



# ANNUAL REPORT

for the Year Ended 30 June 2018

Tasman Resources Ltd  
& Controlled Entities  
ABN: 85 009 253 187



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## HIGHLIGHTS FOR THE YEAR TO 30 JUNE 2018

### Lake Torrens Project

#### Vulcan and Vulcan West IOCGU\* Prospects (EL 5499), South Australia

- A detailed ground gravity survey was conducted over Tasman's Vulcan West prospect, immediately west of Tasman's large IOCGU system. Subsequent geophysical modelling identified a number of targets, several of which are interpreted to occur at depths shallower than Vulcan. A number of companies were contacted regarding potential joint venture opportunities covering Vulcan, Vulcan West and Pernatty (see below) prospects. The process identified two major companies who are currently conducting a detailed data review, which should be completed shortly. In addition, interest in a possible joint venture has also been received from an overseas group, and is being discussed.
- In the event that a joint venture is not concluded, subject to the completion of the pro-rata non-renounceable rights issue referred to in Tasman's ASX Announcement dated 30 July 2018 (the "Proposed Rights Issue"), Tasman, may drill test at least one of the attractive IOCGU\* targets at Vulcan West.

(\*IOCGU Iron-oxide copper-gold-uranium)

#### Pernatty Prospect (EL 6137), South Australia

- Tasman will soon be conducting a detailed gravity survey over its new Exploration Licence 6137, on the southern Stuart Shelf, approximately 20km southeast from the Carrapateena IOCGU deposit. The survey will consist of about 320 stations over an area of approximately 90 km<sup>2</sup>. The area is considered attractive due to preliminary geophysical data, its proximity to Carrapateena, the possibility of reasonable basement depth and its regional geological setting, based on other studies by Tasman.
- Depending upon the results of the gravity surveying and subsequent modelling, Tasman may consider sole funding of the testing of any attractive IOCGU targets if defined, or alternatively a suitable joint venture partner to advance this latest work.

#### Eden Innovations Ltd Investment (ASX Code: EDE)

- Tasman has a 37.65% interest in Eden Innovations Ltd ("Eden") which develops and markets clean technology products. It currently produces and sells EdenCrete®, a revolutionary high performance concrete admixture and OptiBlend®, a world leading innovative retrofit dual fuel technology developed for diesel generator sets. During the year Eden made significant progress towards achieving its goal of having EdenCrete® become a product that is widely used in the concrete market, particularly the huge US infrastructure market.

#### Conico Ltd Investment (ASX Code: CNJ)

- Tasman has a 12.2% interest in Conico Ltd. Conico owns 50% of the Mt Thirsty nickel-cobalt-manganese oxide deposit in Western Australia.

## **CORPORATE DIRECTORY**

### **DIRECTORS:**

Gregory H Solomon **LLB** (Executive Chairman)

Douglas H Solomon **BJuris LLB (Hons)** (Non-Executive)

Guy T Le Page **B.A., B.Sc. (Hons), M.B.A., F.FIN., MAusIMM** (Non-Executive)

### **COMPANY SECRETARY:**

Aaron P Gates **BCom CA AGIA**

### **REGISTERED OFFICE:**

Level 15  
197 St Georges Terrace  
Perth  
Western Australia 6000  
Tel +61 8 9282 5889  
Fax +61 8 9282 5866  
Email: [mailroom@tasmanresources.com.au](mailto:mailroom@tasmanresources.com.au)  
Website: [www.tasmanresources.com.au](http://www.tasmanresources.com.au)

### **SOLICITORS:**

Solomon Brothers  
Level 15  
197 St Georges Terrace  
Perth WA 6000

Minter Ellison  
1 King William Street  
Adelaide SA 5000

### **AUDITORS:**

Nexia Perth Audit Services Pty Ltd  
Level 3  
88 William Street  
Perth WA 6000

### **SHARE REGISTRY:**

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands WA 6009

### **STOCK EXCHANGE LISTING:**

ASX Code: TAS (ordinary shares)

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.



## REVIEW OF OPERATIONS

## LAKE TORRENS PROJECT, SOUTH AUSTRALIA (TASMAN 100%)

## Vulcan West (EL 5499)

Vulcan West is located 30km NNE of the giant Olympic Dam IOCGU deposit and occupies a very geophysically anomalous and interesting zone (around 50km<sup>2</sup>) between two other very large IOCGU systems, Vulcan and Titan, both within Tasman's Exploration Licence 5499 (see Figure 1).

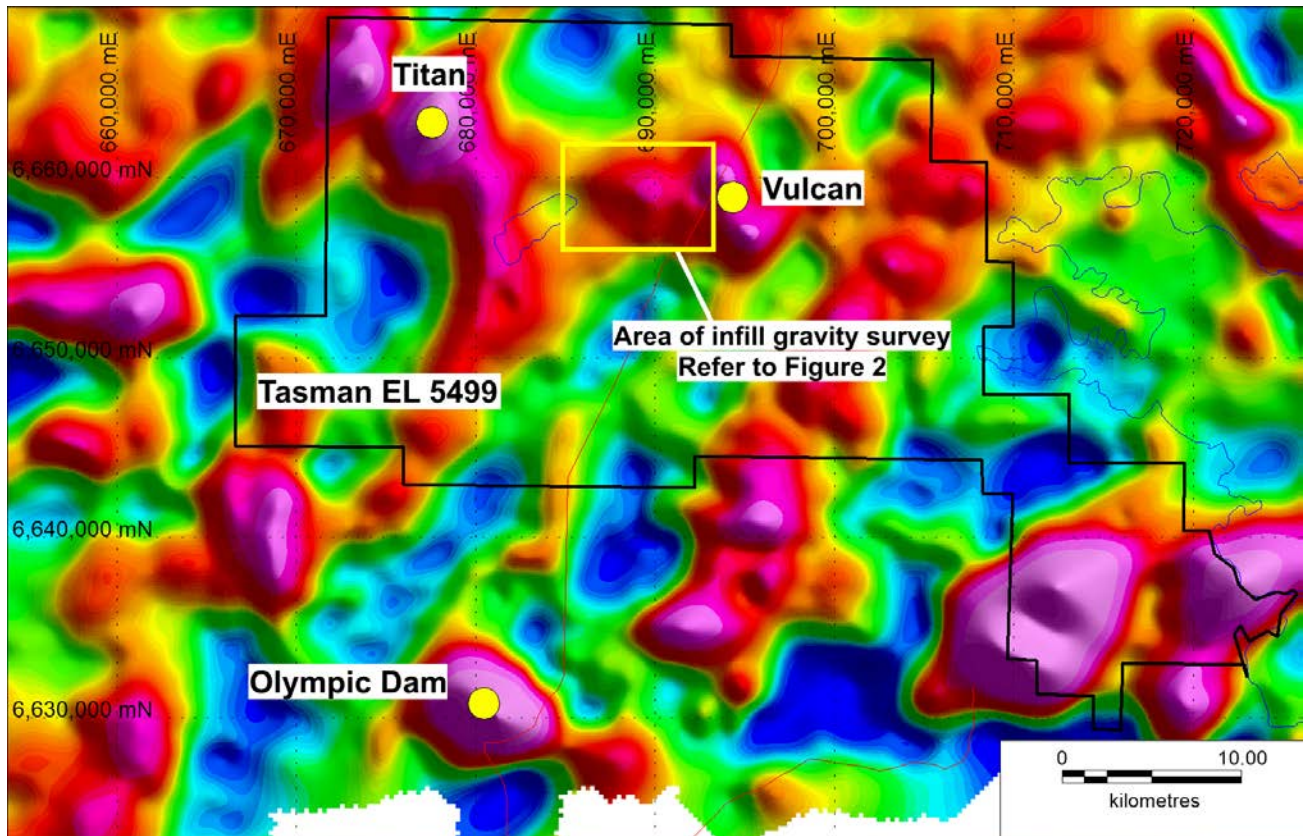


Figure 1. Regional residual gravity image over Tasman's Exploration Licence 5499, showing the location of Olympic Dam, Titan and Vulcan, and the area of the infill gravity survey and modelling (Vulcan West). (GDA 94, MGA Zone 53).

Earlier gravity data was relatively widely spaced, however more recent infill surveying at closer spacing and new modelling has defined a number of potential IOCGU-style drill targets. Of these five have been modelled with gravity and magnetic data at depths considerably shallower than at Tasman's nearby Vulcan prospect.

Figure 2 shows the residual gravity response obtained from the new geophysical processing and modelling, and the location of certain of these targets.

- Target A: Modelled depth of about 650m
- Target B: Modelled depth of about 700m
- Target C: Modelled depth of about 680m
- Target D: Modelled depth of about 850m
- Target E: Modelled depth of about 700m
- Target F: Modelled depth of about 750m

Figure 2 also shows in plan, at the same scale, an outline of the Carrapateena IOCGU deposit, located 125km to the SE. Clearly there is potential for the Vulcan West area (especially Targets A & C) to host Carrapateena-size deposits at attractive depths.

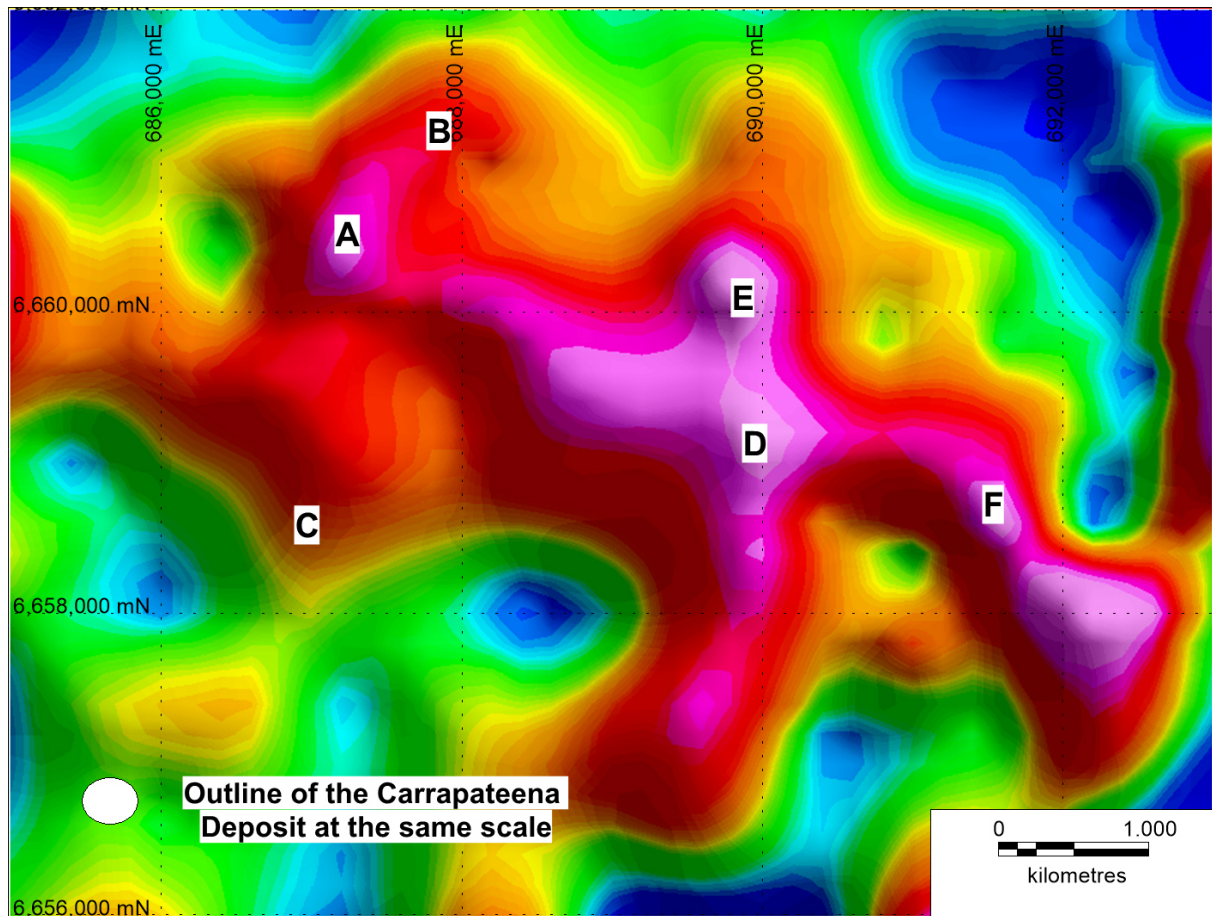


Figure 2. Detailed plan of residual gravity at Vulcan West, based on all available data. Red/magenta colours are areas of stronger residual gravity, generally indicating areas likely to be underlain by denser, more iron-rich rock, potentially IOCGU systems. The letter A, B C etc. refer to individual modelled bodies which could be responsible for the gravity signature (refer to depth estimates in the text). For comparison, a plan of the Carrapateena deposit is shown at the same scale (GDA 94, MGA Zone 53).

