).

### **Dividends paid or recommended**

There were no dividends paid or recommended during the financial year ended 30 June 2018.

## **DIRECTOR'S REPORT (CONTINUED)**

### **Significant changes in state of affairs**

At the General Meeting held on 8 September 2017 the shareholders of the Company approved the following recapitalisation resolutions:

- The consolidation of the Company's existing shares on a one (1) for (30) basis.
- The Company to undertake a placement of up to 47,000,000 shares (on a post-consolidation basis) at an issue price of \$0.02 to sophisticated or professional investors who are clients of Otsana to raise up to \$940,000 (before costs).
- The Company to undertake a placement of 50,000,000 Options (on a post-consolidation basis) to Otsana as a consideration for lead manager services provided.
- The Company's Directors Ms Kyla Garic, Mr Nicholas Young and Mr Michael Davy be re-elected as Director's of the Company.
- The approval of change of auditor from PricewaterhouseCoopers (PWC) to RSM Australia Partners due to the Company's Recapitalisation the Deed Administrators have deemed it more suitable to have the Company's auditor located in Perth.
- Replacement of the Company's existing constitution and the adoption of new constitution which is of the type required for a listed public company limited by shares.

On 21 September 2017, the consolidation of capital was completed, resulting in the reduction of issued number of shares from 252,915,402 to 8,430,796.

On 24 October 2017, it was announced that all the conditions of the DOCA had been satisfied with the DOCA being effectuated on this date. A Syndicate of investors led by Otsana Capital loaned funds into the Company to effectuate the DOCA. The Company's registered and principal place of business also changed to 108 Outram Street, West Perth WA 6005.

On 14 November 2017, the Company announced the completion of a placement to raise a total of \$640,000. The placement comprises of 32 million shares at an issue price of \$0.02 per share and 32 million free-attaching options, with an exercise price of \$0.02 per share and expiring 3 years after their issue.

On 24 November 2017, the Company signed a conditional binding agreement to acquire 100% of Timok Resources Pty Ltd which holds two option deeds to acquire 100% of two entities located in the Republic of Serbia, Skarnore Resources d.o.o., Belgrade and Kingstown Resources d.o.o., Belgrade.

On 13 December 2017, the Company confirmed that it had lodged with ASIC a prospectus for its offer to the public of 250 million shares at an issue price of \$0.02 each to raise a total of \$5 million, as well as a number of secondary offers in connection with the Company's proposed acquisition of Timok Resources Pty Ltd.

On 29 December 2017, the Company advises that ASX had granted the Company waivers from ASX Listing Rules 1.1 (Condition 12) and 2.1 (Condition 2).

At the General Meeting held on 8 January 2018, the Company's shareholders approved the following resolutions:

- The re-election of Mr Michael Davy, Mr Nicholas Young and Ms Kyla Garic as Directors;
- The issue of 250,000,000 fully paid ordinary shares at an issue price of \$0.02 per share under the Public Offer;
- The issue of 75,000,000 fully paid ordinary shares and 200,000,000 performance shares to the vendors of Timok Resources Pty Ltd under the Consideration Offer;
- The issue of 40,000,000 fully paid ordinary shares and 13,000,000 options under the Facilitator Offer;
- The issue of 32,000,000 free attaching options under the Attaching Options Offer; and
- The issue of 5,000,000 fully paid ordinary shares and 5,000,000 options under the Convertible Notes Offer.

## **DIRECTOR'S REPORT (CONTINUED)**

### **Significant changes in state of affairs (continued)**

On 8 January 2018, it was announced that ASX Company's de-listing deadline was extended to 13 March 2018 on the basis that the Company is in final stages of completing the acquisition of Timok Resources Pty Ltd.

On 15 January 2018, the Company announced that the Public Offer pursuant to the Prospectus dated 13 December 2017 was oversubscribed, with the Company accepting applications for \$5 million.

On 8 February 2018, the Company completed the acquisition of Timok Resources Pty Ltd including its two subsidiaries Skarnore Resources d.o.o., Belgrade and Kingstown Resources d.o.o., Belgrade. The acquisition of Timok has been accounted for as a reverse takeover under the Australian Accounting Standards. The terms of the transactions were approved by the shareholders of the Company on 8 January 2018, as detailed above.

Following the completion of the acquisition of Timok, the Company changed its name from A.C.N 009 161 522 Limited (ASX:SZG) to Raiden Resources Limited (ASX:RDN) with effect from 18 February 2018.

On 20 February 2018, the Company appointed Mr Dusko Ljubojevic as the Managing Director and Mr Martin Pawlitschek as Non-Executive Director. Ms Kyla Garic resigned as Non-Executive Director.

On 23 February 2018, Raiden Resources Limited shares were reinstated to trading on the ASX.

### **Review of Operations**

On 13 March 2018, the Company announced that together with its subsidiaries Skarnore and Kingstown it had entered into a US\$31.5 million Earn-in and Joint Venture Agreement (Agreement) with Rio Tinto Mining and Exploration Limited. The Agreement covers the Company's Zapadni Majdanpek, Majdanpek Pojas and Donje Nevlje exploration licences located in the Republic of Serbia. The key terms of the Earn-in and Joint Venture Agreement are as follows:

- The Agreement is conditional on Rio Tinto being satisfied with its due diligence investigations within 60 days of the execution of the Agreement. Rio Tinto will advise the Company on the day this condition is satisfied or waived (Effective Date), and on this day an unincorporated joint venture will be formed.
- Rio Tinto has the option to sole fund a three stage earn-in totalling US\$31.5 million (~AUD\$40m) as follows:
  - Stage 1 - US\$2.5 million (~AUD\$3.1m) within 3 years of the Effective Date to earn a 51% participating interest, with a minimum of US\$500,000 (~AUD\$635,000), committed in the first 12 months
  - Stage 2 – US\$9 million (~AUD\$11.4m) in the 3 year period after Stage 1 to earn an additional 14% interest (for a total participating interest of 65%)
  - Stage 3 – US\$20 million (~AUD\$25.4m) in the 3 year period after Stage 2 to earn an additional 10% interest (for a total participating interest of 75%)
- Rio Tinto will sole fund the project until the earlier of: the date Rio Tinto elects not to continue with an earn-in stage (in which case the parties will contribute to project expenditure proportionate to their participating interest); the end of the earn-in period; and termination of the Agreement.
- The parties will form a management committee to be comprised of 2 representatives appointed by Rio Tinto and 2 representatives appointed by the Company. During the sole fund period, the Rio Tinto representatives will make decisions of the committee following consultation with other committee members, following which the committee members will have voting rights that corresponds to their participating interest in the project.
- Rio Tinto shall be the manager of the joint venture during the sole fund period, following which the manager will be appointed by the management committee.
- An unincorporated Joint Venture will be formed on the Effective Date. Rio Tinto shall have the election to incorporate the Joint Venture, in which case the parties will hold shares in the Joint Venture entity in proportion to their participating interest in the Joint Venture at that time.

## **DIRECTOR'S REPORT (CONTINUED)**

### **Review of Operations (continued)**

On 10 May 2018, the Company announced Rio had completed the due diligence to its satisfaction and an unincorporated joint venture was formed between Raiden Resources Limited and Rio Tinto as per the terms detailed above.

On 5 June 2018, the Company announced that it had completed the review of historical exploration data and commenced with a geophysical (Induced Polarisation), program to advance target definition on the two main anomalies on the Stara Planina Project. The Company also announced that it had engaged with drilling service providers for the planned maiden drill campaign which will commence following completion of the geophysical survey.

On 19 June 2018, the Company announced that the Aldinac IP survey defined a large and intense, chargeability anomaly which is correlated with high copper, molybdenum and gold values defined in the historical soil survey. The Company also announced that it had identified outcropping of massive sulphide, as well as, disseminated sulphide mineralization in vicinity of the IP anomaly.

### **Significant events after reporting date**

On 4 July 2018, the Company announced that the IP survey results defined a second significant copper/gold target on the Stara Planina Project. The Gradiste IP results defined a large chargeability anomaly, 900 meters in strike length which is correlated with high copper, gold and molybdenum values defined in the historical soil surveys.

On 18 July 2018, the Company announced that it had commenced to test copper-gold soil and IP anomalies at Raiden's Stara Planina Project in Serbia. The initial program was designed for 3,000 meter of diamond drilling and the program will test priority geophysical and soil geochemistry anomalies defined to date. The objectives of the maiden drill program were aimed at defining the source of the chargeability anomalies which were defined during the IP surveys and gain a better understanding of the geology and the nature and controls of the mineralization. The results of the initial drilling program will assist the Company in optimizing its future drilling campaigns on the two anomalies.

On 6 August 2018, the Company announced that airborne geophysical survey commenced on the Majdanpek JV Project and that Rio Tinto had contracted Geotech Airborne, a large international geophysical survey company (Geotech) to undertake the survey. The survey was successfully executed, and the data interpretation will be carried out by Rio Tinto.

On 22 August 2018, the Company announced the appointment of Mr Chris Hansen as a Non-Executive Director. Mr Hansen has technical background with strong corporate and financial expertise and has previously worked across the globe with a focus on Europe, North America, South America and Australia.

On 29 August 2018, the Company was placed into a trading halt pending a release of an announcement by the Company.

On 31 August 2018, it was announced that the Company had requested a voluntary suspension to allow the Company to provide a preliminary update on the current status of the drilling program at the Stara Planina Project.

On 3 September 2018, it was announced that the field program on the Donje Nevlje Project, which is subject to the Agreement with Rio Tinto has commenced with mapping and sampling of key target areas. The survey has since been completed and the samples will be sent to an accredited laboratory for analysis.

On 7 September 2018, the Company announced that it had completed approximately 1,700 meters of diamond drilling on the Gradiste and Aldinac targets on the Stara Planina project with all the drill holes to date having intersected zones containing sulphide mineralisation and alteration. It was also announced that the drilling activities had paused until confirmation of licence extension for Stara Planina. The Companies' JV partner on the Stara Planina project has submitted all the required documentation and completed the required work program to qualify for the extension of the exploration licence. The Company or its directors are not aware of any reason why the Serbian Ministry of Mines and Energy would not approve the extension of the Stara Planina exploration licence. The halt in drilling activities will also provide the Company with an opportunity to receive and interpret the laboratory analysis from the drilling conducted to date and optimize the locations and orientation of subsequent drilling programs and other activities.

## Information on Directors

### Dusko Ljubojevic

#### Managing Director (appointed on 20 February 2018)

#### Qualifications

B. Science - Geology (Honours)

#### Experience

Mr Ljubojevic served as the Head of Small Scale Mining and Geology for Barrick Gold Corporation's Asset Development Group. Based between South Africa and Europe, Mr Ljubojevic was responsible for technical evaluations and strategy advisement for all the exploration and development projects within Barrick's Asset Development Groups' portfolio.

Mr Ljubojevic has over 12 years of experience as a geologist, with experience in greenfield and brownfield exploration, including positions in open pit and underground environments. He has extensive experience in Africa and Europe, Asia, and North America and notably a significant amount of experience in the Eastern European region.

Mr Ljubojevic has previously held positions with a number of ASX listed exploration and development companies in Africa. Mr Ljubojevic has been involved in the formation and running in a number of start-up exploration companies which secured projects and were subsequently funded and sold.

#### Interest in Shares and Performance Shares

9,625,000 Ordinary Shares  
7,812,500 A Class Performance Shares  
7,812,500 B Class Performance Shares  
9,375,000 C Class Performance Shares

#### Special Responsibilities

Nil

#### Directorships held in other listed entities

Nil

### Michael Davy

#### Non-Executive Chairman (appointed on 29 June 2017)

#### Qualifications

BCom (Acc)

#### Experience

Mr Davy is an Accountant with over 15 years' experience. His experience is broad having worked in Oil and Gas, Resources, Property, Food Distribution, Restaurants and startup Technology companies. Mr Davy is also a director and owner of a number of successful private companies. During the past five years Mr Davy has held directorships in three other ASX listed companies.