Tasman has contacted a number of companies regarding potential joint venture opportunities covering its Vulcan and Vulcan West prospects. The process has identified two major companies who are currently conducting a detailed data review, which is expected to be completed early within the new year. In addition, interest in a possible joint venture over the prospects has been received from an overseas group, and discussions are continuing.

In the event that a new joint venture is not concluded, Tasman, subject to the completion of the pro-rata non-renounceable rights issue referred to in the Tasman ASX Announcement dated 30 July 2018, will consider drill testing at least one of the attractive IOCGU\* targets at Vulcan West.

### Pernatty (EL 6137)

Tasman has recently reached agreement with the Native Title holders, and will be conducting a detailed gravity survey early in the new year over its new Exploration Licence 6137, on the southern Stuart Shelf, approximately 20km southeast from the Carrapateena IOCGU deposit (Figure 3). The survey will consist of about 320 stations over an area of approximately 90 km<sup>2</sup>. The area is considered attractive due to preliminary geophysical data, its proximity to Carrapateena, the possibility of reasonable basement depth and its regional geological setting based on other studies by Tasman.

Depending upon the results of the gravity surveying and subsequent modelling and the outcome of its Proposed Rights Issue, Tasman may consider sole funding the testing of any attractive IOCGU targets if defined, or alternatively seek a potential joint venture to advance this latest work.

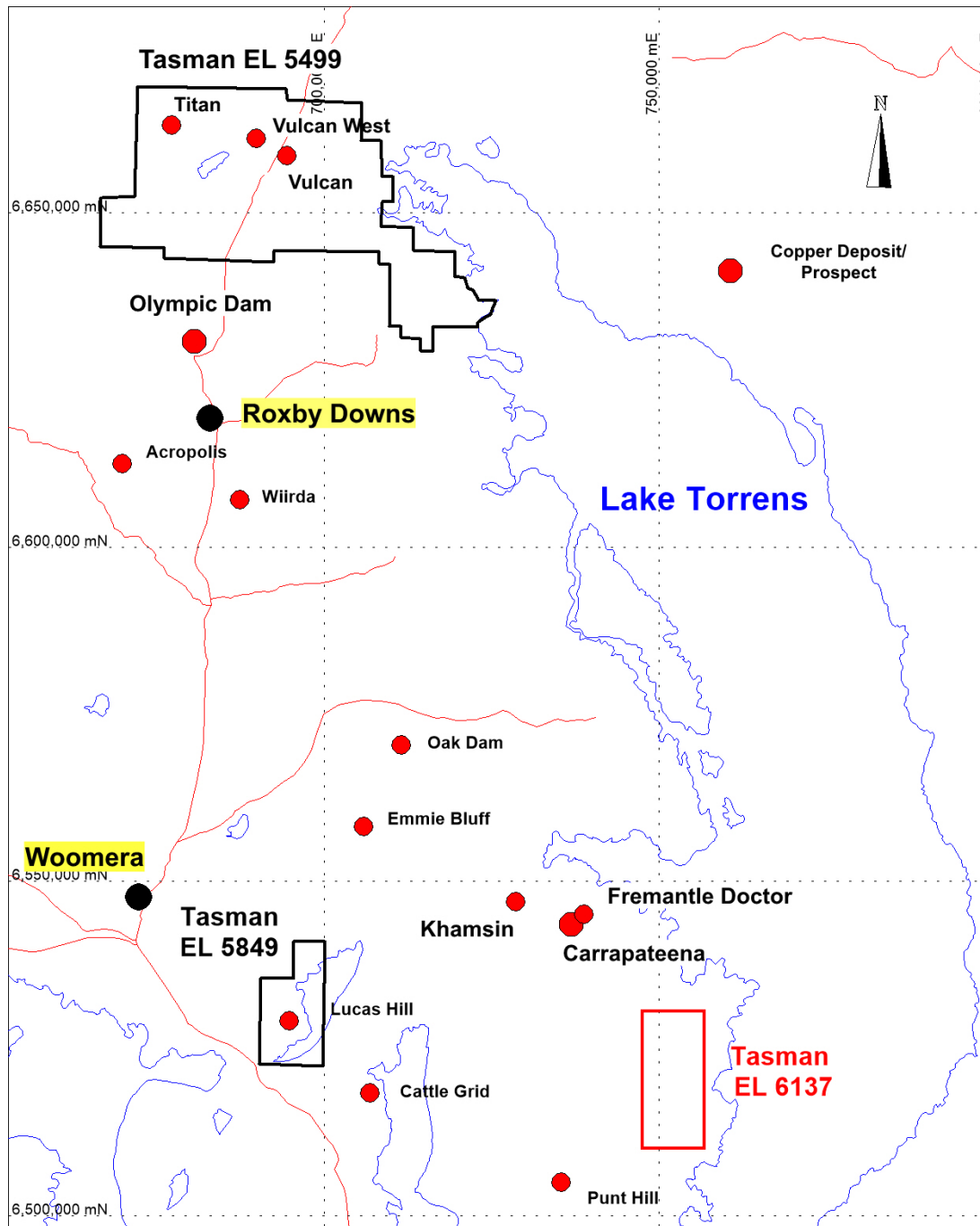


Figure 3: Map showing the location of Tasman's new Exploration Licence 6137, Tasman's other Exploration Licences together with copper deposits and prospects on the Stuart Shelf in South Australia (GDA 94, MGA Zone 53).





**Figure 4: Location of Tasman's Project Areas in South Australia**

#### **INVESTMENT IN EDEN INNOVATIONS LTD (ASX Code: EDE)**

As at 30 June 2018, Tasman through its wholly owned subsidiary, Noble Energy Pty Ltd, held 520,698,298 fully paid shares in Eden (representing 37.65% of the total issued capital of Eden) and 73,856,779 EDEO options representing 51.85% of the issued EDEO options. Based on the closing prices on the ASX of EDE (\$0.059) and EDEO (\$0.03) on 30 June 2018, this investment had a market value of \$33 million, which is equivalent to 7.3 cents for every currently issued TAS share.

The board of Tasman believes there is potentially significant further upside in its investment in Eden and as a major part of Tasman's investment strategy it intends to continue to hold the Eden shares and options as a long term investment.

**The Highlights of progress made by Eden during the year are as follows:**

#### **EDENCRETE®**

##### **New Product Development**

- Product development completed:
  - High concentration, lower cost EdenCrete®HC, and
  - EdenCrete®Pz for use in concrete made with pozzolanic cements.
- Encouraging performance achieved in extensive testing.
- NTPEP trials of both new products and ASTM trials of EdenCrete®Pz underway.

##### **Georgia Department of Transportation (GDOT)**

- FHWA approved use of EdenCrete® in GDOT federally funded repair projects.
- First federally funded repair project in Georgia to involve replacement of 11 lane miles (17.7 km) of pavement on I-16 using estimated US\$0.525 million of EdenCrete®.
- State Funded Repair Projects – FY Ended 30 June 2018 - over US\$390,000 of EdenCrete® required for these projects to 30 June 2018. \$150,000 worth has been completed, \$179,250 worth is in progress or due to start and the remainder of the projects are yet to start.
- Eden discussing with GDOT trials of EdenCrete® in bridges.

##### **MARTA (Metropolitan Atlanta Rapid Transit Authority)**

- White Paper prepared for MARTA detailing the improvements EdenCrete® delivered in laboratory results and 2 years' operational performance in the MARTA's 2016 EdenCrete® field trial that could lead to inclusion of EdenCrete® in suitable future MARTA projects.

##### **Other Georgia Trials And Sales**

- Follow up order for ultra-heavy wear and abrasion project received.
- Encouraging trials with Georgia ready-mix concrete company for possible infrastructure and coastal and marine applications.
- Commercial EdenCrete® Sales in Georgia emerging.

##### **Texas**

- Further US\$271,000 worth of EdenCrete® sold to the current TxDOT approved precast customer for use at 2 of its plants in TxDOT products.

##### **Colorado**

- EdenCrete® successfully trialled against a competitive product on an ingress onto CDOT State Highway 287.



- Town of Gypsum tested EdenCrete® on golf course bridges and plans further test on roundabout repair project as trial for Gypsum's Master Development Plan.
- EdenCrete® roundabout repair project on State Highway in Vail completed.

#### Other State DOTs

- Idaho DOT – EdenCrete® being trialled in full-depth concrete slab replacements on highway by Idaho DOT.
- North Carolina DOT – EdenCrete® is being trialled on a bridge with North Carolina DOT.
- Virginia DOT – EdenCrete® trial in concrete for a VDOT bridge in planning stage with VDOT.

#### New York

- Trials with both a large national ready mix concrete company and a large shotcrete company have taken place.

#### Korea

- Successful Korean government EdenCrete® trials.
- Agreement with Korean precast manufacturer – signed in July 2018.

#### OPTIBLEND® DUAL FUEL

- Sales of OptiBlend® units for the year totalling approx. A\$600,000. Orders received during the year for 21 units (approx. US\$580,000).

#### CORPORATE

- Two new US based directors appointed.

### **INVESTMENT IN CONICO LTD (ASX Code:CNJ)**

#### ***Tasman has a 12.2% interest in Conico Ltd.***

Conico Ltd owns 50% of the Mt Thirsty Cobalt-Nickel Oxide Project in WA, with the other 50% held by Barra Resources Limited (ASX: BAR). Mt Thirsty is located 20 kilometres north-northwest of Norseman, Western Australia and has a significant cobalt-nickel oxide resource over an apparent strike of 1.3 kilometres and a width of around 800 metres.

During the year the Mt Thirsty Joint Venture completed metallurgical testwork, a scoping study and commenced a prefeasibility study into the mining and processing of the Mt Thirsty deposit. The following are the highlights for the last financial year:

- Metallurgical testwork indicates that up to 80% of the cobalt and 27% of the nickel can be extracted by selective low cost sulphur dioxide leaching.
- Mt Thirsty Scoping Study completed in August 2017 with robust financial metrics.
- PFS tenders from a short list of four engineering companies were received and underwent rigorous assessment. AMEC Foster Wheeler Australia Pty Ltd (a Wood company) was selected as the overall Study Engineer for the PFS.
- Numerous other work packages in areas of resource estimation (upgrade to JORC 2012), mine planning, hydrogeological studies, tailings disposal, marketing, environmental and community studies and Native Title liaison were also tendered.
- PFS now in progress.
- Beneficiation size screening test work in progress has potential to significantly add value.

#### ***Disclaimer***

*The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.*

*It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.*

#### ***Competent Persons Statement***

*The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Robert N. Smith and Michael J. Glasson, Competent Persons who are members of the Australian Institute of Geoscientists.*

*Mr Smith and Mr Glasson are part time employees of the company. Mr Smith and Mr Glasson are shareholders in the company.*

*Mr Smith and Mr Glasson have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith and Mr Glasson consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

## **DIRECTORS' REPORT**

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2018.

### **Directors**

The names of directors in office at any time during or since the end of the year are:

Gregory H Solomon

Douglas H Solomon

Guy T Le Page

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

### **Company Secretary**

The following person held the position of company secretary at the end of the financial year:

Mr Aaron P Gates has worked for Tasman Resources Ltd for the past 10 years. He is a Chartered Accountant and Chartered Secretary, has completed a Bachelor of Commerce (Curtin University) with majors in accounting and business law and completed a Diploma of Corporate Governance. Prior to joining Tasman he worked in public practice in audit and corporate finance roles.

### **Principal Activities**

The principal activities of the group during the financial year ended 30 June 2018 were mineral exploration and through Eden Innovations Ltd, the sale of high performance concrete admixture, EdenCrete® and retrofit dual fuel technology, OptiBlend®, developed for diesel generator sets.

### **Operating Results**

The consolidated loss of the group after providing for income tax was \$14,131,739 (2017 \$12,860,328).

### **Dividends Paid or Recommended**

No dividends were paid or declared for payment during the year.

### **Mineral Exploration Operations**

Tasman's primary focus during the year has been mineral exploration for a range of commodities within the Company's tenements in South Australia. The principal exploration projects are Lake Torrens IOCGU-base metal project and the Parkinson Dam epithermal gold-silver (lead-zinc) project in South Australia. A review of the operations of the Group during the year ended 30 June 2018 is set out in the Review of Operations on Page 5.