#### Interest in Shares

850,000 Ordinary Shares

#### Special Responsibilities

Nil

#### Directorships held in other listed entities

Aus Asia Minerals Limited (current)  
Jadar Lithium Limited (current)  
Dotz Nano Limited (resigned 31 October 2016)

### Martin Pawlitschek

#### Non-Executive Director (appointed on 20 February 2018)

#### Qualifications

M Science, B. Science - Applied Geology (Honours), Dip. Applied Chemistry

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Experience                                  | <p>Mr Pawlitschek currently serves as Senior Vice President of Geology for a mining focused Private Equity fund. Mr Pawlitschek is based in Europe and is responsible for undertaking technical due diligence on mining projects, principally from a geology and resource risk perspective, but also to evaluate exploration upside. He has part taken in over forty detailed due diligence reviews and site visits over the last three years and was a key member in the selection of the funds projects to date.</p> <p>Mr Pawlitschek has over 20 years of experience primarily in exploration and resource drilling with some exposure to underground and open pit mines. During his 11-year tenure with BHP Billiton, he oversaw numerous exploration programs in Australia, Laos and several countries in Southern and Central Africa. Later in his career with BHPB he was responsible for the technical aspects setting up several new business opportunities in the diamond sector in Botswana, South Africa, Angola and DRC. The Angolan projects resulted in the discovery of several large, diamond-bearing kimberlites.</p> <p>Mr Pawlitschek later joined one of the junior companies set up by BHP Billiton and moved forward an ambitious diamond exploration program in the DRC. From there he continued his career in the junior sector with a move to Senegal where he managed a large portfolio of exploration permits for gold in Eastern Senegal, which resulted in the development of what is now the 10MOz Sabodala gold camp with an annual output in excess of 200KOz of gold. He also had early in put in the evaluation of the Grand Cote Mineral sands project on the coast of Senegal; this is now the world's largest mineral sands dredging operation. Mr Pawlitschek is a Fellow of the Australasian Institute of Geoscientists.</p> |
| Interest in Shares and Performance Shares   | <p>9,625,000 Ordinary Shares</p> <p>7,812,500 A Class Performance Shares</p> <p>7,812,500 B Class Performance Shares</p> <p>9,375,000 C Class Performance Shares</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Special Responsibilities                    | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Directorships held in other listed entities | Jadar Lithium Limited (current)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Nicholas Young</b>                       | <b>Non-Executive Director (appointed on 29 June 2017)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Qualifications                              | BCom (Acc & Fin), CA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Experience                                  | <p>Mr Young is a Chartered Accountant and has completed the Insolvency Education Program at the Australian Restructuring Insolvency and Turnaround Association. Nicholas commenced his career in the Corporate Restructuring division of an accounting firm and has gained valuable experience in Australia and Southern Africa, across a wide range of industries, including mining and exploration, mining services, renewable energy, professional services, manufacturing and transport. Mr Young has been involved in the recapitalisation of various ASX-listed companies.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Interest in Shares                          | 1,000,000 Ordinary Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Special Responsibilities                    | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Directorships held in other listed entities | <p>Vysarn Limited (formerly MHM Metals Limited) (current)</p> <p>Aus Asia Minerals Limited (current)</p> <p>Shaw River Manganese Limited (current)</p> <p>Flamingo AI Limited (formerly Cre8tek Limited) (resigned 5 November 2015)</p> <p>Calidus Resources Limited (formerly Pharmanet Group Limited) (resigned 13 June 2017)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

**Chris Hansen Non-Executive Director (Appointed 22 August 2018)**

Qualifications B. Science – Geology, M. Science in Mineral Economics

Experience Mr Hansen is a multidisciplinary global metals and mining professional combining core technical fundamentals with strong finance and project development mind-set. Having initially focused on building a solid geological foundation with industry majors such as Barrack Gold and Fortescue Metals Group, Chris later joined a mining private equity fund where he developed robust investment skills, financial knowledge and strong industry relations. This has provided Chris the opportunity to work across the globe with a focus on Europe, North America, South America and Australia.

Interest in Shares, Performance Shares and Options Nil

Special Responsibilities Nil

Directorships held in other listed entities Nil

**Kyla Garic Non-Executive Director (resigned on 20 February 2018)**

Qualifications BCom, MAcc, CA

Experience Ms Garic is a Chartered Accountant and Director of Onyx Corporate. Onyx Corporate provides financial reporting and accounting services, including reconstruction and accounting compliance for companies undergoing recapitalisation.

Interest in Shares and Options 200,000 Ordinary Shares

Special Responsibilities Nil

Directorships held in other listed entities Aus Asia Minerals Limited (current)  
Schrole Group Limited (resigned 4 October 2017)  
Dotz Nano Limited (resigned 31 October 2016)

**Information on Company Secretary**

**Kyla Garic** Qualification and experience of the Company Secretary can be found under the Director Information above.

**Meetings of directors**

During the financial year three meetings of Directors were held. Attendances by each Director during the year are stated in the following table.

|                       | Director's Meetings       |                 |
|-----------------------|---------------------------|-----------------|
|                       | Number eligible to attend | Number attended |
| Mr Dusko Ljubojevic   | 3                         | 3               |
| Mr Michael Davy       | 3                         | 2               |
| Mr Nicholas Young     | 3                         | 3               |
| Mr Martin Pawlitschek | 3                         | 3               |
| Ms Kyla Garic         | -                         | -               |

## DIRECTOR'S REPORT (CONTINUED)

### Share options

At the date of this report, the un-issued ordinary shares of Raiden Resources Limited under option are as follows:

| Grant Date | Expiry Date | Exercise Price | Number of shares under option |
|------------|-------------|----------------|-------------------------------|
| 08/02/2018 | 08/02/2021  | \$0.02         | 50,000,000                    |
|            |             |                | <b>50,000,000</b>             |

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

### Performance Shares

At the date of this report, the performance shares of Raiden Resources Limited are as follows:

| Grant Date | Expiry Date | Class   | Number of shares under option |
|------------|-------------|---------|-------------------------------|
| 08/02/2018 | 07/02/2022  | Class A | 62,500,000                    |
| 08/02/2018 | 08/08/2022  | Class B | 62,500,000                    |
| 08/02/2018 | 07/02/2023  | Class C | 75,000,000                    |
|            |             |         | <b>200,000,000</b>            |

The Milestones for each Class of Performance Shares is summarised below:

| Class   | Expiry                                   | Milestones                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Class A | 07-Feb-22<br>(48 months from issue date) | <ul style="list-style-type: none"> <li>62,500,000 Performance Shares (Class A Performance Shares) will convert upon the announcement by the Company to ASX of the delineation of a Mineral Resource on the Company Licences of at least 100Kt of contained copper equivalent (reported in accordance with clause 50 of the JORC Code) at or above 0.2% copper equivalent and which is prepared and reported in accordance with the JORC Code;</li> </ul> |
| Class B | 08-Aug-22<br>(54 months from issue date) | <ul style="list-style-type: none"> <li>62,500,000 Performance Shares (Class B Performance Shares) will convert upon the announcement by the Company to ASX of the results of a Scoping Study and that the Board has resolved to undertake a Pre-Feasibility Study on all or part of the Company Licences;</li> </ul>                                                                                                                                     |
| Class C | 07-Feb-23<br>(60 months from issue date) | <ul style="list-style-type: none"> <li>75,000,000 Performance Shares (Class C Performance Shares) will convert upon the announcement of a Positive Pre-Feasibility Study in respect of a Company Project (or Company Projects).</li> </ul>                                                                                                                                                                                                               |

No value has been allocated to the Performance Shares due to the significant uncertainty of meeting the performance milestones which are based on future events. To date, none of the Milestones have been met.

## **DIRECTOR'S REPORT (CONTINUED)**

### **Non-audit services**

During the year, a division of RSM, RSM Corporate Australia Pty Ltd provided other non-audit services totaling to \$10,000. These advisory services related to preparation of Investigating Accountants Report (IAR). Details of their remuneration can be found in Note 7 Auditor's Remuneration.

### **Auditor's independence declaration**

The auditor's independence declaration for the year ended 30 June 2018 can be found after the Directors report.

## **DIRECTOR'S REPORT (CONTINUED)**

### **Remuneration Report (Audited)**

This remuneration report for the year ended 30 June 2018 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (Cth), as amended (**Act**) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Non-executive Director fee arrangements
5. Details of remuneration
6. Additional disclosures relating to equity instruments
7. Loans to key management personnel (KMP) and their related parties
8. Other transactions and balances with KMP and their related parties

#### **1. Introduction**

Key Management Personnel (**KMP**) has authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprise the directors of the Company and identified key management personnel.

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparable companies both locally and internationally and the objectives of the Group's compensation strategy.

#### **2. Remuneration governance**

The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committee. Accordingly, all matters are considered by the full Board of Directors, in accordance with a remuneration committee charter.

During the financial year, the Company did not engage any remuneration consultants.

#### **3. Executive remuneration arrangements**

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds. Shares and options may only be issued subject to approval by shareholders in a general meeting.

At the date of this report the Company has one executive appointed, being the appointment of Mr Dusko Ljubojevic as the Managing Director. The terms of their Executive Employment Agreements with Raiden Resources Limited are summarised in the following table.

| Executive Name      | Remuneration                                                                                                                                                                                                                                                                 |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr Dusko Ljubojevic | <ul style="list-style-type: none"><li>• Executive salary of \$147,000 per annum inclusive of superannuation</li><li>• Reimbursement of reasonable business expenses incurred in ordinary course of the businesses in accordance with Group's remuneration policies</li></ul> |

## DIRECTOR'S REPORT (CONTINUED)

### Remuneration Report (Audited)

At this stage the Board does not consider the Group's earnings or earnings related measures to be an appropriate key performance indicator (KPI). In considering the relationship between the Group's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed as well as measures such as successful completion of business development and corporate activities.

#### 4. Non-executive Director fee arrangements

The Board policy is to remunerate Non-executive Directors at a level to comparable companies for time, commitment, and responsibilities. Non-executive Directors may receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Non-executive Directors.

The maximum aggregate amount of fees that can be paid to Non-executive Directors is presently limited to an aggregate of AU\$225,000 per annum and any change is subject to approval by shareholders at the General Meeting. Fees for Non-executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

Total fees for the Non-executive Directors for the financial year were \$92,665 (2017: \$Nil) and cover main Board activities only. Non-executive Directors may receive additional remuneration for other services provided to the Group.

#### Details of remuneration

The Key Management Personnel of Raiden Resources Limited includes the Directors of the Company.

| 30 June 2018                             | Short Term<br>Salary, Fees &<br>Commissions | Post<br>Employment<br>Superannuation | Other/<br>Bonus | Share-<br>based<br>payments | Total          | Performance<br>based<br>remuneration |
|------------------------------------------|---------------------------------------------|--------------------------------------|-----------------|-----------------------------|----------------|--------------------------------------|
|                                          | \$                                          | \$                                   | \$              | \$                          | \$             | %                                    |
| D Ljubojevic (Executive Director)*       | 89,000                                      | -                                    | -               | -                           | 89,000         | -                                    |
| M Davy (Non-Executive Chairman)          | 24,440                                      | -                                    | -               | -                           | 24,440         | -                                    |
| N Young (Non-Executive Director)         | 24,440                                      | -                                    | -               | -                           | 24,440         | -                                    |
| M Pawlitschek (Non-Executive Director)** | 32,106                                      | -                                    | -               | -                           | 32,106         | -                                    |
| K Garic (Non-Executive Director)         | 11,679                                      | -                                    | -               | -                           | 11,679         | -                                    |
| <b>Total</b>                             | <b>181,665</b>                              | <b>-</b>                             | <b>-</b>        | <b>-</b>                    | <b>181,665</b> | <b>-</b>                             |

\* The remuneration for Mr Ljubojevic includes \$49,000 relating to his salary and \$40,000 relating to geological consulting services through consulting agreement with Horizon Capital Management LLC.

\*\* The remuneration of Mr Pawlitschek includes \$12,761 for non-executive director fees and \$19,345 for consulting services provided to the Group.

#### 30 June 2017

From 11 February 2016 the Company was in administration and receivership. The Company does not have adequate information to enable the disclosures required by Corporations Act 2001 for the year ended 30 June 2017.

## DIRECTOR'S REPORT (CONTINUED)

### Remuneration Report (Audited)

#### Options issued as part of remuneration

No options were exercised, since the last report (2017: Nil).