### **Financial Position**

The net assets of the consolidated group have decreased by \$3,077,147 from 30 June 2017 to \$34,025,267 in 2018.

### **Significant Changes in State of Affairs**

In the opinion of the directors, other than disclosed elsewhere in this report, there were no other significant changes in the state of affairs of the Group that occurred during the year.

### **After Balance Date Events**

On 11 September 2018 the Company issued 34,523,785 shares and 34,523,785 options (exercisable at \$0.06 and expiring on 31 August 2020) pursuant to a non-renounceable right issue raising \$1,726,189.

There were no other material events occurring after the reporting date.

### **Future Developments, Prospects and Business Strategies**

The Company proposes to continue with its exploration program as detailed in the Review of Operations.

### **Environmental Issues**

The Company is the subject of environmental regulation with respect to mining exploration and will comply fully with all requirements with respect to rehabilitation of exploration sites.

## DIRECTORS' REPORT

### Information on Directors

#### Gregory H Solomon

Executive Chairman

#### Qualifications

**LLB**

#### Experience

Appointed chairman 1987. Board member since 1987. A solicitor with more than 30 years' Australian and international experience in a wide range of areas including mining law, commercial negotiation (including numerous mining and exploration joint ventures) and corporate law. He is a partner in the Western Australian legal firm, Solomon Brothers and has previously held directorships of various public companies since 1984 including two mining/exploration companies.

#### Interest in Shares and Options

85,651,371 TAS shares

40,744,855 EDE shares

#### Directorships held in other listed entities

Conico Ltd (ASX:CNJ)

Eden Innovations Ltd (ASX:EDE)

#### Douglas H Solomon

Non-Executive

#### Qualifications

**BJuris LLB (Hons)**

#### Experience

Board member since 3 April 2003. A Barrister and Solicitor with more than 30 years' experience in the areas of mining, corporate, commercial and property law. He is a partner in the legal firm, Solomon Brothers.

#### Interest in Shares and Options

84,264,277 TAS shares

35,132,614 EDE shares

#### Directorships held in other listed entities

Conico Ltd (ASX:CNJ)

Eden Innovations Ltd (ASX:EDE)

#### Guy T Le Page

Non-Executive

#### Qualifications

**B.A., B.Sc. (Hons), M.B.A., F.FIN., MAusIMM** Bachelor of Arts, Bachelor of Science, Masters Degree in Business Administration, Bachelor of Applied Science (Hons), Graduate Diploma in Applied Finance and Investment.

#### Experience

Board member since February 2001. Currently a corporate adviser specialising in resources. He is actively involved in a range of corporate initiatives from mergers and acquisitions, initial public offerings to valuations, consulting and corporate advisory roles. He previously spent 10 years as an exploration and mining geologist in Australia, Canada and the United States. His experience spans gold and base metal exploration and mining geology and he has acted as a consultant to private and public companies.

#### Interest in Shares and Options

1,784,821 TAS shares

#### Directorships held in other listed entities

Conico Ltd (ASX:CNJ)

Mt Ridley Mines Ltd (ASX:AXC)

## DIRECTORS' REPORT

### Remuneration Report (Audited)

This report details the nature and amount of remuneration for each director and for the executives receiving the highest remuneration.

### Remuneration Policy

The remuneration policy of Tasman Resources Ltd has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the economic entity's financial results. The board of Tasman Resources Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the economic entity, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the group is that all executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and options.

All directors and executives receive a superannuation guarantee contribution where required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Any shares which may be issued to executives would be valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General meeting. Fees for non-executive directors are not linked to the performance of the economic entity. To align directors' interests with shareholder interests, directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

### Performance based Remuneration

No performance based remuneration was paid during the year.

### Options issued as part of remuneration for the year ended 30 June 2018

5,300,000 ESOP options over Eden shares were issued as part of remuneration during the year, of which 4,800,000 ESOP options were issued to key management personnel.

2,400,000 ESOP options over Eden shares were issued to both Dr Dunmead and Mr Nikeas, pursuant to the Eden Employee Share Option Plan. These options are exercisable at 20 cents each, expire 26 October 2021 and had a value of \$0.024 per option using the Black Scholes valuation method. The options to each of them vest in three equal tranches of 800,000, on 26 April 2018, 26 April 2019 and 26 April 2020 respectively.

Included under employee benefits expense in the income statement is \$757,145 (2017: \$1,081,063) and relates, in full, to equity settled share-based payment transactions.

### Shares Issued on Exercise of Compensation Options

During the year 1,300,000 ESOP options in Tasman were exercised and 1,300,000 fully paid shares (ASX: TAS) in the Company were issued to employees. The exercise price of the options was \$0.05.

**Names and positions held of key management personnel in office at any time during the financial year are:**

| Key Management Person | Position                                                             |
|-----------------------|----------------------------------------------------------------------|
| Gregory H Solomon     | Executive Chairman – Tasman & Eden Innovations Ltd                   |
| Douglas H Solomon     | Non-Executive Director – Tasman & Eden Innovations Ltd               |
| Guy T Le Page         | Non-Executive Director – Tasman                                      |
| Lazaros Nikeas        | Non-Executive Director – Eden Innovations Ltd (appointed 1 May 2018) |
| Stephen D Dunmead     | Non-Executive Director – Eden Innovations Ltd (appointed 1 May 2018) |
| Richard Beresford     | Non-Executive Director – Eden Innovations Ltd (resigned 1 May 2018)  |
| Aaron P Gates         | Company Secretary / CFO – Tasman & Eden Innovations Ltd              |
| Roger Marmaro         | President – Eden Innovations LLC                                     |



**Details of Remuneration for Year Ended 30 June 2018**

The remuneration for each director and each of the executive officers of the Group during the year was as follows:

**Key Management Personnel Remuneration - 2018**

| Key Management Person | Short-term Benefits |              |         | Post-employment benefits |       | Termination | Share-based payments |         | Total     | Performance Related |
|-----------------------|---------------------|--------------|---------|--------------------------|-------|-------------|----------------------|---------|-----------|---------------------|
|                       | Salary and Fees     | Profit share | Other   | Super-annuation          | Other | Other       | Equity               | Options |           |                     |
|                       | \$                  | \$           | \$      | \$                       | \$    | \$          | \$                   | \$      | \$        | %                   |
| Gregory Solomon       | ^450,000            | -            | -       | 42,750                   | -     | -           | -                    | -       | 492,750   | -                   |
| Douglas Solomon       | ^84,000             | -            | -       | 7,980                    | -     | -           | -                    | -       | 91,980    | -                   |
| Guy Le Page           | ^75,000             | -            | -       | 7,125                    | -     | -           | -                    | -       | 82,125    | -                   |
| Lazaros Nikeas        | 9,000               | -            | -       | -                        | -     | -           | -                    | 19,200  | 28,200    | -                   |
| Stephen Dunmead       | 26,028              | -            | -       | -                        | -     | -           | -                    | 19,200  | 45,228    | -                   |
| Aaron Gates           | (i)                 | -            | -       | -                        | -     | -           | -                    | 12,622  | 12,622    | -                   |
| Richard Beresford     | 39,000              | -            | -       | 3,705                    | -     | -           | -                    | -       | 42,705    | -                   |
| Roger Marmaro         | 521,301             | -            | 151,726 | 18,642                   | -     | -           | -                    | 302,632 | 994,301   | -                   |
|                       | 1,204,329           | -            | 151,726 | 80,202                   | -     | -           | -                    | 353,654 | 1,789,911 | -                   |

**Key Management Personnel Remuneration – 2017**

| Key Management Person | Short-term Benefits |              |        | Post-employment benefits |       | Termination | Share-based payments |         | Total     | Performance Related |
|-----------------------|---------------------|--------------|--------|--------------------------|-------|-------------|----------------------|---------|-----------|---------------------|
|                       | Salary and Fees     | Profit share | Other  | Super-annuation          | Other | Other       | Equity               | Options |           |                     |
|                       | \$                  | \$           | \$     | \$                       | \$    | \$          | \$                   | \$      | \$        | %                   |
| Gregory Solomon       | ^450,000            | -            | -      | 42,750                   | -     | -           | -                    | -       | 492,750   | -                   |
| Douglas Solomon       | ^82,800             | -            | -      | 7,866                    | -     | -           | -                    | -       | 90,666    | -                   |
| Guy Le Page           | ^82,800             | -            | -      | 7,866                    | -     | -           | -                    | -       | 90,666    | -                   |
| Aaron Gates           | (i)                 | -            | -      | -                        | -     | -           | -                    | 18,864  | 18,864    | -                   |
| Richard Beresford     | 46,800              | -            | -      | 4,446                    | -     | -           | -                    | -       | 51,246    | -                   |
| Roger Marmaro         | 609,409             | -            | 32,425 | 20,006                   | -     | -           | -                    | 419,203 | 1,081,043 | -                   |
|                       | 1,271,809           | -            | 32,425 | 82,934                   | -     | -           | -                    | 438,067 | 1,825,235 | -                   |

^ This includes remuneration from both Tasman Resources Ltd and Eden Innovations Ltd.

(i) These management personnel are remunerated by Princebrook Pty Ltd under the Princebrook Management Services Contract, for which the Group paid \$504,000 (2017: \$510,000) during the year.

**Options and Rights Holdings****Number of Options in Tasman Resources Ltd Held by Key Management Personnel - 2018**

|             | Balance 1.7.2017 | Granted as Compensation | Options Exercised | Net Change Other* | Balance 30.6.2018 | Total Vested 30.6.2018 | Total Exercisable 30.6.2018 | Total Unexercisable 30.6.2018 |
|-------------|------------------|-------------------------|-------------------|-------------------|-------------------|------------------------|-----------------------------|-------------------------------|
| A Gates     | 1,165,000        | -                       | (1,100,000)       | (65,000)          | -                 | -                      | -                           | -                             |
| D Solomon   | 2,631,962        | -                       | (2,631,962)       | -                 | -                 | -                      | -                           | -                             |
| G Solomon   | 8,291,049        | -                       | (8,291,049)       | -                 | -                 | -                      | -                           | -                             |
| L Nikeas    | -                | -                       | -                 | -                 | -                 | -                      | -                           | -                             |
| S Dunmead   | -                | -                       | -                 | -                 | -                 | -                      | -                           | -                             |
| G Le Page   | -                | -                       | -                 | -                 | -                 | -                      | -                           | -                             |
| R Beresford | -                | -                       | -                 | -                 | -                 | -                      | -                           | -                             |
| R Marmaro   | -                | -                       | -                 | -                 | -                 | -                      | -                           | -                             |
| Total       | 12,088,011       | -                       | (12,023,011)      | (65,000)          | -                 | -                      | -                           | -                             |

\*The Net Change Other reflected above includes those options that have lapsed, options issued pursuant to rights issues and options purchased or sold on market during the year under review.

**Options and Rights Holdings (Continued)****Number of Options in Eden Innovations Ltd Held by Key Management Personnel - 2018**

|             | Balance<br>1.7.17 | Granted as<br>Comp-<br>ensation | Options<br>Exercised | Net<br>Change<br>Other* | Balance<br>30.6.2018 | Total Vested<br>30.6.2018 | Total Exer-<br>cisable<br>30.6.2018 | Total<br>Unexer-<br>cisable<br>30.6.2018 |
|-------------|-------------------|---------------------------------|----------------------|-------------------------|----------------------|---------------------------|-------------------------------------|------------------------------------------|
| A Gates     | 1,025,000         | -                               | -                    | -                       | 1,025,000            | 725,000                   | 725,000                             | 300,000                                  |
| D Solomon   | 11,264,416        | -                               | (11,264,416)         | -                       | -                    | -                         | -                                   | -                                        |
| G Solomon   | 13,092,309        | -                               | (13,092,309)         | -                       | -                    | -                         | -                                   | -                                        |
| L Nikeas    | -                 | 2,400,000                       | -                    | -                       | 2,400,000            | 800,000                   | 800,000                             | 1,600,000                                |
| S Dunmead   | -                 | 2,400,000                       | -                    | -                       | 2,400,000            | 800,000                   | 800,000                             | 1,600,000                                |
| G Le Page   | (1,963,321)       | -                               | -                    | (1,963,321)             | -                    | -                         | -                                   | -                                        |
| R Beresford | 700,000           | -                               | -                    | -                       | 700,000              | 700,000                   | 700,000                             | -                                        |
| R Marmaro   | 10,500,000        | -                               | -                    | -                       | 10,500,000           | 3,833,333                 | 3,833,333                           | 6,666,667                                |
| Total       | 38,545,046        | 4,800,000                       | (24,356,725)         | (1,963,321)             | 17,025,000           | 6,858,333                 | 6,858,333                           | 10,166,667                               |

\*The Net Change Other reflected above includes those options that have lapsed, options issued pursuant to rights issues and options purchased or sold on market during the year under review.

**Shareholdings****Number of Shares held in the Tasman Resources Ltd by Key Management Personnel**

|             | Balance 1.7.2017 | Received as<br>Compensation | Options<br>Exercised | Net Change<br>Other* | Balance<br>30.6.2018 |
|-------------|------------------|-----------------------------|----------------------|----------------------|----------------------|
| A Gates     | 1,000,000        | -                           | 1,100,000            | (500,000)            | 1,600,000            |
| D Solomon   | 81,478,541       | -                           | 2,631,962            | 154,076              | 84,264,579           |
| G Solomon   | 77,206,246       | -                           | 8,291,049            | 153,774              | 85,651,069           |
| L Nikeas    | -                | -                           | -                    | -                    | -                    |
| S Dunmead   | -                | -                           | -                    | -                    | -                    |
| G Le Page   | 1,784,821        | -                           | -                    | -                    | 1,784,821            |
| R Beresford | -                | -                           | -                    | -                    | -                    |
| R Marmaro   | -                | -                           | -                    | -                    | -                    |
| Total       | 161,469,608      | -                           | 12,023,011           | (192,150)            | 173,300,469          |

\* Net Change Other refers to shares purchased or sold during the financial year.

**Number of Shares held in Eden Innovations Ltd by Key Management Personnel**

|             | Balance 1.7.2017 | Received as<br>Compensation | Options<br>Exercised | Net Change<br>Other* | Balance<br>30.6.2018 |
|-------------|------------------|-----------------------------|----------------------|----------------------|----------------------|
| A Gates     | 100,000          | -                           | -                    | -                    | 100,000              |
| D Solomon   | 23,868,198       | -                           | 11,264,416           | -                    | 35,132,614           |
| G Solomon   | 27,652,546       | -                           | 13,092,309           | -                    | 40,744,855           |
| L Nikeas    | -                | -                           | -                    | -                    | -                    |
| S Dunmead   | -                | -                           | -                    | -                    | -                    |
| G Le Page   | 1,350,405        | -                           | -                    | (1,350,405)          | -                    |
| R Beresford | 3,150,000        | -                           | -                    | -                    | 3,150,000            |
| R Marmaro   | 2,478,648        | -                           | -                    | -                    | 2,478,648            |
| Total       | 58,599,797       | -                           | 24,356,725           | (1,350,405)          | 81,606,117           |

\* Net Change Other refers to shares purchased or sold during the financial year.

<End of Remuneration Report>

**DIRECTORS' REPORT****Options**

At the date of this report, the unissued ordinary shares of the Group under option are as follows:

| Company              | Issue Date        | Date of Expiry    | Exercise Price | Number under Option |
|----------------------|-------------------|-------------------|----------------|---------------------|
| Tasman Resources Ltd | 11 September 2018 | 30 June 2020      | \$0.06         | 34,523,785          |
| Eden Innovations Ltd | Various           | 30 September 2018 | \$0.03         | 57,755,442          |
| Eden Innovations Ltd | 16 March 2016     | 28 February 2019  | \$0.095        | 5,550,000           |
| Eden Innovations Ltd | 8 March 2017      | 1 March 2019      | \$0.40         | 5,000,000           |
| Eden Innovations Ltd | 8 March 2017      | 1 March 2019      | \$0.48         | 5,000,000           |
| Eden Innovations Ltd | 20 May 2016       | 19 May 2019       | \$0.31         | 22,490,000          |
| Eden Innovations Ltd | 20 May 2016       | 19 May 2019       | \$0.2875       | 2,250,000           |
| Eden Innovations Ltd | 20 May 2016       | 19 May 2019       | \$0.3875       | 1,125,000           |
| Eden Innovations Ltd | Various           | 28 February 2020  | \$0.27         | 25,532,462          |
| Eden Innovations Ltd | 28 August 2017    | 30 November 2020  | \$0.25         | 330,000             |
| Eden Innovations Ltd | 10 April 2018     | 30 April 2021     | \$0.275        | 170,000             |
| Eden Innovations Ltd | 26 April 2018     | 26 October 2021   | \$0.20         | 4,800,000           |
|                      |                   |                   |                | <hr/> 164,526,689   |

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

**Directors' Meetings**

During the financial year, 2 meetings of directors were held. Attendance by each director during the year was as follows:

|                   | Number eligible to attend | Number attended |
|-------------------|---------------------------|-----------------|
| Gregory H Solomon | 2                         | 2               |
| Douglas H Solomon | 2                         | 2               |
| Guy T Le Page     | 2                         | 2               |

Due to the nature of the operations and the size of the board, all the directors were in close communication throughout the year and most matters were attended to by way of circulatory resolution rather than formal directors' meetings.

**Indemnifying Officers or Auditor**

The group has paid premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The total premium paid for the year was \$169,775.

**Proceedings on Behalf of Group**

No person has applied for leave of Court to bring proceedings on behalf of the group or intervene in any proceedings to which the group is a party for the purpose of taking responsibility on behalf of the group for all or any part of those proceedings.

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

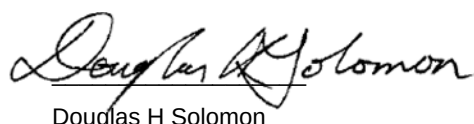
**Non-audit Services**

No non-audit services were completed by the external auditors and no fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2018.

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 16.

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



Douglas H Solomon

Dated this 27<sup>th</sup> day of September 2018

**Lead auditor's independence declaration under section 307C of the *Corporations Act 2001***

To the directors of Tasman Resources Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2018 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

NPAS

**Nexia Perth Audit Services Pty Ltd**

Amar Nathwani

**Amar Nathwani**  
*Director*

Perth, 27 September 2018

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

|                                                                      | Note | Consolidated Group<br>2018<br>\$ | 2017<br>\$   |
|----------------------------------------------------------------------|------|----------------------------------|--------------|
| Revenue                                                              | 2    | 1,317,960                        | 949,467      |
| Other income                                                         |      | 71,257                           | 90,912       |
| Raw materials and consumables used                                   |      | (204,404)                        | (419,782)    |
| Changes in inventories                                               |      | (4,128)                          | 121,859      |
| Advertising and marketing                                            |      | (292,697)                        | (399,540)    |
| Consultants                                                          |      | (676,226)                        | (1,010,484)  |
| Depreciation and amortisation expense                                |      | (1,030,802)                      | (488,848)    |
| Employee benefits expense                                            | 3    | (7,708,631)                      | (7,130,328)  |
| Finance costs                                                        |      | (24,572)                         | (19,941)     |
| Management fees                                                      |      | (504,000)                        | (510,000)    |
| Other financial items                                                | 4    | (2,719,688)                      | (1,316,475)  |
| Research expense                                                     |      | (181,495)                        | (370,065)    |
| Travel and accommodation                                             |      | (495,694)                        | (665,042)    |
| Other expenses                                                       |      | (1,860,942)                      | (1,735,400)  |
| Loss before income tax                                               |      | (14,314,062)                     | (12,903,667) |
| Income tax (expense) / benefit                                       | 5    | 182,323                          | 43,339       |
| Loss for the year                                                    |      | (14,131,739)                     | (12,860,328) |
| <b>Other Comprehensive Income / (Loss), net of income tax</b>        |      |                                  |              |
| <i>Items that may be reclassified subsequently to profit or loss</i> |      |                                  |              |
| Foreign currency translation reserve                                 |      | 418,570                          | (31,083)     |
| Income tax relating to comprehensive income                          |      | -                                | -            |
| <i>Items reclassified to profit or loss</i>                          |      |                                  |              |
| Foreign currency translation reserve                                 |      | -                                | -            |
| Total Other Comprehensive Income / (Loss), net of tax                |      | 418,570                          | (31,083)     |
| <b>Total Comprehensive Income / (Loss)</b>                           |      | (13,713,169)                     | (12,891,411) |
| Profit/(Loss) attributable to:                                       |      |                                  |              |
| Owners of the parent                                                 |      | (7,485,412)                      | (6,107,743)  |
| Non-controlling interests                                            |      | (6,646,327)                      | (6,752,585)  |
|                                                                      |      | (14,131,739)                     | (12,860,328) |
| Total comprehensive income / (loss) attributable to:                 |      |                                  |              |
| Owners of the parent                                                 |      | (7,323,842)                      | (6,119,889)  |
| Non-controlling interests                                            |      | (6,389,327)                      | (6,771,522)  |
|                                                                      |      | (13,713,169)                     | (12,891,411) |
| Basic/Diluted loss per share (cents per share)                       | 6    | (1.8150)                         | (1.5995)     |

The accompanying notes form part of these financial statements.



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

|                                        | <b>Note</b> | <b>Consolidated Group</b> |                   |
|----------------------------------------|-------------|---------------------------|-------------------|
|                                        |             | <b>2018</b>               | <b>2017</b>       |
|                                        |             | <b>\$</b>                 | <b>\$</b>         |
| <b>ASSETS</b>                          |             |                           |                   |
| <b>CURRENT ASSETS</b>                  |             |                           |                   |
| Cash and cash equivalents              | 7           | 5,659,750                 | 8,932,545         |
| Inventories                            |             | 617,320                   | 613,192           |
| Other assets                           |             | 120,001                   | 104,844           |
| Trade and other receivables            |             | 318,177                   | 121,819           |
| <b>TOTAL CURRENT ASSETS</b>            |             | <b>6,715,248</b>          | <b>9,772,400</b>  |
| <b>NON-CURRENT ASSETS</b>              |             |                           |                   |
| Exploration and Evaluation expenditure | 8           | 14,186,528                | 16,700,384        |
| Intangibles                            | 9           | 4,907,542                 | 3,711,401         |
| Property, plant and equipment          | 10          | 10,732,681                | 10,511,308        |
| <b>TOTAL NON-CURRENT ASSETS</b>        |             | <b>29,826,751</b>         | <b>30,923,093</b> |
| <b>TOTAL ASSETS</b>                    |             | <b>36,541,999</b>         | <b>40,695,493</b> |
| <b>CURRENT LIABILITIES</b>             |             |                           |                   |
| Trade and other payables               | 11          | 1,127,453                 | 2,050,003         |
| Interest bearing liabilities           | 12          | 230,058                   | 217,452           |
| Provisions                             | 13          | 149,468                   | 165,908           |
| <b>TOTAL CURRENT LIABILITIES</b>       |             | <b>1,506,979</b>          | <b>2,433,363</b>  |
| <b>NON-CURRENT LIABILITIES</b>         |             |                           |                   |
| Interest bearing liabilities           | 12          | 984,296                   | 1,154,260         |
| Other liabilities                      |             | 17,430                    | -                 |
| Provisions                             | 13          | 8,027                     | 5,456             |
| <b>TOTAL NON-CURRENT LIABILITIES</b>   |             | <b>1,009,753</b>          | <b>1,159,716</b>  |
| <b>TOTAL LIABILITIES</b>               |             | <b>2,516,732</b>          | <b>3,593,079</b>  |
| <b>NET ASSETS</b>                      |             | <b>34,025,267</b>         | <b>37,102,414</b> |
| <b>EQUITY</b>                          |             |                           |                   |
| Issued capital                         | 14          | 31,472,719                | 28,614,082        |
| Reserves                               | 15          | 14,327,434                | 11,932,007        |
| Accumulated losses                     |             | (22,849,193)              | (15,363,781)      |
| Parent's interest                      |             | 22,950,960                | 25,182,308        |
| Non-controlling interest               |             | 11,074,307                | 11,920,106        |
| <b>TOTAL EQUITY</b>                    |             | <b>34,025,267</b>         | <b>37,102,414</b> |

The accompanying notes form part of these financial statements.