#### KMP options and rights holdings

There were no options or rights held over the ordinary shares by KMP (2017: Nil)

#### KMP ordinary shareholdings

The number of ordinary shares in Raiden Resources Limited held by each Director of the Group during the financial year was as follows:

| 30-Jun-18     | Balance at the start of the year | Granted as Remuneration during the year | Issued on exercise of options during the year | Other changes during the year | Balance at end of Year |
|---------------|----------------------------------|-----------------------------------------|-----------------------------------------------|-------------------------------|------------------------|
| D Ljubojevic  | -                                | -                                       | -                                             | 9,625,000                     | 9,625,000              |
| M Davy        | -                                | -                                       | -                                             | 850,000                       | 850,000                |
| N Young       | -                                | -                                       | -                                             | 1,000,000                     | 1,000,000              |
| M Pawlitschek | -                                | -                                       | -                                             | 9,625,000                     | 9,625,000              |
| K Garic       | -                                | -                                       | -                                             | 200,000                       | 200,000                |
| <b>Total</b>  | <b>-</b>                         | <b>-</b>                                | <b>-</b>                                      | <b>21,300,000</b>             | <b>21,300,000</b>      |

#### KMP performance shareholding

The number of performance shares in Raiden Resources Limited held by each Director of the Group during the financial year was as follows:

| 30-Jun-18     | Balance at the start of the year | Granted as Remuneration during the year | Issued on exercise of options during the year | Other changes during the year | Balance at end of Year |
|---------------|----------------------------------|-----------------------------------------|-----------------------------------------------|-------------------------------|------------------------|
| D Ljubojevic  | -                                | -                                       | -                                             | 25,000,000                    | 25,000,000             |
| M Davy        | -                                | -                                       | -                                             | -                             | -                      |
| N Young       | -                                | -                                       | -                                             | -                             | -                      |
| M Pawlitschek | -                                | -                                       | -                                             | 25,000,000                    | 25,000,000             |
| K Garic       | -                                | -                                       | -                                             | -                             | -                      |
| <b>Total</b>  | <b>-</b>                         | <b>-</b>                                | <b>-</b>                                      | <b>50,000,000</b>             | <b>50,000,000</b>      |

#### Loans to Key Management Personnel

There were no loans to Key Management Personnel during the financial year.

## DIRECTOR'S REPORT (CONTINUED)

### Remuneration Report (Audited)

#### Other KMP Transactions

Purchases from and sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group acquired the following services from entities that are controlled by members of the Group's key management personnel:

| Entity                          | Nature of transactions                    | Key Management Personnel     | Total Revenue / (Expense) |      | Payable Balance |      |
|---------------------------------|-------------------------------------------|------------------------------|---------------------------|------|-----------------|------|
|                                 |                                           |                              | 2018                      | 2017 | 2018            | 2017 |
|                                 |                                           |                              | \$                        | \$   | \$              | \$   |
| Horizon Capital Management LLC* | Geological Consulting                     | Dusko Ljubojevic             | (61,500)                  | -    | (10,000)        | -    |
| Onyx Corporate Pty Ltd          | Accounting and Company Secretary Services | Kyla Garic<br>Nicholas Young | (77,250)                  | -    | (6,750)         | -    |

\* The amount \$61,500 includes \$40,000 relating directly to Mr Ljubojevic as disclosed in the directors remuneration table.

During the year transactions of \$61,500 were made with Horizon Capital Management LLC ("Horizon") of which Mr Dusko Ljubojevic is a director. The transactions included the provision of geological, legal and administrative consulting services undertaken by four consultants, including Mr Ljubojevic. Under the Horizon agreement each consultant was paid directly by the Company.

At 30 June 2018 the outstanding balance relating to Horizon totalled to \$10,000.

During the year transactions of \$77,250 were made with Onyx Corporate Pty Ltd ("Onyx") of which Ms Kyla Garic and Mr Nicholas Young are directors. The transactions included the provision of various accounting services including preparation of historical accounts and provision of company secretarial services.

At 30 June 2018 the outstanding balance relating to Onyx totalled to \$6,750.

There were no other related party transactions during the year

### REMUNERATION REPORT (END)

#### Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

#### Indemnifying officers

The Company indemnifies each of its Directors, officers and company secretary. The Company indemnifies each director or officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and application for such proceedings.

The Company must use its best endeavors to insure a director or office against any liability, which does not arise out of conduct constituting a willful breach of duty or a contravention of the Corporations Act 2001. The Company must also use its best endeavors to insure a Director or office against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

## **DIRECTOR'S REPORT (CONTINUED)**

### **Insurance premiums**

During the year the Company paid insurance premiums to insure directors and officer against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against the premium paid cannot be disclosed.

### **Environmental regulations**

The Group's operations are subject to the environmental risks inherent in the mining industry.

### **Future developments, prospects and business strategies**

The Company's principal continuing activity is mineral exploration. The Company's future developments, prospects and business strategies are to continue mineral exploration.

### **Indemnification of auditors**

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

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

A handwritten signature in black ink, appearing to read 'Michael Davy'.

**Mr Michael Davy**

**Non-Executive Chairman**

Dated: 28 September 2018

**RSM Australia Partners**

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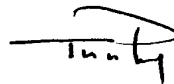
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Raiden Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



Perth, WA  
Dated: 28 September 2018

TUTU PHONG  
Partner

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

|                                                                      |   | <b>30 June 2018</b> |
|----------------------------------------------------------------------|---|---------------------|
|                                                                      |   | <b>\$</b>           |
| Interest income                                                      | 4 | 5,946               |
| Administrative costs                                                 | 4 | (43,437)            |
| Corporate expenses                                                   | 4 | (22,451)            |
| Director fees                                                        | 4 | (52,132)            |
| Legal and other professional fees                                    | 4 | (87,842)            |
| Listing fee expense                                                  | 4 | (1,133,894)         |
| Share based payments                                                 | 4 | (963,200)           |
| Transaction costs                                                    |   | (223,838)           |
| <b>Loss before income tax</b>                                        |   | <b>(2,520,848)</b>  |
| Income tax expense                                                   | 5 | -                   |
| <b>Loss for the period</b>                                           |   | <b>(2,520,848)</b>  |
| <b>Other comprehensive income:</b>                                   |   |                     |
| <i>Items that may be reclassified subsequently to profit or loss</i> |   |                     |
| Exchange differences on translating foreign operations               |   | (1,740)             |
| <b>Total comprehensive loss for the year</b>                         |   | <b>(2,522,588)</b>  |
| <b>Basic and diluted loss per share (cents per share)</b>            | 8 | (0.95)              |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

|                                        | Note | 30 June 2018     |
|----------------------------------------|------|------------------|
|                                        |      | \$               |
| <b>CURRENT ASSETS</b>                  |      |                  |
| Cash and cash equivalents              | 9a   | 3,742,468        |
| Trade and other receivables            | 10   | 69,783           |
| Other current assets                   |      | 12,725           |
| <b>TOTAL CURRENT ASSETS</b>            |      | <b>3,824,976</b> |
| <b>NON-CURRENT ASSETS</b>              |      |                  |
| Plant and equipment                    | 11   | 22,578           |
| Exploration and evaluation expenditure | 12   | 284,939          |
| <b>TOTAL NON-CURRENT ASSETS</b>        |      | <b>307,517</b>   |
| <b>TOTAL ASSETS</b>                    |      | <b>4,132,493</b> |
| <b>CURRENT LIABILITIES</b>             |      |                  |
| Trade and other payables               | 13   | 91,133           |
| <b>TOTAL CURRENT LIABILITIES</b>       |      | <b>91,133</b>    |
| <b>TOTAL LIABILITIES</b>               |      | <b>91,133</b>    |
| <b>NET ASSETS</b>                      |      | <b>4,041,360</b> |
| <b>EQUITY</b>                          |      |                  |
| Issued capital                         | 14   | 6,400,748        |
| Reserves                               | 15   | 161,460          |
| Accumulated losses                     |      | (2,520,848)      |
| <b>TOTAL EQUITY</b>                    |      | <b>4,041,360</b> |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2018**

|                                                                | Issued Capital   | Reserves       | Accumulated Losses | Total            |
|----------------------------------------------------------------|------------------|----------------|--------------------|------------------|
|                                                                | \$               | \$             | \$                 | \$               |
| <b>Balance at 9 November 2017</b>                              | -                | -              | -                  | -                |
| Loss for the period                                            | -                | -              | (2,520,848)        | (2,520,848)      |
| Other comprehensive loss                                       | -                | (1,740)        | -                  | (1,740)          |
| Total comprehensive loss for the period                        | -                | (1,740)        | (2,520,848)        | (2,522,588)      |
| <b>Transactions with owners, recognised directly in equity</b> |                  |                |                    |                  |
| Issue of shares in Timok                                       | 750              | -              | -                  | 750              |
| Acquisition of Timok                                           | 808,616          | -              | -                  | 808,616          |
| Issue of shares under the public offer (net of costs)          | 4,691,382        | -              | -                  | 4,691,382        |
| Issue of shares to the facilitators                            | 800,000          | -              | -                  | 800,000          |
| Issue of shares under the conversation offer                   | 100,000          | -              | -                  | 100,000          |
| Issue of options to facilitators                               | -                | 163,200        | -                  | 163,200          |
| <b>Balance at 30 June 2018</b>                                 | <b>6,400,748</b> | <b>161,460</b> | <b>(2,520,848)</b> | <b>4,041,360</b> |

The accompanying notes form part of these financial statements.



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

|                                                   |           | <b>30 June 2018</b> |
|---------------------------------------------------|-----------|---------------------|
|                                                   |           | <b>\$</b>           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>       |           |                     |
| Payments to suppliers and employees               |           | (779,480)           |
| Interest received                                 |           | 5,946               |
| <b>Net cash used in operating activities</b>      | <b>9b</b> | <b>(773,534)</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |           |                     |
| Payments for exploration and evaluation           |           | (249,634)           |
| Cash acquired on reverse takeover                 |           | 142,858             |
| Purchase of plant and equipment                   |           | (23,214)            |
| <b>Net cash from investing activities</b>         |           | <b>(129,990)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |           |                     |
| Proceeds from issue of shares                     |           | 5,000,750           |
| Capital raising costs                             |           | (353,018)           |
| <b>Net cash from financing activities</b>         |           | <b>4,647,732</b>    |
| <b>Net increase in cash and cash equivalents</b>  |           | <b>3,744,208</b>    |
| Cash and cash equivalents at beginning of period  |           | -                   |
| Foreign exchange                                  |           | (1,740)             |
| <b>Cash and cash equivalents at end of period</b> | <b>9a</b> | <b>3,742,468</b>    |

The accompanying notes form part of these financial statements



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

These consolidated financial statements cover Raiden Resources Limited (Formerly known as A.C.N 009 161 522 Limited) ("the Company") and its controlled entities as a consolidated entity (also referred to as "the Group"). The Company is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

This financial report was issued by the Directors on 28 September 2018.

The financial statements are presented in Australian dollars, unless otherwise stated.

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

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Basis of preparation of the financial report**

##### **Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (**AASBs**) (including Australian interpretations) adopted by the Australian Accounting Standard Board (**AASB**) and the Corporations Act 2001. It is noted that the financial report for the legal parent for year ended 30 June 2018 was prepared by Directors who were appointed on or after 29 June 2017. However, the Directors did not have control of the Company until control was transferred to them on the effectuation of the deed of company arrangement ("DOCA") on 24 October 2017. Accordingly the company does not have adequate information to enable the remuneration report disclosures required by the Corporations Act 2001 for the comparative period (30 June 2017). The financial statements have been prepared on an accruals basis and are based on historical costs.

#### **b) Reverse Acquisition**

On 8 February 2018 Raiden Resources Limited (Raiden) (formerly A.C.N 009 161 522 Limited) completed the acquisition of the Timok Resources Pty Ltd (Timok). Under the Australian Accounting Standards Timok was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which Timok acquires the net assets and listing status of Raiden Resources Limited.

Accordingly the consolidated financial statements of Raiden Resources Limited have been prepared as a continuation of the business and operations of Timok. As the deemed acquirer, Timok has accounted for the acquisition of Raiden Resources Limited from 8 February 2018. The comparative information for the year ended 30 June 2017 should be that of Timok; however Timok was not in existence at 30 June 2017, having only been incorporated on 9 November 2017. Therefore there are no comparative numbers for the year ended 30 June 2017. Refer to note 2 for further details.

The implications of the acquisition by Timok on the financial statements are as follows:

- i) Statement of Profit or Loss and Other Comprehensive Income
  - The statement of profit and loss and other comprehensive income comprises the total comprehensive income from incorporation to the year ended 30 June 2018 for Timok and the period from 8 February 2018 for Raiden.
- ii) Statement of Financial Position
  - The statement of financial position as at 30 June 2018 represents the combination of Timok and Raiden.



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

**b) Reverse Acquisition (Continued)**

iii) Statement of Changes in Equity

- The Statement of Changes in Equity comprises:
  - The equity balance of Timok at incorporation date (9 November 2017).
  - The total comprehensive income for the financial year and transactions with equity holders, being 8 months from Timok for the year ended 30 June 2018 and the period from 8 February 2018 until 30 June 2018 for Raiden.
  - The equity balance of the combined Timok and Raiden for at the year ended 30 June 2018.

iv) Statement of Cash Flows

- The Statement of Cash Flows comprises:
  - The cash balance of Timok at the incorporation date (9 November 2017).
  - The transactions for the financial year for the 8 months from Timok for the year ended 30 June 2018 and the period from 8 February 2018 to 30 June 2018 for Raiden.
  - The cash balance of the combined Timok and Raiden for the year ended 30 June 2018

v) Equity Structure

The equity structure (the number and type of equity instruments issued) in the financial statements reflects the consolidated equity structure of Timok and Raiden.

vi) Earnings Per Share

The weighted average number of shares outstanding for the year ended 30 June 2018 is based on the combined weighted average number of shares of Raiden outstanding in the period following the acquisition and the weighted average number of ordinary shares in Timok prior to the acquisition. The weighted average number of shares in Timok is based on the accounting subsidiary's (Timok's) weighted average share multiplied by the exchange ratio.

**c) Principles of Consolidation**

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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



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

**c) Principles of Consolidation (Continued)**

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

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

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

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

**d) Revenue**

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

*Service revenue*

Revenue from services is recognised in the accounting period in which the services are rendered.

*Interest income*

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

*Dividends*

Dividends are recognised as revenue when the rights to receive payment are established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.



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

**e) Goods and Services Tax (GST)**

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

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

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

**f) Income Tax**

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

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

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

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

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

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

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

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



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

**g) Cash and cash equivalents**

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

**h) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measures at amortised costs, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of impairment allowance is difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effective of discounting is material.

The amount of the impairment loss is recognised in profit and loss within general and administration expense. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against general and administration expenses in the statement of profit or loss and other comprehensive income.

**i) Financial Instruments**

**Initial recognition and measurement**

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

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

**Classification and subsequent measurement**

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

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

**(i) Loans and receivables**

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

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



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

**i) Financial Instruments (Continued)**

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

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

**(iii) Financial liabilities**

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

**Derivative instruments**

The Group does not trade or hold derivatives.

**Financial guarantees**

The Group has bank guarantees for contract performance.

**Impairment**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

**Derecognition**

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

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

**j) Impairment of non-financial assets**

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

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

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



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

**k) Property, plant and equipment**

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

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

Depreciation is calculated using the diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives of, in the case vehicles as follows:

|          |               |
|----------|---------------|
| Vehicles | 5 to 15 years |
|----------|---------------|

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

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

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

**l) Exploration and evaluation expenditure**

*Recognition and measurement*

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation costs are recognised as an asset if the rights of the area of interest are current and either:

- The expenditures are expected to be recouped through successful development and exploitation of the areas of interest; or
- Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

*Subsequent measurement*

Exploration and evaluation assets are assessment for impairment if:

- Sufficient data exists to determine technical feasibility and commercial viability; and
- Facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of the impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation assets to mine properties within property, plant and equipment.



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

**l) Exploration and evaluation expenditure (continued)**

The value of the Group's interest in exploration expenditure is dependent upon:

- The continuance of the Group's right to tenure of the areas of interest;
- The result of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

**m) Trade and other payables**

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

**n) Borrowings**

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

**o) Provisions**

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

**p) Employee Benefits**

*Short-term obligations*

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

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

*Termination benefits*

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

*Profit sharing and bonus plans*

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



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

**p) Comparative figures**

There are no comparative figures as detailed in Note 1 (b), the accounting parent was not in existence at 30 June 2017 having only been incorporated on 9 November 2017.

**q) Foreign currency transactions and balances**

**Functional and presentation currency**

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

**Transaction and balances**

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

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

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

**r) Borrowing Costs**

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

**s) Critical Accounting estimates and judgements**

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

**Key Estimates and judgements**

*Share based payments*

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes valuation model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

*Exploration and evaluation expenditure*

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to accounting policy stated in Note 12 Exploration and evaluation assets.



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

**u) Critical Accounting estimates and judgements (continued)**

The ultimate recoupment of the value of the exploration and evaluation assets and mine properties is dependent on successful development and commercial exploitation or alternatively, sale, of the underlying mineral exploration properties. The Group undertakes at least on an annual basis a comprehensive review for indicators of impairment of these assets. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

**v) New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

*AASB 9 Financial Instruments*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group has made an assessment and determined that this standard will have little to no impact on the entity as it does not have any financial instruments.

*AASB 15 Revenue from Contracts with Customers*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group has made an assessment and determined that this standard will have little to no impact on the entity as it currently does not earn revenue.



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

**t) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)**

*AASB 16 Leases*

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The impact of the adoption of AASB 16 is being assessed by the Group.

**NOTE 2: REVERSE ACQUISITION**

On 8 February 2018, Raiden Resources Limited (Raiden) (formerly A.C.N 009 161 522 Limited) completed the acquisition of Timok Resources Pty Ltd (Timok). Under the Australian Accounting Standards Timok was deemed the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment under the guidance of AASB2 Share Based Payments by which Timok acquirers the net assets and listing status of Raiden.

**Deemed Consideration**

Raiden made a takeover offer of all securities of Timok. The takeover offer was affected through an off-market takeover bid for all of the ordinary shares in Timok on the basis of 539 Raiden shares for every 1 Timok share.

Under the acquisition, Raiden acquired all the shares of Timok by issuing 75,000,000 shares and 200,000,000 performance shares (Note 14) in Raiden to Timok shareholders, giving Timok (accounting parent) a controlling interest in Raiden (accounting subsidiary) and equating to a controlling interest in the combined entity. Timok was deemed the acquirer for accounting purpose as it owned 64.97% of the consolidated entity. The acquisition of Timok by Raiden is not deemed to be a business combination, as Raiden is not considered to be a business under AASB 3 Business Combination.

The value of the Raiden shares provided was determined as the notional number of equity instruments that the shareholders of Timok would have had to give the owners of Raiden, the same percentage ownership in the combined entity. It has been deemed to be \$808,616. The pre-acquisition equity balances of Raiden, (\$325,278), are eliminated against the increase in share capital of \$808,616 on consolidation and the balance is deemed to be the amount paid for the listing status, being \$1,133,894 (recognised in the consolidated statement of profit or loss and other comprehensive income).

|                                                            | Ref  | \$           |
|------------------------------------------------------------|------|--------------|
| <b>(a) Deemed Raiden Resources Limited Share Capital</b>   |      |              |
| Historical issued capital balance at acquisition date      |      | 18,978,600   |
| Elimination of Raiden Resources Limited issued capital     |      | (18,978,600) |
| Deemed consideration on acquisition                        | 2(d) | 808,616      |
| Acquired share capital of Timok Resources Pty Ltd          |      | 750          |
| Total Raiden Resources Limited share capital on completion |      | 809,366      |



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

**(b) Raiden Resources Limited Accumulated Losses Pre-Completion**

|                                                                 |              |
|-----------------------------------------------------------------|--------------|
| Raiden Resources Limited accumulated losses at acquisition date | (19,303,878) |
| Elimination of Raiden Resources Limited accumulated losses      | 19,303,878   |
| Total Raiden Resources Limited accumulated losses on completion | -            |

**(c) Assets and Liabilities Acquired**

|                                                            |      |             |
|------------------------------------------------------------|------|-------------|
| Cash and cash equivalents                                  | (i)  | 5,141,445   |
| Trade and other receivables                                |      | 20,427      |
| Prepayments                                                |      | 103,500     |
| Trade and other payables                                   |      | (590,650)   |
| Other liabilities                                          | (ii) | (5,000,000) |
| Net assets of Raiden Resources Limited at acquisition date | 2(d) | (325,278)   |

**(d) Listing Expenses**

|                                                 |      |           |
|-------------------------------------------------|------|-----------|
| Deemed consideration                            | 2(a) | 808,616   |
| Net liabilities of Raiden Resources Limited     | 2(c) | (325,278) |
| Total Raiden Resources Limited listing expenses |      | 1,133,894 |

(i) The cash acquired of \$5,141,445 includes the capital raised of \$5,000,000 under the Public Offer less any associated capital raising costs which occurred prior to the acquisition date.

(ii) Unissued shares for which cash was received prior to the acquisition date.

**NOTE 3: ACQUISITION OF SUBSIDIARIES**

*Acquisition of Skarnore Resources d.o.o. Belgrade*

On 8 February 2018, Timok Resources Pty Ltd acquired 100% of the ordinary shares of Skarnore Resources d.o.o ("Skarnore") for a total consideration of \$1.

|                                                        | Fair Value |
|--------------------------------------------------------|------------|
|                                                        | \$         |
| <b>Purchase consideration:</b>                         |            |
| Cash consideration                                     | 1          |
|                                                        | 1          |
| <b>Net assets acquired:</b>                            |            |
| Cash and cash equivalents                              | 209        |
| Trade and other receivables                            | 1,670      |
| Trade and other payables                               | (13,041)   |
| Net liabilities acquired                               | (11,162)   |
| Loss on acquisition                                    | 11,163     |
| Acquisition date fair value of the total consideration | 1          |



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

**NOTE 3: ACQUISITION OF SUBSIDIARIES (CONTINUED)**

Cash used to acquire business, net of cash acquired:

|                                                                    |     |
|--------------------------------------------------------------------|-----|
| Acquisition-date fair value of the total consideration transferred | 1   |
| Less: cash and cash equivalents                                    | 209 |
| Net cash from acquisition                                          | 208 |

*Acquisition of Kingstown Resources d.o.o. Belgrade*

On 8 February 2018, Timok Resources Pty Ltd acquired 100% of the ordinary shares of Kingstown Resources d.o.o ("Kingstown") for a total consideration of \$1.

|                                                        | Fair Value |
|--------------------------------------------------------|------------|
|                                                        | \$         |
| <b>Purchase consideration:</b>                         |            |
| Cash consideration                                     | 1          |
|                                                        | 1          |
| <b>Net assets acquired:</b>                            |            |
| Cash and cash equivalents                              | 1,204      |
| Trade and other receivables                            | 436        |
| Exploration and evaluation expenditure                 | 3,303      |
| Trade and other payables                               | (1,969)    |
| Net assets acquired                                    | 2,974      |
| Profit on acquisition                                  | (2,973)    |
| Acquisition date fair value of the total consideration | 1          |

Cash used to acquire business, net of cash acquired:

|                                                                    |       |
|--------------------------------------------------------------------|-------|
| Acquisition-date fair value of the total consideration transferred | 1     |
| Less: cash and cash equivalents                                    | 1,204 |
| Net cash from acquisition                                          | 1,203 |



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

| <b>NOTE 4: LOSS FOR THE YEAR</b> | <b>30 June 2018</b> |
|----------------------------------|---------------------|
|                                  | \$                  |
| Interest Income                  | 5,946               |
| Administrative costs             | (43,437)            |
| Corporate expenses               | (22,451)            |
| Directors fees                   | (52,132)            |
| Legal and professional fees      | (87,842)            |
| Listing fee expense              | (1,133,894)         |
| Share based payments             | (963,200)           |

|                           |                     |
|---------------------------|---------------------|
| <b>NOTE 5: INCOME TAX</b> | <b>30 June 2018</b> |
|                           | \$                  |

The financial accounts for the year ended 30 June 2018 comprise the results of the Group. The legal parent is incorporated and domiciled in Australia where the applicable tax rate is 27.5%. Two of the Group's subsidiaries are incorporated in the Republic of Serbia where the applicable tax rate is 15%.

|                        |   |
|------------------------|---|
| (a) Income tax expense | - |
| Current tax            | - |
| Deferred tax           | - |

(b) The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

|                                                          |           |
|----------------------------------------------------------|-----------|
| Prima facie tax on operating loss at 27.5% (2017: 27.5%) | (693,233) |
| Non-deductible items                                     |           |
| Non-deductible expenditure                               | 602,492   |
| Adjustments for differences in tax rates                 | 3,268     |
| Benefits from tax loss not brought to account            | 87,473    |
| Income tax attributable to operating loss                | -         |

|                                 |         |
|---------------------------------|---------|
| (c) Deferred tax assets         |         |
| Tax losses                      | 87,473  |
| Blackhole expenditure           | 77,499  |
| Unrecognised deferred tax asset | 164,972 |

|                                                                                                 |         |
|-------------------------------------------------------------------------------------------------|---------|
| (d) Tax losses                                                                                  |         |
| Unused tax losses and temporary differences for which no deferred tax asset has been recognised | 599,900 |



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

**NOTE 5: INCOME TAX (CONTINUED)**

**30 June 2018**

The Group has the following tax losses arising in entities in Australia and the Republic of Serbia that are available indefinitely to be offset against the future taxable profits of the Group.