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

|                                   | Attributable to owners of the Company |                   |                                                    |                 |                       |                                  | Total        |
|-----------------------------------|---------------------------------------|-------------------|----------------------------------------------------|-----------------|-----------------------|----------------------------------|--------------|
|                                   | Issued<br>Capital                     | Option<br>Reserve | Foreign<br>Currency<br>Trans-<br>lation<br>Reserve | Other<br>Equity | Accumulated<br>Losses | Non-<br>controlling<br>Interests |              |
|                                   | \$                                    | \$                | \$                                                 | \$              | \$                    | \$                               | \$           |
| <b>Balance at 30 June 2016</b>    | 27,786,696                            | 1,591,754         | 55,273                                             | 4,502,080       | (9,256,038)           | 8,667,920                        | 33,347,685   |
| Issue of shares                   | 827,386                               | -                 | -                                                  | -               | -                     | -                                | 827,386      |
| Issue of equity in subsidiary     | -                                     | -                 | -                                                  | -               | -                     | 15,818,754                       | 15,818,754   |
| Change in ownership of subsidiary | -                                     | -                 | -                                                  | 5,795,046       | -                     | (5,795,046)                      | -            |
| Loss for the year                 | -                                     | -                 | -                                                  | -               | (6,107,743)           | (6,752,585)                      | (12,860,328) |
| Other comprehensive loss          | -                                     | -                 | (12,146)                                           | -               | -                     | (18,937)                         | (31,083)     |
| Total comprehensive loss          | -                                     | -                 | (12,146)                                           | -               | (6,107,743)           | (6,771,522)                      | (12,891,411) |
| <b>Balance at 30 June 2017</b>    | 28,614,082                            | 1,591,754         | 43,127                                             | 10,297,126      | (15,363,781)          | 11,920,106                       | 37,102,414   |
| Issue of shares                   | 2,858,637                             | -                 | -                                                  | -               | -                     | -                                | 2,858,637    |
| Issue of equity in subsidiary     | -                                     | -                 | -                                                  | -               | -                     | 7,777,385                        | 7,777,385    |
| Change in ownership of subsidiary | -                                     | -                 | -                                                  | 2,233,857       | -                     | (2,233,857)                      | -            |
| Loss for the year                 | -                                     | -                 | -                                                  | -               | (7,485,412)           | (6,646,327)                      | (14,131,739) |
| Other comprehensive loss          | -                                     | -                 | 161,570                                            | -               | -                     | 257,000                          | 418,570      |
| Total comprehensive loss          | -                                     | -                 | 161,570                                            | -               | (7,485,412)           | (6,389,327)                      | (13,713,169) |
| <b>Balance at 30 June 2018</b>    | 31,472,719                            | 1,591,754         | 204,697                                            | 12,530,983      | (22,849,193)          | 11,074,307                       | 34,025,267   |

The accompanying notes form part of these financial statements.

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

|                                                          | Note | <b>Consolidated Group</b> |              |
|----------------------------------------------------------|------|---------------------------|--------------|
|                                                          |      | <b>2018</b>               | <b>2017</b>  |
|                                                          |      | <b>\$</b>                 | <b>\$</b>    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>              |      |                           |              |
| Receipts from customers                                  |      | 1,086,138                 | 1,233,210    |
| Payments to suppliers and employees                      |      | (11,139,242)              | (10,374,739) |
| Interest received                                        |      | 9,794                     | 10,746       |
| Interest paid                                            |      | (24,572)                  | (19,941)     |
| Income taxes (paid) / rebates received                   |      | 182,323                   | 43,338       |
| Net cash used in operating activities                    | 24   | (9,885,559)               | (9,107,386)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>              |      |                           |              |
| Exploration and evaluation expenditure                   |      | (128,521)                 | (97,491)     |
| Payments for development of intangible assets            |      | (1,514,619)               | (949,884)    |
| Purchase of property, plant and equipment                |      | (1,351,979)               | (7,943,781)  |
| Net cash used in investing activities                    |      | (2,995,119)               | (8,991,156)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>              |      |                           |              |
| Proceeds from issue of shares, net of issue costs        |      | 9,878,877                 | 15,298,440   |
| Repayment of borrowings                                  |      | (221,740)                 | -            |
| Net cash provided by financing activities                |      | 9,657,137                 | 15,298,440   |
| Net increase (decrease) in cash held                     |      | (3,223,541)               | (2,800,102)  |
| Net increase(decrease) due to foreign exchange movements |      | (49,254)                  | (433,700)    |
| Cash at beginning of financial year                      |      | 8,932,545                 | 12,166,347   |
| Cash at end of financial year                            | 7    | 5,659,750                 | 8,932,545    |

The accompanying notes form part of these financial statements.

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

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial report of Tasman Resources Limited and controlled entities complies with all International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board in their entirety.

The financial report covers the consolidated group of Tasman Resources Ltd and controlled entities as at and for the year ended 30 June 2018. Tasman Resources Ltd is a listed public company, incorporated and domiciled in Australia. The Group is a for-profit entity and primarily is involved in mineral exploration in South Australia and clean technology solutions through its subsidiary Eden Innovations Ltd.

The financial report was authorised for issue on 27 September 2018 by the board of directors.

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

#### Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

##### *Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. These consolidated financial statements are presented in Australian dollars, which is Tasman Resources Ltd's and Eden Innovations Ltd's functional currency. The functional currencies of Eden Innovations Ltd's subsidiaries are USD and INR.

#### Going Concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Group has reported a net loss for the year of \$14,131,739 (2017: \$12,860,328) and a cash outflow from operating activities of \$9,885,559 (2017: \$9,107,386). The directors are confident that the Group, subject to being able to raise further capital, will be able to continue its operations as a going concern. Without such capital, the net loss for the year and the cash outflow from operating activities indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The continuing applicability of the going concern basis of accounting is dependent upon the Group's ability to source additional finance. Unless additional finance is received the Group may need to realise assets and settle liabilities other than in the normal course of business and at amounts which could differ from the amounts at which they are stated in these financial statements.

#### Accounting Policies

##### a. Principles of Consolidation

A controlled entity is any entity Tasman Resources Ltd is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. A list of controlled entities is contained in Note 21 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent.

Non-controlling interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

##### b. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### b. **Income Tax continued**

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised.

Tasman Resources Ltd and Noble Energy Pty Ltd, its wholly-owned Australian subsidiary, have formed an income tax consolidated group under the tax consolidation regime. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2005. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

#### c. **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of first-in, first-out.

#### d. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

##### **Plant and equipment**

Plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciation rates used for each class of depreciable assets are:

| <b>Class of Fixed Asset</b> | <b>Depreciation Rate</b> |
|-----------------------------|--------------------------|
| Plant and equipment         | 15 – 50% straight line   |
| Buildings                   | 4% straight line         |

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

#### e. **Exploration and Evaluation Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward where the right to tenure is current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

#### f. **Intangibles**

##### **Research and development**

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.



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

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### f. **Intangibles continued**

##### **Intellectual Property**

Intellectual property, which includes trademarks and engineering knowledge, is included in the financial statements at cost, being their fair value on acquisition.

Intellectual property and trademarks are only amortised or written down where the useful lives are limited or impaired by specific circumstances, in such cases amortisation is charged on a straight line basis over their useful lives and write downs are charged fully when incurred. The directors have assessed the useful life of the intellectual property and have estimated that it has a finite useful life of 10 to 20 years. The intellectual property is amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

Intellectual property is amortised over 10-20 years in line with its estimated useful life.

#### g. **Financial Instruments**

##### **Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

##### **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 stated at amortised cost using the effective interest rate method.

##### **Fair value**

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.

##### **Impairment**

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

#### h. **Foreign Currency Transactions and Balances**

##### **Functional and presentation currency**

The functional currency of each of the Group's entities is based on 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 income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

##### **Group companies**

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at historic rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed of. Intercompany loans are treated as investments for foreign currency translation purposes.

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

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

i. **Impairment of Assets**

At each reporting date, the Group reviews the carrying values of its non-financial tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

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.

j. **Investments in Associates**

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the group's share of post-acquisition reserves of its associates.

k. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**Equity-settled compensation**

The Group operates a number of share-based compensation plans. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

l. **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.

m. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts.

n. **Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

o. **Comparative Figures**

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

p. **Segment reporting**

Segment results that are reported to the Group's board of directors (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

q. **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

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

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

r. **New accounting standards and interpretations**

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2017. The adoption of these new standards and amendments has not had a material impact on the Group. The following standards are effective from 1 July 2018 or later, as indicated.

AASB 9 – Financial Instruments (effective from 1 July 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introducing new rules for hedge accounting and a new impairment model for financial assets. The Group has reviewed in financial assets and liabilities and does not expect the standard to have a material impact.

AASB 15 – Revenue from Contracts with Customers (effective from 1 July 2018)

The AASB has issued a new standard for the recognition of revenue which replaces AASB 118 and AASB 111. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. Management has assessed the effects of applying the new standard on the Group's financial statements and has concluded there will not be a material impact.

AASB 16 – Leases (effective from 1 July 2019)

AASB 16 will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The exceptions are only short-term and low-value leases. Management has assessed the effects of applying the new standard and as at 30 June 2018 the impact will be immaterial.

s. **Key estimates**

The directors evaluate estimates and judgments incorporated into the financial report 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 internally.

*Key Estimates – Exploration and evaluation*

The Group's policy for exploration and evaluation is discussed in Note 1(e). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. At the date of this report the Group has sufficient reason to believe:

- rights to explore in specific areas, once expired, will be renewed;
- substantive expenditure on exploration and evaluation in specific areas has been budgeted;
- exploration in specific areas is ongoing and the Group has not decided to discontinue; and
- no specific sufficient data exists that indicates that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

*Key Estimates — Impairment*

The group assesses impairment of assets held for sale and intangible assets at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. At the date of this report the Group has sufficient reason to believe that no impairment triggers exist for intangible assets.

There is a significant risk of actual outcomes being different from those forecasted due to changes in economic or market conditions and events.

*Key Estimates — Share-based payment transactions*

The consolidated entity measures the cost of equity settled transactions with suppliers by reference to the fair value of the equity instruments as at the date at which they are granted. The fair value is determined using a Black-Scholes model. Refer to Note 3 for the inputs to the Black-Scholes model.

|                             | 2018<br>\$ | 2017<br>\$ |
|-----------------------------|------------|------------|
| NOTE 2: REVENUE             |            |            |
| a. Operating activities     |            |            |
| — sale of goods or services | 1,317,960  | 949,467    |
| Total Revenue               | 1,317,960  | 949,467    |

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

|                                                               | 2018<br>\$  | 2017<br>\$  |
|---------------------------------------------------------------|-------------|-------------|
| NOTE 3: EMPLOYEE BENEFITS                                     |             |             |
| a. Employee benefits expense                                  |             |             |
| Expenses recognised for employee benefits are analysed below: |             |             |
| Short-term employee benefits                                  | (6,546,874) | (5,634,286) |
| Post-employment benefits                                      | (357,605)   | (299,226)   |
| Termination benefits                                          | (47,007)    | (115,753)   |
| Share based payments                                          | (757,145)   | (1,081,063) |
| Total                                                         | (7,708,631) | (7,130,328) |

## b. Share-based Employee Remuneration

All options granted to key management personnel are for ordinary shares in either Tasman Resources Ltd or Eden Innovations Ltd, which confer a right of one ordinary share for every option held.

No Tasman options were outstanding at 30 June 2018. The Eden options outstanding at 30 June 2018 all had a weighted average exercise price of \$0.234 and a weighted average remaining contractual life of 1.74 years.

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility, which may not eventuate. Volatility of 52-82% and a risk free rate of 1.5-2.24% were used in the Black-Scholes model for the options granted during the year. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

4,800,000 ESOP options were issued to non-executive directors pursuant to the Eden Employee Share Option Plan. These options are exercisable at 20 cents each, expire 26 October 2021 and had a value of \$0.024 per option using the Black Scholes valuation method. The options to each of them vest in three equal tranches of 800,000, on 26 April 2018, 26 April 2019 and 26 April 2020 respectively.

## b. Share-based Employee Remuneration continued

330,000 ESOP options were issued to an employee pursuant to the Eden Employee Share Option Plan. These options are exercisable at 25 cents each, expire 30 November 2020 and had a value of \$0.060 per option using the Black Scholes valuation method. The options to each of them vest in three equal tranches of 110,000, on 21 August 2018, 21 August 2019 and 21 August 2020 respectively.

170,000 ESOP options were issued to an employee pursuant to the Eden Employee Share Option Plan. These options are exercisable at 27.5 cents each, expire 30 April 2021 and had a value of \$0.015 per option using the Black Scholes valuation method. The options to each of them vest in three tranches of 56,667 on 27 March 2019, 56,667 on 27 March 2020 and 56,666 on 27 March 2021.

1,300,000 options were exercised during the year ended 30 June 2018. Included under employee benefits expense in the income statement is \$757,145 (2017: \$1,081,063) and relates, in full, to equity settled share-based payment transactions.

|                                          | 2018              |                             | 2017              |                             |
|------------------------------------------|-------------------|-----------------------------|-------------------|-----------------------------|
|                                          | Number of Options | Weighted Avg Exercise Price | Number of Options | Weighted Avg Exercise Price |
| <b>Tasman's Options</b>                  |                   |                             |                   |                             |
| Outstanding at the beginning of the year | 1,300,000         | 0.05                        | 1,500,000         | 0.05                        |
| Exercised                                | (1,300,000)       | 0.05                        | (200,000)         | 0.05                        |
| Outstanding at year-end                  | -                 | -                           | 1,300,000         | 0.05                        |
| Exercisable at year-end                  | -                 | -                           | 1,300,000         | 0.05                        |
| <b>Eden's Options</b>                    |                   |                             |                   |                             |
| Outstanding at the beginning of the year | 33,056,843        | 0.238                       | 6,550,000         | 0.095                       |
| Granted                                  | 5,300,000         | 0.206                       | 27,861,269        | 0.27                        |
| Lapsed                                   | (1,974,381)       | 0.222                       | (1,354,426)       | 0.218                       |
| Outstanding at year-end                  | 36,382,462        | 0.234                       | 33,056,843        | 0.238                       |
| Exercisable at year-end                  | 15,660,821        | 0.201                       | 6,150,000         | 0.095                       |

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

|                                                                                                                                                                                                                                         |    | 2018<br>\$  | 2017<br>\$  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------|-------------|
| NOTE 4: OTHER FINANCIAL ITEMS                                                                                                                                                                                                           |    |             |             |
| Foreign exchange gain / (loss)                                                                                                                                                                                                          |    | (77,312)    | (390,483)   |
| Impairment of exploration and evaluation                                                                                                                                                                                                | 4a | (2,642,376) | (925,992)   |
| Total                                                                                                                                                                                                                                   |    | (2,719,688) | (1,316,475) |
| a. The Group does not have immediate plans for further exploration on the Parkinson Dam project area (2017: Lucas Hill project area) and in accordance with AASB 6 has recognised a provision for impairment against this project area. |    |             |             |
| NOTE 5: INCOME TAX EXPENSE                                                                                                                                                                                                              |    |             |             |
| a. The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:                                                                                                          |    |             |             |
| Prima facie tax payable on profit/(loss) from ordinary activities at 26.7% (2017: 27.5%)                                                                                                                                                |    | (3,826,297) | (3,548,508) |
|                                                                                                                                                                                                                                         |    | (3,826,297) | (3,548,508) |
| Tax effect of:                                                                                                                                                                                                                          |    |             |             |
| — Non-deductible expenses                                                                                                                                                                                                               |    | 799,912     | 381,898     |
| — Current year tax loss not recognised                                                                                                                                                                                                  |    | 4,767,198   | 2,405,121   |
| — Current year temporary differences not recognised                                                                                                                                                                                     |    | (1,923,136) | 1,825,659   |
| — Net effect of change of tax rate                                                                                                                                                                                                      |    | -           | (1,107,509) |
| Income tax expense / (benefit) reported in the Income Statement                                                                                                                                                                         |    | (182,323)   | (43,339)    |
| b. Components of deferred tax                                                                                                                                                                                                           |    |             |             |
| Unrecognised deferred tax asset – losses                                                                                                                                                                                                |    | 28,375,841  | 25,023,579  |
| Capital raising costs                                                                                                                                                                                                                   |    | 373,196     | 227,931     |
| Property, plant and equipment                                                                                                                                                                                                           |    | (988,148)   | (883,548)   |
| Provisions and accruals                                                                                                                                                                                                                 |    | 60,475      | 254,742     |
| Exploration and evaluation                                                                                                                                                                                                              |    | (3,901,295) | (4,355,057) |
| Intangibles                                                                                                                                                                                                                             |    | (1,585,165) | (1,002,489) |
| Interest bearing liabilities (intercompany)                                                                                                                                                                                             |    | -           | 1,039,165   |
| Stock compensation                                                                                                                                                                                                                      |    | 341,306     | -           |
| Total unrecognised deferred tax assets                                                                                                                                                                                                  |    | 22,676,210  | 20,304,323  |

Deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The benefit of the tax losses will only be obtained if the Group complies with conditions imposed by the tax legislation.

## NOTE 6: EARNINGS PER SHARE

|                                                                                                         |  |             |             |
|---------------------------------------------------------------------------------------------------------|--|-------------|-------------|
| a. Reconciliation of earnings to profit or loss                                                         |  |             |             |
| Profit/(loss) attributable to the parent entity                                                         |  | (7,485,412) | (6,107,743) |
| Earnings used to calculate basic EPS                                                                    |  | (7,485,412) | (6,107,743) |
|                                                                                                         |  | <b>No.</b>  | <b>No.</b>  |
| b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS |  | 412,425,477 | 381,856,786 |

The effect of share options on issue is not potentially dilutive at 30 June 2018 or 30 June 2017.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018****NOTE 7: CASH AND CASH EQUIVALENTS**

|                          | <b>2018</b>      | <b>2017</b>      |
|--------------------------|------------------|------------------|
|                          | <b>\$</b>        | <b>\$</b>        |
| Cash at bank and in hand | 5,659,750        | 8,932,545        |
|                          | <u>5,659,750</u> | <u>8,932,545</u> |

**Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

|                           |                  |                  |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | 5,659,750        | 8,932,545        |
|                           | <u>5,659,750</u> | <u>8,932,545</u> |

**NOTE 8: EXPLORATION AND EVALUATION EXPENDITURE**

|                                                |                   |                   |
|------------------------------------------------|-------------------|-------------------|
| Balance at the beginning of the financial year | 16,700,384        | 17,528,885        |
| Expenditure incurred during the year           | 128,520           | 97,491            |
| Less provision for impairment                  | (2,642,376)       | (925,992)         |
| Balance at the end of the financial year       | <u>14,186,528</u> | <u>16,700,384</u> |

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of respective mining areas.

The company's exploration tenements include areas subject to native title claims. As a result, mining and exploration activities may be subject to exploration and mining restrictions or compensation payments.

Capitalised costs included in cash flows from investing activities in the cash flow statement

|                |               |
|----------------|---------------|
| <u>128,521</u> | <u>97,491</u> |
|----------------|---------------|

**NOTE 9: INTANGIBLE ASSETS**

|                                        |                  |                  |
|----------------------------------------|------------------|------------------|
| Intellectual property                  | 15,153,388       | 13,594,842       |
| Accumulated amortisation               | (826,930)        | (481,962)        |
| Accumulated impairment expenses        | (9,418,916)      | (9,401,479)      |
| Net carrying value                     | <u>4,907,542</u> | <u>3,711,401</u> |
| Balance at the beginning of the year   | 3,711,401        | 3,009,306        |
| Additions                              | 1,558,546        | 949,884          |
| Amortisation expense                   | (344,968)        | (247,789)        |
| Impairment                             | (17,437)         | -                |
| Carrying amount at the end of the year | <u>4,907,542</u> | <u>3,711,401</u> |

Intellectual property relates to pyrolysis technology, EdenCrete<sup>®</sup> and OptiBlend<sup>®</sup>. Capitalised costs of \$1,514,619 (2017: \$949,884) have been included in investing activities in the statement of cash flows.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018****NOTE 10: PROPERTY, PLANT AND EQUIPMENT**

|                                    | <b>Land and<br/>buildings</b> | <b>Plant and<br/>equipment</b> | <b>Total</b> |
|------------------------------------|-------------------------------|--------------------------------|--------------|
| <b>Cost</b>                        | <b>\$</b>                     | <b>\$</b>                      | <b>\$</b>    |
| Balance 1 July 2017                | 3,881,417                     | 7,449,253                      | 11,330,670   |
| Additions                          | 35,315                        | 599,382                        | 634,697      |
| Transfers                          | 587,470                       | (587,470)                      | -            |
| Disposals                          | -                             | (462,561)                      | (462,561)    |
| Net exchange differences           | 173,144                       | 251,190                        | 424,334      |
| Balance 30 June 2018               | 4,677,346                     | 7,249,794                      | 11,927,140   |
| <b>Depreciation and impairment</b> |                               |                                |              |
| Balance 1 July 2017                | (67,452)                      | (751,910)                      | (819,362)    |
| Depreciation                       | (168,638)                     | (517,196)                      | (685,834)    |
| Disposals                          | -                             | 363,483                        | 363,483      |
| Net exchange differences           | (13,059)                      | (39,687)                       | (52,746)     |
| Balance 30 June 2018               | (249,149)                     | (945,310)                      | (1,194,459)  |
| Carrying amount at 30 June 2018    | 4,428,197                     | 6,304,484                      | 10,732,681   |
| <b>Cost</b>                        |                               |                                |              |
| Balance 1 July 2016                | -                             | 1,499,070                      | 1,499,070    |
| Additions                          | 3,957,702                     | 6,270,088                      | 10,227,790   |
| Disposals                          | -                             | (146,493)                      | (146,493)    |
| Net exchange differences           | (76,285)                      | (173,412)                      | (249,697)    |
| Balance 30 June 2017               | 3,881,417                     | 7,449,253                      | 11,330,670   |
| <b>Depreciation and impairment</b> |                               |                                |              |
| Balance 1 July 2016                | -                             | (751,532)                      | (751,532)    |
| Depreciation                       | (68,778)                      | (181,132)                      | (249,910)    |
| Disposals                          | -                             | 146,493                        | 146,493      |
| Net exchange differences           | 1,326                         | 34,261                         | 35,587       |
| Balance 30 June 2017               | (67,452)                      | (751,910)                      | (819,362)    |
| Carrying amount at 30 June 2017    | 3,813,965                     | 6,697,343                      | 10,511,308   |

Capitalised costs amounting to \$1,351,979 (2017: \$7,943,781) have been included in cash flows from investing activities in the statement of cash flows for the Consolidated Group.

|                                              | <b>2018<br/>\$</b> | <b>2017<br/>\$</b> |
|----------------------------------------------|--------------------|--------------------|
| <b>NOTE 11: TRADE AND OTHER PAYABLES</b>     |                    |                    |
| Trade and other payables                     | 1,127,453          | 2,050,003          |
|                                              | <u>1,127,453</u>   | <u>2,050,003</u>   |
| <b>NOTE 12: INTEREST BEARING LIABILITIES</b> |                    |                    |
| Current portion                              | 230,058            | 217,452            |
| Non-current portion                          | 984,296            | 1,154,260          |
|                                              | <u>1,214,354</u>   | <u>1,371,712</u>   |

Relates to the loan for the purchase of the Dumont Way property. It is secured over the property, repayable in six equal annual instalments, carries an interest rate of 2% and is denominated in US dollars.

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

|                                      | 2018<br>\$     | 2017<br>\$     |
|--------------------------------------|----------------|----------------|
| NOTE 13: PROVISIONS                  |                |                |
| CURRENT                              |                |                |
| Employee entitlements and warranties | 149,468        | 165,908        |
|                                      | <u>149,468</u> | <u>165,908</u> |
| NON-CURRENT                          |                |                |
| Employee entitlements                | 8,027          | 5,456          |
|                                      | <u>8,027</u>   | <u>5,456</u>   |

## NOTE 14: ISSUED CAPITAL

|                                                            |                   |                   |
|------------------------------------------------------------|-------------------|-------------------|
| 453,223,420 (2017: 396,050,684) fully paid ordinary shares | 31,472,719        | 28,614,082        |
|                                                            | <u>31,472,719</u> | <u>28,614,082</u> |

| a. Ordinary shares                   | 2018<br>No.        | 2017<br>No.        | 2018<br>\$        | 2017<br>\$        |
|--------------------------------------|--------------------|--------------------|-------------------|-------------------|
| At the beginning of reporting period | 396,050,684        | 379,502,960        | 28,614,082        | 27,786,696        |
| Shares issued during the year:       | 57,172,736         | 16,547,724         | 2,858,637         | 827,386           |
| At reporting date                    | <u>453,223,420</u> | <u>396,050,684</u> | <u>31,472,719</u> | <u>28,614,082</u> |

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

## b. Options

For information relating to the Group's employee option plan and options issued to key management personnel during the financial period, refer to Note 3b Share-based Payments.

## c. Capital Management

Management controls the working capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in responses to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

## NOTE 15: RESERVES

## a. Option Reserve

The option reserve records items recognised as expenses on valuation of share options.