*Tax loss carried forward*

|                    |         |
|--------------------|---------|
| Australia          | 585,638 |
| Republic of Serbia | 14,262  |
|                    | <hr/>   |
|                    | 599,900 |
|                    | <hr/>   |

*Unrecognised deferred tax asset*

|                    |         |
|--------------------|---------|
| Australia          | 161,050 |
| Republic of Serbia | 3,922   |
|                    | <hr/>   |
|                    | 164,972 |
|                    | <hr/>   |

**Carry forward losses**

Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 30 June 2018, because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable.

**NOTE 6: KEY MANAGEMENT PERSONNEL**

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

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

|                              |                     |
|------------------------------|---------------------|
|                              | <b>30 June 2018</b> |
|                              | \$                  |
| Short-term employee benefits | 154,366             |
| Total KMP Compensation       | <hr/>               |
|                              | 154,366             |
|                              | <hr/>               |

**Loans to Key Management Personnel**

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

**Other KMP Transactions**

To the best of the Directors' knowledge, they are not aware of other transactions with Key Management Personnel.

**NOTE 7: AUDITOR'S REMUNERATION**

**30 June 2018**

|                                               |        |
|-----------------------------------------------|--------|
|                                               | \$     |
| Remuneration of the auditor of the Group for: |        |
| - audit of the financial report               | 25,308 |
| - other services – preparation of IAR report  | 10,000 |
|                                               | <hr/>  |
|                                               | 35,308 |
|                                               | <hr/>  |



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

| <b>NOTE 8: LOSS PER SHARE</b>                                                                                      | <b>30 June 2018</b> |
|--------------------------------------------------------------------------------------------------------------------|---------------------|
|                                                                                                                    | \$                  |
| <b>Earnings per share (in cents)</b>                                                                               | (0.95)              |
| Profit (Loss) used in calculation of basic EPS                                                                     | (2,522,588)         |
| Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share | 265,924,358         |

Anti-dilutive options have not been used in the EPS calculation. As at 30 June 2018 there were 50,000,000 options on issue.

| <b>NOTE 9 a: CASH AND CASH EQUIVALENTS</b> | <b>30 June 2018</b> |
|--------------------------------------------|---------------------|
|                                            | \$                  |
| Cash at bank                               | 3,742,468           |
| Total cash and cash equivalents            | 3,742,468           |

| <b>NOTE 9 b: CASH FLOW INFORMATION</b>         | <b>30 June 2018</b> |
|------------------------------------------------|---------------------|
|                                                | \$                  |
| Loss after income tax                          | (2,520,848)         |
| <b>Non-cash flows in loss after income tax</b> |                     |
| Share based payments                           | 963,200             |
| Transaction costs                              | 108,188             |
| Listing fee expense                            | 1,133,894           |
| Depreciation                                   | 636                 |
| <b>Changes in assets and liabilities</b>       |                     |
| - trade and other receivables                  | (48,057)            |
| - prepayments                                  | 90,775              |
| - payables                                     | (501,321)           |
| Cash flow used in operations                   | (773,534)           |

**Credit Standby Facilities**

The Group does not have any credit standby facilities.

**Non-Cash investing and financing activities**

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

| <b>NOTE 10: TRADE AND OTHER RECEIVABLES</b>                                                   | <b>30 June 2018</b> |
|-----------------------------------------------------------------------------------------------|---------------------|
|                                                                                               | \$                  |
| <b>CURRENT</b>                                                                                |                     |
| Other receivables (a)                                                                         | 69,783              |
| <b>Total other receivables</b>                                                                | <b>69,783</b>       |
| (a) Other receivables are non-interest bearing and have payment terms between 30 and 60 days. |                     |



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

| <b>NOTE 11: PLANT AND EQUIPMENT</b> | <b>30 June 2018</b> |
|-------------------------------------|---------------------|
|                                     | \$                  |
| Plant and equipment:                |                     |
| Cost                                | 23,214              |
| Accumulated depreciation            | (636)               |
| Net book value                      | 22,578              |
| <b>Total net book value</b>         | <b>22,578</b>       |

| <b>NOTE 12: EXPLORATION AND EVALUATION EXPENDITURE</b> | <b>30 June 2018</b> |
|--------------------------------------------------------|---------------------|
|                                                        | \$                  |
| <b>(a) Non-current</b>                                 |                     |
| Exploration expenditure capitalised:                   |                     |
| Exploration and evaluation at cost                     | 284,939             |
| <b>Net carrying value</b>                              | <b>284,939</b>      |
| <b>(b) Movement in carrying amounts</b>                |                     |
| <b>Carrying amount at 1 July 2017</b>                  | -                   |
| Additions through acquisition of subsidiary            | 3,303               |
| Expenditure during the period                          | 281,636             |
| <b>Carrying amount at 30 June 2018</b>                 | <b>284,939</b>      |

**Stara Planina Project**

The Group and Geo Consulting Studio D.O.O, Belgrade ("Geo") entered into a joint agreement over Geo's 100% owned Stara Planina licence. Under the terms of the agreement, the Group can earn up to 90% interest in the Stara Planina licence, by predominately sole-funding exploration and development expenditure across several stages. Raiden Resources Limited will be the manager of the Stara Planina project.

As at 30 June 2018 the Group has spent \$188,605 on the Stara Planina project.

As at 30 June 2018 the Group has not earned into the licence.

| <b>NOTE 13: TRADE AND OTHER PAYABLES</b> | <b>30 June 2018</b> |
|------------------------------------------|---------------------|
|                                          | \$                  |
| <b>CURRENT</b>                           |                     |
| Trade payables                           | 39,194              |
| Other payables                           | 51,939              |
|                                          | 91,133              |

**(a) Fair value**

Due to short term nature of these payables, their carrying value is assumed to approximate their fair value.



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

**NOTE 14: ISSUED CAPITAL**

**30 June 2018**

**\$**

**(a) Issued Capital:**

|                            |                  |
|----------------------------|------------------|
| Ordinary shares fully paid | <u>6,400,748</u> |
|----------------------------|------------------|

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

|                                                                 | Number                    | \$                      |
|-----------------------------------------------------------------|---------------------------|-------------------------|
| Opening balance at 1 July 2017                                  | -                         | -                       |
| Issue of shares in Timok Resources Pty Ltd                      | 75,000                    | 750                     |
| Elimination of shares on acquisition of Timok Resources Pty Ltd | (75,000)                  | -                       |
| Deemed consideration on acquisition of Timok Resources Pty Ltd  | 75,000,000                | 808,616                 |
| Existing shares in Raiden Resources Limited                     | 40,430,796                | -                       |
| Issue of shares under the Public Offer (net of costs)           | 250,000,000               | 4,691,382               |
| Issue of shares under the Facilitator Offer                     | 40,000,000                | 800,000                 |
| Issue of shares under the Conversion Offer                      | 5,000,000                 | 100,000                 |
| <b>Closing balance at 30 June 2018</b>                          | <b><u>410,430,796</u></b> | <b><u>6,400,748</u></b> |

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

**(c) Capital Management**

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet research and development programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

**Performance Shares**

In addition to the number of share disclosed above there are also 200,000,000 performance shares which have been issued as part of the consideration on the reverse takeover transaction. The performance shares will convert to ordinary shares on 1:1 basis subject to the performance milestones being met prior to expiry date.

| Class   | Expiry                                | Milestones                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Class A | 07-Feb-22 (48 months from issue date) | 62,500,000 Performance Shares (Class A Performance Shares) will convert upon the announcement by the Company to ASX of the delineation of a Mineral Resource on the Company Licences of at least 100Kt of contained copper equivalent (reported in accordance with clause 50 of the JORC Code) at or above 0.2% copper equivalent and which is prepared and reported in accordance with the JORC Code; |
| Class B | 08-Aug-22 (54 months from issue date) | 62,500,000 Performance Shares (Class B Performance Shares) will convert upon the announcement by the Company to ASX of the results of a Scoping Study and that the Board has resolved to undertake a Pre-Feasibility Study on all or part of the Company Licences;                                                                                                                                     |
| Class C | 07-Feb-23 (60 months from issue date) | 75,000,000 Performance Shares (Class C Performance Shares) will convert upon the announcement of a Positive Pre-Feasibility Study in respect of a Company Project (or Company Projects).                                                                                                                                                                                                               |

No value has been allocated to the Performance Shares due to the significant uncertainty of meeting the performance milestones which are based on future events. To date, none of the Milestones have been met.



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

**NOTE 15: RESERVES**

|                                            | <b>30 June 2018</b> |                |
|--------------------------------------------|---------------------|----------------|
| <b>(a) Reserves</b>                        |                     | <b>\$</b>      |
| Option reserve                             |                     | 163,200        |
| Foreign currency reserve                   |                     | (1,740)        |
| <b>Total reserves</b>                      |                     | <b>161,460</b> |
| <b>(b) Option Reserve</b>                  | <b>No.</b>          | <b>\$</b>      |
| <b>Opening balance at 1 July 2017</b>      | -                   | -              |
| Issue of free attaching placement options  | 32,000,000          | -              |
| Issue of free attaching conversion options | 5,000,000           | -              |
| Issue of facilitator options               | 13,000,000          | 163,200        |
| <b>Balance at 30 June 2018</b>             | <b>50,000,000</b>   | <b>163,200</b> |
| <b>(c) Foreign currency reserve</b>        |                     | <b>\$</b>      |
| <b>Opening balance at 1 July 2017</b>      |                     | -              |
| Difference arising on translation          |                     | (1,740)        |
| <b>Balance at 30 June 2018</b>             |                     | <b>(1,740)</b> |

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

**NOTE 16: SHARE BASED PAYMENTS**

The following share-based payment arrangements existed at 30 June 2018:

**Facilitator Shares**

40,000,000 Facilitator Shares were issued on 8 February 2018 with issue price of \$0.20 per share.

**Facilitator Options**

13,000,000 Facilitator Options were issued on 8 February 2018 with exercise price of \$0.02 each expiring on 8 February 2021. These options have been valued using the Black and Scholes valuation methodology taking into account the terms and conditions upon which the options were granted.

A summary of the inputs used in the valuation of the options and shares is as follows:

|                                           | <b>Facilitator Shares</b> | <b>Facilitator Options</b> |
|-------------------------------------------|---------------------------|----------------------------|
| Exercise price                            | \$Nil                     | \$0.02                     |
| Share price at date of issue              | \$0.02                    | \$0.02                     |
| Issue date                                | 08-Feb-18                 | 08-Feb-18                  |
| Expected volatility                       | n/a                       | 100%                       |
| Expiry date                               | n/a                       | 08-Feb-21                  |
| Expected dividends                        | Nil                       | Nil                        |
| Risk free interest rate                   | n/a                       | 2.09%                      |
| Value per option or share                 | \$0.02                    | \$0.0126                   |
| Number of shares/ options                 | 40,000,000                | 13,000,000                 |
| <b>Total value of share based payment</b> | <b>\$800,000</b>          | <b>\$163,200</b>           |



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

**NOTE 17: OPERATING SEGMENTS**

**Segment Information**

**Identification of reportable segments**

The Group has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The Group's sole operating segment is consistent with the presentation of these consolidated financial statements.

**NOTE 18: FINANCIAL INSTRUMENTS**

**Financial Risk Management Policies**

The Group's financial instruments consist mainly of deposits with banks, other debtors and accounts payable. The main purpose of non-derivative financial instruments is to raise finance for Group's operations.

**Specific Financial Risk Exposures and Management**

The main risk the Group is exposed to through its financial instruments are market risk (including fair value and interest rate risk) and cash flow interest rate risk, credit risk and liquidity risk.

**(a) Interest Rate Risk**

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below:

|                                       | <b>Floating<br/>Interest<br/>Rate</b> | <b>Non-interest<br/>bearing</b> | <b>2018<br/>Total</b> |
|---------------------------------------|---------------------------------------|---------------------------------|-----------------------|
|                                       | <b>\$</b>                             | <b>\$</b>                       | <b>\$</b>             |
| <b>Financial assets</b>               |                                       |                                 |                       |
| - <i>Within one year</i>              |                                       |                                 |                       |
| Cash and cash equivalents             | 3,742,468                             | -                               | 3,742,468             |
| Other receivables                     | -                                     | 69,783                          | 69,783                |
| <b>Total financial assets</b>         | <b>3,742,468</b>                      | <b>69,783</b>                   | <b>3,812,251</b>      |
| <i>Weighted average interest rate</i> | 0.16%                                 |                                 |                       |



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

**NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)**

|                                       | Floating<br>Interest<br>Rate | Non-interest<br>bearing | 2018<br>Total |
|---------------------------------------|------------------------------|-------------------------|---------------|
|                                       | \$                           | \$                      | \$            |
| <b>Financial Liabilities</b>          |                              |                         |               |
| - <i>Within one year</i>              |                              |                         |               |
| Trade and other Payables              | -                            | 39,194                  | 39,194        |
| Other liabilities                     | -                            | 51,939                  | 51,939        |
| <b>Total financial liabilities</b>    | -                            | 91,133                  | 91,133        |
| <i>Weighted average interest rate</i> | -                            |                         |               |
| <b>Net financial assets</b>           | 3,742,468                    | (21,350)                | 3,721,118     |

**Sensitivity Analysis**

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

|                                | Movement in<br>Profit | Movement in<br>Equity |
|--------------------------------|-----------------------|-----------------------|
| <b>Year ended 30 June 2018</b> | \$                    | \$                    |
| +/-1% in interest rates        | 18,712                | 18,712                |

**(b) Credit risk**

The maximum exposure to credit risk is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

|                                      | Note | 2018<br>\$ |
|--------------------------------------|------|------------|
| Cash and cash equivalents - AA Rated | 9a   | 3,742,468  |

**(c) Liquidity risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.



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

NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place. The financial liabilities of the Group are confined to trade and other payables as disclosed in the Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

| 2018                                    | Interest rate | Less than 6 months | 6-12 months | 1-2 years | 2-5 years | Over 5 years | Total contractual cash flows | Carrying amount assets/ (liabilities) |
|-----------------------------------------|---------------|--------------------|-------------|-----------|-----------|--------------|------------------------------|---------------------------------------|
|                                         |               | \$                 | \$          | \$        | \$        | \$           | \$                           | \$                                    |
| Financial liabilities at amortised cost |               |                    |             |           |           |              |                              |                                       |
| Trade and other payables                | -             | (91,133)           | -           | -         | -         | -            | (91,133)                     | (91,133)                              |
|                                         |               | (91,133)           | -           | -         | -         | -            | (91,133)                     | (91,133)                              |

(d) Net fair Value of financial assets and liabilities

*Fair value estimation*

Due to the short term nature of the receivables and payables the carrying value approximates fair value.

(e) Financial arrangements

The company had no other financial arrangements in place at 30 June 2018 based on the information available to the current board.

(f) Currency risk

The currency risk is the risk that the value of financial instruments will fluctuate due to change in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Australian Dollar (AUD), the Group's functional currency. The Company's policy is not to enter into any currency hedging transactions.

|                           | 2018             |                |
|---------------------------|------------------|----------------|
| Cash and cash equivalents | Foreign Currency | AUD Equivalent |
| Euro (EUR)                | 4,636            | 7,308          |
| Serbian Dinar (RDS)       | 6,247,482        | 83,102         |



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

**NOTE 19: RELATED PARTY TRANSACTIONS**

**(a) Key management personnel compensation**

The directors entered into contract to each be paid \$3,000 per month, with exception to Mr Ljubojevic who's salary was set at \$147,000 per annum. The fees were payable from appointment date and the contract remains in place until the Directors either resign or are not re-elected at an AGM.

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

|                                         | <b>30 June 2018</b> |
|-----------------------------------------|---------------------|
|                                         | <b>\$</b>           |
| Short-term salary, fees and commissions | 154,366             |
| <b>Total KMP Compensation</b>           | <b>154,366</b>      |

**(b) Transactions with other related parties**

The Group acquired services from entities that are controlled by members of the Group's KMP. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

| Entity                          | Nature of transactions                    | Key Management Personnel     | Total Revenue / (Expense) |      | Payable Balance |      |
|---------------------------------|-------------------------------------------|------------------------------|---------------------------|------|-----------------|------|
|                                 |                                           |                              | 2018                      | 2017 | 2018            | 2017 |
|                                 |                                           |                              | \$                        | \$   | \$              | \$   |
| Horizon Capital Management LLC* | Geological Consulting                     | Dusko Ljubojevic             | (61,500)                  | -    | (10,000)        | -    |
| Onyx Corporate Pty Ltd          | Accounting and Company Secretary Services | Kyla Garic<br>Nicholas Young | (77,250)                  | -    | (6,750)         | -    |

\* The amount \$61,500 includes \$40,000 relating directly to Mr Ljubojevic as disclosed in the directors remuneration table.

During the year transactions of \$61,500 were made with Horizon Capital Management LLC ("Horizon") of which Mr Dusko Ljubojevic is a director. The transactions included the provision of geological, legal and administrative consulting services undertaken by four consultants, including Mr Ljubojevic. Under the Horizon agreement each consultant was paid directly by the Company.

At 30 June 2018 the outstanding balance relating to Horizon totalled to \$10,000.

During the year transactions of \$77,250 were made with Onyx Corporate Pty Ltd ("Onyx") of which Ms Kyla Garic and Mr Nicholas Young are directors. The transactions included the provision of various accounting services including preparation of historical accounts and provision of company secretarial services.

At 30 June 2018 the outstanding balance relating to Onyx totalled to \$6,750.

There were no other related party transactions during the year



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

**NOTE 20: PARENT ENTITY DISCLOSURES**

The following information has been extracted from the books and records of the legal parent Raiden Resources Limited (formerly A.C.N 009 161 522 Limited) and has been prepared in accordance with Australian Accounting Standards and the accounting policies as outlined in Note 1.

Raiden Resources Limited was suspended from 11 February 2016, being the date of the appointment of the Voluntary Administrators and Receivers and Managers and remained so during the term of the Deed of Company Arrangement (from 5 December 2016 to 24 October 2017). As such the current Directors have had limited access over the financial records of the company pertaining to that period.

**(a) Financial Position of Raiden Resources Limited**

|                                  | <b>Note</b> | <b>30 June 2018</b> | <b>30 June 2017</b> |
|----------------------------------|-------------|---------------------|---------------------|
|                                  |             | <b>\$</b>           | <b>\$</b>           |
| <b>ASSETS</b>                    |             |                     |                     |
| Current assets                   |             | 3,662,907           | 2,491,000           |
| Non-current assets               |             | 447,302             | -                   |
| <b>Total assets</b>              |             | <b>4,110,209</b>    | <b>2,491,000</b>    |
| <b>LIABILITIES</b>               |             |                     |                     |
| Current liabilities              |             | 68,849              | 33,821,000          |
| <b>Total liabilities</b>         |             | <b>68,849</b>       | <b>33,821,000</b>   |
| <b>NET ASSETS/ (LIABILITIES)</b> |             | <b>4,041,360</b>    | <b>(31,330,000)</b> |
| <b>SHAREHOLDERS EQUITY</b>       |             |                     |                     |
| Issued capital                   |             | 24,569,982          | 18,383,000          |
| Reserves                         |             | 163,200             | -                   |
| Accumulated Losses               |             | (20,691,822)        | (49,713,000)        |
| <b>SHAREHOLDERS EQUITY</b>       |             | <b>4,041,360</b>    | <b>(31,330,000)</b> |

**(b) Financial Performance of Raiden Resources Limited**

|                                          |                   |                    |
|------------------------------------------|-------------------|--------------------|
| Profit/(loss) for the year               | 29,021,178        | (6,324,000)        |
| Other comprehensive income               | -                 | -                  |
| <b>Total comprehensive profit/(loss)</b> | <b>29,021,178</b> | <b>(6,324,000)</b> |

**(c) Guarantees entered into by Raiden Resources Limited for the debts of its subsidiary**

There are no known guarantees entered into by Raiden Resources Limited for the debts of its subsidiaries as at 30 June 2018 (2017: Nil).

**(d) Contingent liabilities of Raiden Resources Limited**

There were no known contingent liabilities as at 30 June 2018 (2017: Nil).

**(e) Commitments by Raiden Resources Limited**

There were no known commitments as at 30 June 2018 (2017: Nil).



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

**NOTE 20: PARENT ENTITY DISCLOSURES (CONTINUED)**

**(f) Significant accounting policies**

Raiden Resources Limited accounting policies do not differ from the Group as disclosed in Note 1.

**NOTE 21: CONTROLLED ENTITIES CONSOLIDATED**

**Raiden Resources Limited (Parent)**

| Controlled entities                 | Country of Incorporation | Percentage Owned |      |
|-------------------------------------|--------------------------|------------------|------|
|                                     |                          | 2018             | 2017 |
| Timok Resources Pty Ltd             | Australia                | 100%             | Nil% |
| Skarnore Resources d.o.o., Belgrade | Republic of Serbia       | 100%             | Nil% |
| Kingstown Resources d.o.o, Belgrade | Republic of Serbia       | 100%             | Nil% |

**NOTE 22: COMMITMENTS**

**30 June 2018**

**\$**

**Exploration expenditure commitments:**

|                                                |                  |
|------------------------------------------------|------------------|
| No longer than 1 year                          | 660,811          |
| Longer than 1 year and not longer than 5 years | 915,750          |
| Longer than 5 years                            | -                |
|                                                | <u>1,576,561</u> |

**NOTE 23: CONTINGENT LIABILITIES**

The Group has no known contingent liabilities as at 30 June 2018.

**NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE**

On 4 July 2018, the Company announced that the Induced Polarization ('IP') survey results defined a second significant copper/gold target on the Stara Planina Project. The Gradiste IP results defined a large chargeability anomaly, 900 meters in strike length which is correlated with high copper, gold and molybdenum values defined in the historical soil surveys.

On 18 July 2018, the Company announced that it had commenced to drill test the copper-gold soil and IP anomalies at Raiden's Stara Planina Project in the Republic of Serbia. The initial program will comprise of 3,000 meter of diamond drilling and the program will test priority geophysics and soil geochemistry surveys.

On 6 August 2018, the Company announced that airborne geophysical survey commenced on the Majdanpek JV Project and that Rio Tinto had contracted Geotech Airborne, a large international geophysical survey company (Geotech) to undertake the survey. The survey has since been completed and the data QAQC and interpretation is in progress.

On 22 August 2018, the Company announced the appointment of Mr Chris Hansen as a Non-Executive Director of the Company. Mr Hansen has technical background with strong corporate and financial expertise and has previously worked across the globe with a focus on Europe, North America, South America and Australia.

On 29 August 2018, the Company was placed into a trading halt pending a release of an announcement by the Company.



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

**NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)**

On 31 August 2018, it was announced that the Company had requested a voluntary suspension to allow the Company to provide a preliminary update on the current status of the drilling program at the Stara Planina Project.

On 3 September 2018, it was announced that the field program on the Donje Nevlje Project, which is subject to the Agreement with Rio Tinto has commenced with mapping and sampling of key target areas. The survey has since been completed and the samples will be sent to an accredited laboratory for analysis.

On 7 September 2018, the Company announced that it had completed approximately 1,700 meters of diamond drilling on the Gradiste and Aldinac targets on the Stara Planina project with all the drill holes to date having intersected zones containing sulphide mineralization and alteration. It was also announced that the drilling activities had paused until confirmation of licence extension for Stara Planina. The Companies' JV partner on the Stara Planina project has submitted all the required documentation and completed the required work program to qualify for the extension of the exploration licence. The Company or its directors is not aware of any reason why the Serbian Ministry of Mines and Energy would not approve the extension of the Stara Planina exploration licence. The halt in drilling activities will also provide the Company with an opportunity to receive and interpret the laboratory analysis from the drilling conducted to date and optimize the locations and orientation of further drilling program and any possible subsequent activities.

## DIRECTOR'S DECLARATION

In the Director's opinion:

1. The consolidated financial statements and notes within the financial report are in accordance with the Corporations Act 2001, including:
  - a) complying with Australian Accounting Standards and Corporations Regulations 2001, noting the matters documented in Note 1 (a);
  - b) giving a true and fair view, the consolidated entity's financial position as at 30 June 2018 and of its performance for the year ended on that date;
  - c) complying with International Financial Reporting Standards as disclosed in Note 1; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declaration required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

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

A handwritten signature in black ink, appearing to read "Michael Davy", written over a horizontal line.