## b. Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on the translation of foreign controlled subsidiaries.

## NOTE 16: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities at 30 June 2018.

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

### NOTE 17: EVENTS AFTER THE BALANCE SHEET DATE

On 4 July, 25 July, 5 September and 13 September 2018 a total of 85,276,684 fully paid ordinary Eden shares were issued pursuant to the exercise of 85,276,684 EDEO 3 cents options.

On 9 July 2018, Eden signed a binding Memorandum of Agreement with KC Industry Co., Ltd., a leading Korean precast concrete manufacturer, to jointly develop EdenCrete® enriched concrete, mortar and grout mix designs for use by KC in the Republic of Korea and elsewhere, to improve their technical performance.

On 7 August 2018, Tasman's subsidiary Eden Innovations LLC acquired 26.5ha of developed industrial land in Augusta, Georgia for US\$1.2 million.

On 11 September 2018 the Company issued 34,523,785 shares and 34,523,785 options (exercisable at \$0.06 and expiring on 31 August 2020) pursuant to a non-renounceable right issue raising \$1,726,189.

On 13 September 2018, Parchem Construction Supplies Pty Ltd, a leading manufacturer and supplier of products and equipment to the Australian & New Zealand concrete and construction markets, was appointed Eden's first independent distributor, as the exclusive Australian and New Zealand distributor of the EdenCrete® range of products.

There were no other material events that occurred after the reporting date.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2018<br>\$ | 2017<br>\$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| <b>NOTE 18: COMMITMENTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |            |
| <b>a. Capital Expenditure Commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |            |            |
| — not later than 12 months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -          | 131,680    |
| — greater than 12 months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | -          | -          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | -          | 131,680    |
| <b>b. Other Commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |            |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |            |
| <b>c. Exploration commitments:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |            |
| In order to maintain current rights of tenure to exploration tenements, the company is required to perform minimum exploration work to meet the requirements specified by State government. It is anticipated that minimum expenditure commitments for the twelve months will be tenement rentals of \$20,000 (2017: \$17,500) and exploration expenditure of \$315,000 (2017: Nil). The minimum exploration to be spent on EL 5499 is \$1,680,000 by 13 October 2019 and pursuant to the licence agreement if this exploration expenditure is not met then Tasman may need to reduce the land area of the licence by 25%. |            |            |

### NOTE 19: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms.

|                                                                                                                                              | 2018<br>\$ | 2017<br>\$ |
|----------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| <b>a. Key Management Personnel</b>                                                                                                           |            |            |
| Management and administration fees paid/payable to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest. | 504,000    | 510,000    |
| Legal fees paid to Solomon Brothers, a firm of which Mr GH Solomon and Mr DH Solomon are partners.                                           | 41,276     | 17,392     |
| <b>b. Associated Companies</b>                                                                                                               |            |            |
| Reimbursement from Conico Ltd (in which Tasman has a 12.82% interest) and its subsidiaries, for employee costs and vehicle hire.             | 61,463     | 80,166     |

### NOTE 20: AUDITORS' REMUNERATION

Remuneration of the auditor of the Group for:

|                                              |        |        |
|----------------------------------------------|--------|--------|
| — auditing or reviewing the financial report | 78,150 | 72,125 |
| — Other services                             | -      | -      |
| Remuneration of other auditors               |        |        |
| — auditing or reviewing the financial report | 62,784 | 35,022 |
| — Other services                             | 7,353  | 3,490  |

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

## NOTE 21: CONTROLLED ENTITIES

| Subsidiaries of Tasman Resources Ltd:                         | Country of Incorporation | Percentage Owned (%)* |      |
|---------------------------------------------------------------|--------------------------|-----------------------|------|
|                                                               |                          | 2018                  | 2017 |
| Noble Energy Pty Ltd                                          | Australia                | 100                   | 100  |
| Eden Innovations Ltd                                          | Australia                | 38**                  | 39** |
| Eden Energy Holdings Pty Ltd                                  | Australia                | 38**                  | 39** |
| Eden Innovations Holdings Pty Ltd (formerly Adamo Energy Ltd) | Australia                | 38**                  | 39** |
| Eden Innovations LLC                                          | USA                      | 38**                  | 39** |
| EdenCrete Industries Inc                                      | USA                      | 38**                  | 39** |
| Eden Innovations India Pvt Limited                            | India                    | 38**                  | 39** |

\* - Percentage of voting power is in proportion to ownership

\*\* - The Group has control over Eden Innovations Ltd and its subsidiaries on a de facto power basis, because the remaining voting rights in the investee are widely dispersed and there is no indication that all other shareholders exercise their votes collectively.

## NOTE 22: ASSOCIATED COMPANIES

Interests are held in the following associated listed companies

| Name       | Principal Activities | Country of Incorporation | Shares | Ownership Interest |        | Carry amount of investment |         |
|------------|----------------------|--------------------------|--------|--------------------|--------|----------------------------|---------|
|            |                      |                          |        | 2018 %             | 2017 % | 2018 \$                    | 2017 \$ |
| Conico Ltd | Mineral exploration  | Australia                | Ord    | 12.82              | 13.34  | -                          | -       |

|                                                                                                 | 2018 \$    | 2017 \$    |
|-------------------------------------------------------------------------------------------------|------------|------------|
| <b>a. Movements During the Year in Equity Accounted Investment in Associate</b>                 |            |            |
| Balance at beginning of the financial year                                                      | -          | -          |
| Less: Share of loss of associate                                                                | -          | -          |
| Balance at end of the financial year                                                            | -          | -          |
| <b>b. Summarised Presentation of Aggregate Assets, Liabilities and Performance of Associate</b> |            |            |
| Current assets                                                                                  | 177,064    | 491,068    |
| Non-current assets                                                                              | 15,115,170 | 14,931,505 |
| Total assets                                                                                    | 15,292,234 | 15,422,573 |
| Current liabilities                                                                             | 83,349     | 124,548    |
| Non-current liabilities                                                                         | 275,000    | 275,000    |
| Total liabilities                                                                               | 358,349    | 399,548    |
| Net assets                                                                                      | 14,933,885 | 15,023,025 |
| Revenues                                                                                        | -          | -          |
| Profit/(Loss) after income tax of associates                                                    | (775,340)  | (325,673)  |
| <b>c. The reporting date of Conico Ltd is 30 June.</b>                                          |            |            |
| <b>d. Market value of listed investment in associate</b>                                        |            |            |
| — Conico Ltd                                                                                    | 1,617,575  | 1,617,575  |
|                                                                                                 | 1,617,575  | 1,617,575  |

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

## NOTE 23: SEGMENT REPORTING

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

Activities of the Group are managed on a Group structure basis and operating segments are therefore determined on the same basis. In this regard the following list of reportable segments has been identified.

- Tasman Resources Ltd – Mineral exploration in South Australia
- Eden Innovations Ltd – EdenCrete<sup>®</sup> production and sales in the USA and Optiblend<sup>®</sup> sales and manufacturing in India and the USA.

|                                  | Tasman<br>Resources Ltd<br>\$ | Eden Innovations<br>Ltd<br>\$ | Eliminations<br>\$ | Consolidated<br>Entity<br>\$ |
|----------------------------------|-------------------------------|-------------------------------|--------------------|------------------------------|
| <b>30 June 2018</b>              |                               |                               |                    |                              |
| Total external revenue           | -                             | 1,317,960                     | -                  | 1,317,960                    |
| Inter-segment revenue            | -                             | -                             | -                  | -                            |
| Total segment revenue            | -                             | 1,317,960                     | -                  | 1,317,960                    |
| Segment profit / (loss) result   | (3,311,574)                   | (10,987,710)                  | -                  | (14,299,284)                 |
| Unallocated expenses             |                               |                               |                    | -                            |
| Result from operating activities |                               |                               |                    | (14,299,284)                 |
| Interest revenue                 | 4,542                         | 5,252                         | -                  | 9,794                        |
| Interest expense                 | -                             | (24,572)                      | -                  | (24,572)                     |
| Income tax (expense)/benefit     | -                             | 182,323                       | -                  | 182,323                      |
| Loss after income tax            |                               |                               |                    | (14,131,739)                 |
| Segment Assets                   | 23,942,607                    | 20,132,262                    | (7,532,870)        | 36,541,999                   |
| Unallocated assets               |                               |                               |                    | -                            |
| Total Assets                     |                               |                               |                    | 36,541,999                   |
| Segment Liabilities              | 146,040                       | 2,370,692                     | -                  | 2,516,732                    |
| Unallocated Liabilities          |                               |                               |                    | -                            |
| Total Liabilities                |                               |                               |                    | 2,516,732                    |
| Capital expenditure              | 130,247                       | 608,390                       | -                  | 738,637                      |
| Depreciation and amortisation    | 7,458                         | 1,023,344                     | -                  | 1,030,802                    |
| <b>30 June 2017</b>              |                               |                               |                    |                              |
| Total external revenue           | -                             | 949,466                       | -                  | 949,466                      |
| Inter-segment revenue            | -                             | -                             | -                  | -                            |
| Total segment revenue            | -                             | 949,466                       | -                  | 949,466                      |
| Segment profit / (loss) result   | (1,600,210)                   | (11,294,262)                  | -                  | (12,894,472)                 |
| Unallocated expenses             |                               |                               |                    | -                            |
| Result from operating activities |                               |                               |                    | (12,894,472)                 |
| Interest revenue                 | 3,653                         | 7,093                         | -                  | 10,746                       |
| Interest expense                 | -                             | (19,941)                      | -                  | (19,941)                     |
| Income tax (expense)/benefit     | -                             | 43,339                        | -                  | 43,339                       |
| Loss after income tax            |                               |                               |                    | (12,860,328)                 |
| Segment Assets                   | 24,422,499                    | 22,980,864                    | (6,707,870)        | 40,695,493                   |
| Unallocated assets               |                               |                               |                    | -                            |
| Total Assets                     |                               |                               |                    | 40,695,493                   |
| Segment Liabilities              | 177,537                       | 3,415,542                     | -                  | 3,593,079                    |
| Unallocated Liabilities          |                               |                               |                    | -                            |
| Total Liabilities                |                               |                               |                    | 3,593,079                    |
| Capital expenditure              | 97,491                        | 10,073,783                    | -                  | 10,171,274                   |
| Depreciation and amortisation    | 8,851                         | 479,997                       | -                  | 488,848                      |

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

## NOTE 24: CASH FLOW INFORMATION

|                                                                                                | 2018<br>\$         | 2017<br>\$         |
|------------------------------------------------------------------------------------------------|--------------------|--------------------|
| a. Reconciliation of Cash Flow from Operations with Loss after Income Tax                      |                    |                    |
| Profit/(Loss) after income tax                                                                 | (14,131,739)       | (12,680,328)       |
| Non-cash flows in profit and loss                                                              |                    |                    |
| Depreciation and amortisation                                                                  | 1,030,802          | 488,848            |
| Share based payments                                                                           | 757,145            | 1,323,563          |
| Other financial items                                                                          | 2,737,124          | 1,316,475          |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries |                    |                    |
| (Increase)/decrease in trade and term receivables                                              | (198,729)          | 92,469             |
| (Increase)/decrease in inventories                                                             | (4,128)            | (121,859)          |
| Increase/(decrease) in trade payables and accruals*                                            | (79,595)           | 426,219            |
| Increase/(decrease) in provisions                                                              | 3,561              | 47,227             |
| Cash flow used in operations                                                                   | <u>(9,885,559)</u> | <u>(9,107,386)</u> |

\* - Net of non-operating movements and amounts not settled with cash

## NOTE 25: PARENT COMPANY INFORMATION

|                               |                    |                    |
|-------------------------------|--------------------|--------------------|
| a. <b>Parent Entity</b>       |                    |                    |
| <b>Assets</b>                 |                    |                    |
| Current assets                | 2,180,234          | 965,170            |
| Non-current assets            | 24,748,623         | 26,443,210         |
| Total Assets                  | <u>26,928,857</u>  | <u>27,408,380</u>  |
| <b>Liabilities</b>            |                    |                    |
| Current liabilities           | 138,013            | 172,081            |
| Non-current liabilities       | 8,027              | 5,456              |
| Total liabilities             | <u>146,040</u>     | <u>177,537</u>     |
| <b>Equity</b>                 |                    |                    |
| Issued Capital                | 31,472,719         | 28,614,082         |
| Retained Earnings             | (6,281,656)        | (2,974,993)        |
| <b>Reserves</b>               |                    |                    |
| Option reserve                | 1,591,754          | 1,591,754          |
| Total reserves                | <u>1,591,754</u>   | <u>1,591,754</u>   |
| <b>Financial performance</b>  |                    |                    |
| Profit / (Loss) for the year  | (3,306,663)        | (1,596,163)        |
| Other comprehensive income    | -                  | -                  |
| Total comprehensive loss      | <u>(3,306,663)</u> | <u>(1,596,163)</u> |
| <b>Contingent Liabilities</b> |                    |                    |

The Directors are not aware of any contingent liabilities as at 30 June 2018.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018****NOTE 26: FINANCIAL INSTRUMENTS****a. Financial Risk Management**

The Group's financial instruments consist mainly of deposits with banks and accounts payable.