**Mr Michael Davy**  
**Non-Executive Chairman**  
Dated: 28 September 2018

**RSM Australia Partners**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
RAIDEN RESOURCES LIMITED**

**Opinion**

We have audited the financial report of Raiden Resources Limited (the Company) and its subsidiaries (the Group), 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, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group'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.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

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## 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 this matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Acquisition of Timok Resources Pty Ltd</b><br>Refer to Note 2 in the financial statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>During the year, Raiden Resources Limited acquired 100% of the share capital of Timok Resources Pty Ltd for a consideration of 75 million ordinary shares and 200 million performance shares.</p> <p>The audit of a reverse acquisition is a key audit matter due to the accounting complexity resulting from the accounting acquirer and legal acquirer being different. Furthermore, judgement is involved in the determination of the value of the purchase consideration settled by way of a share-based payment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Holding discussions with management as to the background of the transaction, and reviewing the implementation agreement;</li> <li>• Obtaining an understanding of the transaction including an assessment of the accounting acquirer and whether the transaction constituted a business or an asset acquisition;</li> <li>• Evaluating management's determination that the acquisition did not meet the definition of a business within AASB 3 <i>Business Combinations</i>, and should therefore be treated using the principles of reverse acquisition accounting;</li> <li>• Evaluating the valuation of the shares issued as consideration for the acquisition;</li> <li>• Checking the calculation of the share-based payment, net assets acquired and resulting restructuring and listing expense; and</li> <li>• Assessing the appropriateness of disclosures included in the financial report.</li> </ul>                                                                |
| <b>Carrying Value of Capitalised Exploration and Evaluation Expenditure</b><br>Refer to Note 12 in the financial statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>The Group has capitalised a significant amount of exploration and evaluation expenditure, with a carrying value of \$284,939 as at 30 June 2018.</p> <p>We determined this to be a key audit matter due to the significant management judgments involved in assessing the carrying value in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, including:</p> <ul style="list-style-type: none"> <li>• Determination of whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest;</li> <li>• Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and</li> <li>• Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss.</li> </ul> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Obtaining evidence that the Group has valid rights to explore in the specific area of interest;</li> <li>• Reviewing and enquiring with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves;</li> <li>• Agreeing a sample of additions to capitalised exploration and evaluation expenditure to supporting documentation and ensuring that the amounts were capital in nature and relate to the area of interest;</li> <li>• Enquiring with management and reviewing budgets and plans to test that the Group will incur substantive expenditure on further exploration for and evaluation of mineral resources in the specific area of interest; and</li> <li>• Critically assessing and evaluating management's assessment that no indicators of impairment existed.</li> </ul> |

## **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the 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 *Corporation Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

**Report on the Remuneration Report***Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2018.

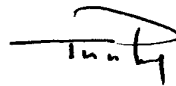
In our opinion, the Remuneration Report of Raiden Resources Limited, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

*Responsibilities*

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



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 28 September 2018



## Corporate Governance Statement

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition)' (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted the following suite of corporate governance policies and procedures (together, the **Corporate Governance Policies**):

- Board Charter;
- Code of Conduct;
- Audit and Risk Management Committee Charter;
- Remuneration and Nomination Committee Charter;
- Performance Evaluation Policy;
- Continuous Disclosure Policy;
- Risk Management Policy;
- Securities Trading Policy;
- Appointment and Rotation of External Auditors; and
- Shareholder Communications Policy.

The Company's Corporate Governance Policies are available on the Company's website at [www.raidenresources.com.au](http://www.raidenresources.com.au)

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

| Recommendations                                                                                                | Comply | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Principle 1: Lay solid foundations for management and oversight</b>                                         |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Recommendation 1.1</b><br>A listed entity should have and disclose a charter which:                         |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (a) sets out the respective roles and responsibilities of the board, the chair and management; and             | Yes    | The Company has adopted a Board Charter that sets out the specific responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.                                                                                                                                                                                                                                      |
| (b) includes a description of those matters expressly reserved to the board and those delegated to management. | Yes    | The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman, Managing Director and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. |
|                                                                                                                |        | A copy of the Company's Board Charter is available on the Company's website.                                                                                                                                                                                                                                                                                                                                                                                                   |



| Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Comply                        | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recommendation 1.2</b><br>A listed entity should: <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>Yes</p> <p>Yes</p>         | <p>(a) The Company has detailed guidelines for the appointment and selection of the Board in its Remuneration and Nomination Committee Charter. The Company's Nomination Committee Charter requires the Remuneration and Nomination Committee (or, in its absence, the Board) to ensure appropriate checks are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director.</p> <p>(b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director. In the case of candidates standing for re-election, the candidate's experience and qualification are also disclosed on the Company's website and in its annual reports.</p>              |
| <b>Recommendation 1.3</b><br>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Yes                           | The Board Charter outlines the Company's requirement to have a written agreement with each of the Director and Senior Executive of the Company which sets out the terms of that Director's or Senior Executive's appointment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Recommendation 1.4</b><br>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Yes                           | The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Recommendation 1.5</b><br>A listed entity should: <ul style="list-style-type: none"> <li>(a) have a diversity policy which includes requirements for the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</li> <li>(b) disclose that policy or a summary of it; and</li> <li>(c) disclose as at the end of each reporting period: <ul style="list-style-type: none"> <li>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and</li> <li>(ii) either: <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</li> <li>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Workplace Gender Equality Act.</li> </ul> </li> </ul> </li> </ul> | <p>No</p> <p>No</p> <p>No</p> | <p>Diversity includes, but is not limited to gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent.</p> <p>However, given the size of the Company and its Board, the Company's Corporate Governance Plan does not include a policy specifically addressing diversity. The Board does not consider it necessary to have a diversity policy but will consider implementing one in the future.</p> <p>At present, given the size of the Company and its operations, it currently does not have any women on the board. The Company's Company Secretary and Chief Financial Officer is female. The Company will continue to monitor diversity as the Company and its operations grow and expand.</p> |



| Recommendations                                                                                                                                                                                                                                                                                                                                                       | Comply                | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recommendation 1.6</b><br>A listed entity should: <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>Yes</p> <p>Yes</p> | <p>(a) The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for arranging a performance evaluation of the Board, its Committees (if any) and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Remuneration and Nomination Committee Charter, and Performance Evaluation Policy, which is available on the Company's website.</p> <p>(b) The Company's Performance Evaluation Policy requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company was reinstated to official quotation on 23 February 2018. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors annually in accordance with the review process outlined in the Board Charter, Remuneration and Nomination Committee Charter, and Performance Evaluation Policy.</p>                                                                                                                                             |
| <b>Recommendation 1.7</b><br>A listed entity should: <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>                              | <p>Yes</p> <p>Yes</p> | <p>(a) The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for arranging a performance evaluation of senior executives on an annual basis. To assist in this process an independent advisor may be used. The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The applicable process for these evaluations can be found in the Company's Remuneration and Nomination Committee Charter, and Performance Evaluation Policy, which are available on the Company's website.</p> <p>(b) The Company's Performance Evaluation Policy requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company was reinstated to official quotation on 23 February 2018. The Company intends to complete performance evaluations in respect of the senior executives (if any) annually in accordance with the review process outlined in the Board Charter, Remuneration and Nomination Committee Charter, and Performance Evaluation Policy.</p> |



| Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Comply                                                                                 | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Principle 2: Structure the board to add value</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Recommendation 2.1</b><br>The board of a listed entity should: <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p> | <p>(a) The Company has not established a Nomination Committee.</p> <p>-</p> <p>Yes</p> | <p>(b) The Company's Remuneration and Nomination Committee Charter provides for the creation of a Remuneration and Nomination Committee (if it considered it will benefit the Company), a majority of whom are to be independent Directors, and which must be chaired by an independent Director.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of a such complexity to justify having a separate nomination committee. Nominations of new Directors are considered by the full Board, all directors are involved in the search and recruitment of a replacement. The Board has taken the view that the full Board will hold special meetings as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to Shareholders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the Annual Report and on the Company's website.</p> |
| <b>Recommendation 2.2</b><br>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | No                                                                                     | The details of the current skill set of the current Directors are set out in the description of each Director in the Annual Report. The Board believes that the current skill mix is appropriate given the Company's size and the stage of the entity's life as a publicly listed exploration Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Recommendation 2.3</b><br>A listed entity should disclose: <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director</p>                                                                                                                                                                                                                                                                                                   | <p>Yes</p> <p>Yes</p> <p>Yes</p>                                                       | <p>(a) The following directors are considered independent;</p> <ul style="list-style-type: none"> <li>• Mr Michael Davy Non-Executive Chairman</li> <li>• Mr Christopher Hansen Non-Executive Director</li> </ul> <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports. Mr Christopher Hansen is a Employee of Discovery Capital Pty. Discovery Capital is a major shareholder and Corporate Advisor to the Company. The Board is of the opinion that this does not compromise Mr Hansen's independent status.</p> <p>(c) The Company's Annual Report discloses the length of service of each Director, as at the end of each financial year.</p>                                                                                  |

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| Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Comply | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <b>Recommendation 4.2</b><br>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | Yes    | The Company's Board Charter and Risk Management Policy requires the Board to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. |
| <b>Recommendation 4.3</b><br>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.                                                                                                                                                                                                                                                                                                                                                                                | Yes    | The external auditors attend Raider Resource Limited's AGM and are available to answer questions from security holders relevant to the audit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Principle 5: Make timely and balanced disclosure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Recommendation 5.1</b><br>A listed entity should:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |        | (a) The Company has adopted a Continuous Disclosure Policy which sets out the processes the Company follows to comply with its continuous disclosure obligations under the ASX Listing Rules and other relevant legislation.                                                                                                                                                                                                                                                                                                                                                                                   |
| (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Yes    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (b) disclose that policy or a summary of it.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes    | (b) The Company's Continuous Disclosure Policy is available within the Corporate Governance Plan on the Company website.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Principle 6: Respect the rights of security holders</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Recommendation 6.1</b><br>A listed entity should provide information about itself and its governance to investors via its website.                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Yes    | Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company website.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Recommendation 6.2</b><br>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.                                                                                                                                                                                                                                                                                                                                                                                                                  | Yes    | The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.                                                                                                                                                                                                                                                                                                                                      |
| <b>Recommendation 6.3</b><br>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.                                                                                                                                                                                                                                                                                                                                                                                                    | Yes    | Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.                                                                                                                                                                                                                                                                                                              |



| Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Comply | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <b>Recommendation 6.4</b><br>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.                                                                                                                                                                                                                                                                                                                                                                                                 | Yes    | The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company's Share Registrar to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance. |
| <b>Principle 7: Recognise and manage risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Recommendation 7.1</b><br>The board of a listed entity should:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |        | (a) The Company does not currently have a separate Risk Committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> |        | (b) The Board has adopted an Audit and Risk Committee Charter. The Board is ultimately responsible for risk oversight and risk management. As a whole the Board fulfills the functions detailed in the Audit and Risk Committee Charter that would normally be delegated to the Risk Committee.                                                                                                                                                                                                                                                                               |
| (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.                                                                                                                                                                                                                                                                                                                                                                                                                   | Yes    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Recommendation 7.2</b><br>The board or a committee of the board should:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |        | (a) The Audit and Risk Management Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least bi-annually, satisfy itself that the Company's risk management framework continues to be sound. The Company's process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems.                          |
| (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and                                                                                                                                                                                                                                                                                   | Yes    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (b) disclose in relation to each reporting period, whether such a review has taken place.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Yes    | (b) The Company was reinstated to the ASX on 23 February 2018, the prospectus dated 13 December 2017 details the key business and operational risks facing the Company. The Board continues to review the risk profile of the Company and monitors risk informally throughout the year.                                                                                                                                                                                                                                                                                       |



| Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Comply | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recommendation 7.3</b><br>A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Yes    | <ul style="list-style-type: none"> <li>(a) The Audit and Risk Committee Charter provides for the internal audit function of the Company and outlines the monitoring, review and assessment of a range of internal audit functions and procedures.</li> <li>(b) The Company does not have an internal audit function. As the Company grows the Board will consider whether the appointment of a contract internal auditor would be beneficial in assisting them in discharging their responsibilities under the Audit and Risk Management Committee Charter. Currently the transactions within the Company are minimal and within the assigned budgets that are provided to the Board on a regular basis.</li> </ul> |
| <b>Recommendation 7.4</b><br>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Yes    | The Company has no material exposure to economic, environmental and social sustainability risks.<br>As detailed above more about the Company's management of risk can be found in the prospectus released 13 December 2017.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Principle 8: Remunerate fairly and responsibly</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Recommendation 8.1</b><br>The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a remuneration committee which: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</li> </ul> | Yes    | <ul style="list-style-type: none"> <li>(a) The Company does not currently have a separate Remuneration Committee.</li> <li>(b) The Board has adopted a Remuneration and Nomination Committee Charter. The Board as a whole performs the function of the Remuneration committee, which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board. The Board considers that the Company is not currently of a size, nor are its affairs of a such complexity to justify having a separate remuneration committee.</li> </ul>                    |
| <b>Recommendation 8.2</b><br>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes    | The Company's Remuneration and Nomination Committee Charter requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executive to be disclosed in the Company's Annual Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



| Recommendations                                                                                                                                                                                                                                                                                                                                                                     | Comply | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | Yes    | <p>(a) The Company's Remuneration and Nomination Committee Charter (in the Company's Corporate Governance Plan) states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity based plans.</p> <p>(b) The Company does not currently have an equity-based remuneration scheme. Therefore, a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, was not required for the reporting period.</p> |



## ADDITIONAL SHAREHOLDER INFORMATION

The following information is current as at 21 September 2018.

### Ordinary Share Capital

410,430,796 shares are held by 691 individual holders.

### Voting Rights

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares:** Each ordinary share is entitled to vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Unlisted Options and Performance Shares:** Unlisted Options and Performance Shares do not carry any voting rights.

### Twenty Largest Shareholders

|    |                                                                              |              |                          |
|----|------------------------------------------------------------------------------|--------------|--------------------------|
| 1  | DISCOVERY SERVICES PTY LTD <DISCOVERY CAPT INV UNIT>                         | 15,000,000   | 3.66                     |
| 2  | ATTOLLO INVESTMENTS PTY LTD <ATTOLLO INVESTMENT A/C>                         | 13,436,276   | 3.28                     |
| 3  | BUZZ CAPITAL PTY LTD <ZI VESTMENT>                                           | 12,850,000   | 3.14                     |
| 4  | BENEFICO PTY LTD                                                             | 11,050,000   | 2.70                     |
| 5  | SRDJAN VLAJKOVIC                                                             | 10,875,000   | 2.65                     |
| 6  | MR PAUL GREGORY BROWN & MRS JESSICA ORIWIA BROWN<br><BROWN SUPER FUND>       | 10,000,000   | 2.44                     |
| 6  | OAK TRUST (GUERNSEY) LIMITED                                                 | 10,000,000   | 2.44                     |
| 7  | SUNSET TIDAL PTY LTD <SUNSET TIDAL INVESTMENT>                               | 9,690,000    | 2.36                     |
| 8  | MARTIN PAWLITSCHKE                                                           | 9,375,000    | 2.29                     |
| 8  | MARKO CURIC                                                                  | 9,375,000    | 2.29                     |
| 8  | HORIZON CAPITAL MANAGEMENT LLC                                               | 9,375,000    | 2.29                     |
| 9  | AH SUPER PTY LTD <THE AH SUPER FUND NO 3 A/C>                                | 7,704,400    | 1.88                     |
| 10 | ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>                                | 7,205,600    | 1.76                     |
| 11 | MR ANTHONY DE NICOLA & MRS TANYA LOUISE DE NICOLA <DE NICOLA FAMILY S/F A/C> | 7,000,000    | 1.71                     |
| 12 | MRS ELAINE YOUNG FORTMANN <EYF INVESTMENT A/C>                               | 6,750,000    | 1.65                     |
| 13 | CITICORP NOMINEES PTY LIMITED                                                | 5,909,210    | 1.44                     |
| 14 | THE GAS SUPER FUND PTY LTD <THE GAS SUPER FUND A/C>                          | 4,500,000    | 1.10                     |
| 15 | MR ALEXANDER HUDSON                                                          | 4,250,000    | 1.04                     |
| 16 | MR BIN LIU                                                                   | 3,900,000    | 0.95                     |
| 17 | JBCM CONSULTING PTY LTD JC                                                   | 3,750,000    | 0.92                     |
| 18 | MR BRENDAN DAVID GORE <THE GORE FAMILY NO 2 A/C>                             | 3,500,000    | 0.85                     |
| 18 | MR BRIAN PETER BYASS                                                         | 3,500,000    | 0.85                     |
| 19 | MR BILAL AHMAD                                                               | 3,350,000    | 0.82                     |
| 20 | KOJIN PTY LTD                                                                | 3,320,000    | 0.81                     |
|    |                                                                              | <b>Total</b> | <b>185,665,486 45.32</b> |

### Substantial Shareholders

There are no substantial holders as at 21 September 2018.



#### Distribution of Holders of Equity Securities

|                  |   |         | Fully Paid Ordinary Shares |                    |                |
|------------------|---|---------|----------------------------|--------------------|----------------|
|                  |   |         | Holders                    | Total Units        | %              |
| 1                | - | 1,000   | 72                         | 17,368             | 0.00%          |
| 1,001            | - | 5,000   | 28                         | 63,279             | 0.02%          |
| 5,001            | - | 10,000  | 9                          | 63,233             | 0.02%          |
| 10,001           | - | 100,000 | 215                        | 13,077,353         | 31%            |
| 100,001 and over |   |         | 367                        | 397,209,563        | 96.78%         |
| <b>Totals</b>    |   |         | <b>691</b>                 | <b>410,430,796</b> | <b>100.00%</b> |

#### Restricted Securities

As at 21 September 2018 the following securities are subject to escrow.

- 108,550,000 Ordinary Fully Paid Shares escrowed for a period of 24 months from the recommencement of official quotation;
- 6,450,000 Ordinary Fully Paid Shares escrowed for a period of 12 months from the date of issue;
- 5,375,000 Class A Performance Shares escrowed for a period of 12 months from the date of issue;
- 5,375,000 Class B Performance Shares escrowed for a period of 12 months from the date of issue;
- 6,450,000 Class C Performance Shares escrowed for a period of 12 months from the date of issue;
- 57,125,000 Class A Performance Shares escrowed for a period of 24 months from the recommencement of official quotation;
- 57,125,000 Class B Performance Shares escrowed for a period of 24 months from the recommencement of official quotation;
- 68,550,000 Class C Performance Shares escrowed for a period of 24 months from the recommencement of official quotation;
- 32,000,000 Unquoted options exercisable at \$0.02 each escrowed for a period of 12 months from the date of issue; and
- 18,000,000 Unquoted options exercisable at \$0.02 each escrowed for a period of 24 months from the recommencement of official quotation.

#### Unquoted Securities

As at 21 September 2018, the following unquoted securities are on issue:

200,000,000 Performance Shares<sup>1</sup> escrowed – 13 holders

|                  |   |         | Class A Performance Shares |                         |                |
|------------------|---|---------|----------------------------|-------------------------|----------------|
|                  |   |         | Holders                    | Total Units             | %              |
| 1                | - | 1,000   | 0                          | 0                       | 0.00           |
| 1,001            | - | 5,000   | 0                          | 0                       | 0.00           |
| 5,001            | - | 10,000  | 0                          | 0                       | 0.00           |
| 10,001           | - | 100,000 | 0                          | 0                       | 0.00           |
| 100,001 and over |   |         | 13                         | 62,500,000 <sup>2</sup> | 100.00%        |
| <b>Totals</b>    |   |         | <b>13</b>                  | <b>62,500,000</b>       | <b>100.00%</b> |

<sup>1</sup> Details on the performance conditions surrounding the performance shares are contained within the Directors' Report.

<sup>2</sup> Discovery Services Pty Ltd <Discovery Capital Inv Unit> holds 12,500,000 Class A performance shares comprising of 20% of this class.



|                  |   |         | Class B Performance Shares |                         |                |
|------------------|---|---------|----------------------------|-------------------------|----------------|
|                  |   |         | Holders                    | Total Units             | %              |
| 1                | - | 1,000   | 0                          | 0                       | 0.00           |
| 1,001            | - | 5,000   | 0                          | 0                       | 0.00           |
| 5,001            | - | 10,000  | 0                          | 0                       | 0.00           |
| 10,001           | - | 100,000 | 0                          | 0                       | 0.00           |
| 100,001 and over |   |         | 13                         | 62,500,000 <sup>3</sup> | 100.00%        |
| <b>Totals</b>    |   |         | <b>13</b>                  | <b>62,500,000</b>       | <b>100.00%</b> |

|                  |   |         | Class C Performance Shares |                         |                |
|------------------|---|---------|----------------------------|-------------------------|----------------|
|                  |   |         | Holders                    | Total Units             | %              |
| 2                | - | 1,000   | 0                          | 0                       | 0.00           |
| 1,001            | - | 5,000   | 0                          | 0                       | 0.00           |
| 5,001            | - | 10,000  | 0                          | 0                       | 0.00           |
| 10,001           | - | 100,000 | 0                          | 0                       | 0.00           |
| 100,001 and over |   |         | 13                         | 75,000,000 <sup>4</sup> | 100.00%        |
| <b>Totals</b>    |   |         | <b>13</b>                  | <b>75,000,000</b>       | <b>100.00%</b> |

32,000,000 Unquoted options expiring 08/02/2021 at \$0.02 escrowed until 08/02/2019 – 25 holders

|                  |   |         | Unlisted Options exercisable at \$0.02 each on or before 3 September 2021 |                   |                |
|------------------|---|---------|---------------------------------------------------------------------------|-------------------|----------------|
|                  |   |         | Holders                                                                   | Total Units       | %              |
| 3                | - | 1,000   | 0                                                                         | 0                 | 0.00           |
| 1,001            | - | 5,000   | 0                                                                         | 0                 | 0.00           |
| 5,001            | - | 10,000  | 0                                                                         | 0                 | 0.00           |
| 10,001           | - | 100,000 | 0                                                                         | 0                 | 0.00           |
| 100,001 and over |   |         | 25                                                                        | 32,000,000        | 100.00%        |
| <b>Totals</b>    |   |         | <b>25</b>                                                                 | <b>32,000,000</b> | <b>100.00%</b> |

<sup>3</sup> Discovery Services Pty Ltd <Discovery Capital Inv Unit> holds 12,500,000 Class B performance shares comprising of 20% of this class.

<sup>4</sup> Discovery Services Pty Ltd <Discovery Capital Inv Unit> holds 15,000,000 Class C performance shares comprising of 20% of this class.



18,000,000 Unquoted options expiring 08/02/2021 at \$0.02 escrowed until 23/02/2020 – 10 holders

**Unlisted Options exercisable at \$0.02 each on or before 3 September 2021**

|                  | Holders   | Total Units       | %              |
|------------------|-----------|-------------------|----------------|
| 4 - 1,000        | 0         | 0                 | 0.00           |
| 1,001 - 5,000    | 0         | 0                 | 0.00           |
| 5,001 - 10,000   | 0         | 0                 | 0.00           |
| 10,001 - 100,000 | 0         | 0                 | 0.00           |
| 100,001 and over | 10        | 18,000,000        | 100.00%        |
| <b>Totals</b>    | <b>10</b> | <b>18,000,000</b> | <b>100.00%</b> |

**Unmarketable Parcels**

Holdings of less than a marketable parcel of ordinary shares:

Holders: 167

Units: 1,479,998

**On-market Buy Back**

There is currently no on-market buy-back program.

**ASX Listing Rule 4.10.19**

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

**Schedule of Tenements**

| Tenement reference and location (All in Serbia)                   | Nature of interest | Interest |
|-------------------------------------------------------------------|--------------------|----------|
| Donje Nevlje <sup>1</sup> – 310-02-1547/2015-02 (granted)         | Direct             | 100%     |
| Stara Planina – 310-02-495/2015-02 (pending renewal)              | JV Executed        | 100%     |
| Velika Zupa – 310-02-1656/2016-02 (granted- transfer in progress) | Direct             | 100%     |
| Zapadni Majdanpek <sup>1</sup> – 310-02-1096/2016-02 (granted)    | Direct             | 100%     |
| Majdanpek pojas <sup>1</sup> – 310-02-1510/2016-02 (granted)      | Direct             | 100%     |
| Tilva Njagra Istok – 310-02-1584/2016-02 (granted)                | Direct             | 100%     |
| * Deli Jovan – 310-02-1585/2016-02                                | Direct             | 100%     |

<sup>1</sup> Exploration license part of Company's Earn In and Joint Venture Agreement with Rio Tinto Mining & Exploration, which is subject to the satisfactory completion of the due diligence condition by Rio-Tinto.

\* The license application did not form part of the acquisition agreement between the Company and Timok Resources Pty Ltd and is intended to be transferred to an entity designated by the vendors of Kingstown Resources D.O.O.