**i. Liquidity Risk**

Responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring cash flows.

The remaining contractual maturities of the Group and Parent entity's financial liabilities are:

|                   | <b>2018</b>      | <b>2017</b>      |
|-------------------|------------------|------------------|
|                   | <b>\$</b>        | <b>\$</b>        |
| 12 months or less | 1,357,511        | 2,267,455        |
| 1 year or more    | 984,296          | 1,154,260        |
| <b>Total</b>      | <b>2,341,807</b> | <b>3,421,715</b> |

**ii. Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, as disclosed in the balance sheet.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

**iii. Foreign currency risk**

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the group's measurement currency. At 30 June 2018, the effect on the loss and equity as a result of a 10% increase in the exchange rates, with all other variables remaining constant would be an decrease in loss by \$800,000 (2017: \$300,000) and an decrease in equity by \$300,000 (2017: \$700,000).

**iv. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's has minimal exposure to interest rate risk, the only asset / liability affected by changes in market interest rates is Cash and cash equivalents.

**b. Financial Instruments****i. Net Fair Values**

Aggregate net fair values and carrying amounts of financial assets and financial liabilities.

|                                                   | <b>2018</b>            |                       | <b>2017</b>            |                       |
|---------------------------------------------------|------------------------|-----------------------|------------------------|-----------------------|
|                                                   | <b>Carrying Amount</b> | <b>Net Fair Value</b> | <b>Carrying Amount</b> | <b>Net Fair Value</b> |
|                                                   | <b>\$</b>              | <b>\$</b>             | <b>\$</b>              | <b>\$</b>             |
| <b>Financial Assets</b>                           |                        |                       |                        |                       |
| Cash and cash equivalents                         | 5,659,750              | 5,659,750             | 8,932,545              | 8,932,545             |
| Trade and other receivables                       | 318,177                | 318,177               | 121,819                | 121,819               |
| Investments accounted for using the equity method | -                      | 1,617,575             | -                      | 1,617,575             |
|                                                   | <b>5,977,927</b>       | <b>7,595,502</b>      | <b>9,054,364</b>       | <b>10,671,939</b>     |
| <b>Financial Liabilities</b>                      |                        |                       |                        |                       |
| Trade and sundry payables                         | 1,127,453              | 1,127,453             | 2,050,003              | 2,050,003             |
| Interest bearing liabilities                      | 1,214,354              | 1,214,354             | 1,371,712              | 1,371,712             |
|                                                   | <b>2,341,807</b>       | <b>2,341,807</b>      | <b>3,421,715</b>       | <b>3,421,715</b>      |

**NOTE 27: COMPANY DETAILS**

The registered office of the company is:

Tasman Resources Ltd  
Level 15  
197 St Georges Terrace  
Perth  
Western Australia 6000

The principal place of business is:

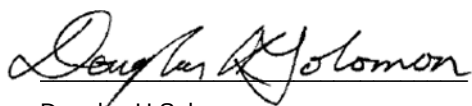
Tasman Resources Ltd  
Level 15  
197 St Georges Terrace  
Perth  
Western Australia 6000

## DIRECTORS' DECLARATION

In the opinion of the directors of Tasman Resources Ltd (the "Company"):

- a. the financial statements and notes set out on pages 17 to 35, and the Remuneration disclosures that are contained in pages 12 to 14 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - (iii) complying with International Financial Reporting Standards as disclosed in Note 1.
- b. the remuneration disclosures that are contained in page 12 to 14 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and
- c. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, reading "Douglas H Solomon". The signature is written in a cursive, flowing style.

Douglas H Solomon  
Director

Dated this 27<sup>th</sup> day of September 2018

## Independent Auditor's Report to the Members of Tasman Resources Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Tasman Resources Ltd (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of 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 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.

#### Material uncertainty relating to going concern

Without modifying our opinion, we draw attention to Note 1 of the Financial Report, which indicates that the Group will require further funding in the next twelve months from the date of this report to fund its planned operating costs. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

#### 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Valuation of Exploration and Evaluation Assets</b></p> <p><b>Refer Notes 1e, 4, and 9</b></p> <p>As at 30 June 2018 the carrying value of exploration and evaluation assets was \$14,186,527 (2017: \$16,700,384). The Group's accounting policy in respect of exploration and evaluation assets is outlined in Note 1e.</p> <p>This is a key audit matter due to the fact that significant judgement is required in determining whether there are any facts or circumstances that indicate the Group should test the exploration assets for impairment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>Our procedures focussed on evaluating whether there were facts or circumstances that indicated that the Group should test Exploration and Evaluation assets for impairment. These procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• confirming whether the rights to tenure of the areas of interest remained current at balance date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;</li> <li>• obtaining evidence of the future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes; and</li> <li>• obtaining an understanding of the status of ongoing exploration programmes, for the areas of interest.</li> </ul> <p>We also assessed the appropriateness of the accounting treatment and disclosure in terms of AASB 6.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b>CGU impairment assessment</b></p> <p>As at 30 June 2018 the Group's EdenCrete and Optiblend cash generating units (CGUs) comprised property plant and equipment and intangible assets. The carrying values of the CGUs' property, plant and equipment and intangible assets as at 30 June 2018 were, respectively, \$10,690,384 (2017: \$10,463,280) and \$4,907,542 (2017: \$3,711,401). Impairment was assessed by the Group at the CGU level by considering if impairment indicators were present. Management determined that there were no such indicators of impairment.</p> <p>The impairment assessment for the CGUs' Property, Plant and Equipment and Intangible Assets is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• the significance of the Property, Plant and Equipment and Intangible Assets balances to the statement of financial position; and</li> <li>• the judgement involved in the impairment indicator assessment due to the need to make estimates about future events and other circumstances.</li> </ul> | <p>We performed the following procedures, among others, to evaluate the Group's impairment assessment:</p> <ul style="list-style-type: none"> <li>• assessed management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment in which the segments operate. We also analysed the internal reporting of the Group to assess how earnings streams are monitored and reported;</li> <li>• compared actual sales performance for the year to sales of the preceding year;</li> <li>• enquired of management and inspected a selection of Board of Directors' meeting minutes to assess whether there were any: <ul style="list-style-type: none"> <li>– observable indications that the asset values have declined during the year significantly more than would be expected as a result of the passage of time or normal use;</li> <li>– significant changes with an adverse effect on the entity that have taken place during the year, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated; or</li> <li>– significant changes with an adverse effect on the entity during the year, or any are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used.</li> </ul> </li> </ul> |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> <li>• We also considered whether: <ul style="list-style-type: none"> <li>– movements in market interest rates or other market rates of return on investments during the year are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially;</li> <li>– there was evidence of obsolescence or physical damage of assets comprising the CGUs; and</li> <li>– the market capitalisation of Eden Innovations, the entity comprising the CGUs, was significantly lower than Eden Innovation's net assets at balance date.</li> </ul> </li> </ul> |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Other information

The directors are responsible for the other information. The other information comprises the information in Tasman Resources Limited's annual report for the year ended 30 June 2018, but does not include the consolidated financial report and the auditor's report thereon.

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

In connection with our audit of the consolidated 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 the other information we are required to report that fact. We have nothing to report in this regard.

## Directors' responsibility for the financial report

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

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

## Auditor's responsibility 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 Australian Auditing and Assurance Standards Board website at: [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.

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

## **Report on the Remuneration Report**

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

We have audited the Remuneration Report included in pages 12 to 14 of the Directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Tasman 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.

NPAS

**Nexia Perth Audit Services Pty Ltd**

Amar Nathwani

**Amar Nathwani**  
**Director**

**Perth**  
**27 September 2018**



**ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES****1. Shareholding as at 17 September 2018****a. Distribution of Shareholders**

|                            | <b>Number<br/>Ordinary</b> |
|----------------------------|----------------------------|
| Category (size of holding) |                            |
| 1 – 1,000                  | 142                        |
| 1,001 – 5,000              | 283                        |
| 5,001 – 10,000             | 342                        |
| 10,001 – 100,000           | 1,186                      |
| 100,001 – and over         | 512                        |
|                            | <hr/> 2,465                |

b. The number of shareholdings held in less than marketable parcels at 17 September 2018 is 842.

c. The names and relevant interests of the substantial shareholders listed in the company's register as at 17 September 2018 are:

| Shareholder         | <b>Number Ordinary</b> |
|---------------------|------------------------|
| Arkenstone Pty Ltd  | 94,216,510             |
| March Bells Pty Ltd | 92,675,330             |

**d. Voting Rights**

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

**e. 20 Largest Shareholders — Ordinary Shares**

| Name                                                                  | <b>Number of<br/>Shares Held</b> | <b>% of<br/>Issued<br/>Capital</b> |
|-----------------------------------------------------------------------|----------------------------------|------------------------------------|
| 1. Arkenstone Pty Ltd <G H Solomon Family Invest A/C>                 | 71,240,885                       | 14.61%                             |
| 2. March Bells Pty Ltd <DH Solomon Family A/C>                        | 57,415,873                       | 11.77%                             |
| 3. March Bells Pty Ltd <The Douglas H Solomon S/F>                    | 25,641,116                       | 5.26%                              |
| 4. Arkenstone Pty Ltd <The Gregory and Lee Solomon Super Fund A/C>    | 21,501,949                       | 4.41%                              |
| 5. Kalsie Holdings Pty Ltd <Iyer Super Fund A/C>                      | 19,833,335                       | 4.07%                              |
| 6. Rosherville Pty Ltd                                                | 16,800,000                       | 3.44%                              |
| 7. March Bells Pty Ltd                                                | 7,990,882                        | 1.64%                              |
| 8. Endeavour River Pty Ltd                                            | 7,700,000                        | 1.58%                              |
| 9. 4 Eyes Limited <Worsley Family A/c>                                | 5,567,777                        | 1.14%                              |
| 10. Citicorp Nominees Pty Limited                                     | 5,037,742                        | 1.03%                              |
| 11. Malenki Pty Ltd                                                   | 4,769,401                        | 0.98%                              |
| 12. Norman Maher                                                      | 4,208,937                        | 0.86%                              |
| 13. NGY Holdings Pty Ltd <Darling Super Fund A/c>                     | 4,120,221                        | 0.84%                              |
| 14. HSBC Custody Nominees (Australia) Ltd                             | 3,409,064                        | 0.70%                              |
| 15. DM Capital Management Pty Ltd <McEvoy Family A/c>                 | 3,312,097                        | 0.68%                              |
| 16. Simon Evans & Katherine Evans <Kamiyacho Super A/c>               | 3,000,000                        | 0.61%                              |
| 17. Robert Gilder                                                     | 2,860,000                        | 0.59%                              |
| 18. Stephen Barrett <SR & A Barrett Super Fund A/c>                   | 2,600,000                        | 0.53%                              |
| 19. Camjack Investments Pty Ltd <Camjack Super Fund A/c>              | 2,035,000                        | 0.42%                              |
| 20. Mr & Mrs Rogerson & Miss C Rogerson <The Rogerson Super Fund A/c> | 2,019,109                        | 0.41%                              |
|                                                                       | <hr/> 271,063,388                | <hr/> 55.57%                       |

## f. 20 Largest Optionholders — TASOC

| Name                                                               | Number of<br>Shares Held | % of<br>Issued<br>Capital |
|--------------------------------------------------------------------|--------------------------|---------------------------|
| 1. Arkenstone Pty Ltd <G H Solomon Family Invest A/C>              | 6,249,172                | 18.10%                    |
| 2. March Bells Pty Ltd <DH Solomon Family A/C>                     | 5,219,625                | 15.12%                    |
| 3. March Bells Pty Ltd <Douglas H Solomon S/F>                     | 2,331,011                | 6.75%                     |
| 4. Arkenstone Pty Ltd <The Gregory and Lee Solomon Super Fund A/C> | 2,181,996                | 6.32%                     |
| 5. Rosherville Pty Ltd                                             | 1,800,000                | 5.22%                     |
| 6. Simon Evans & Katherine Evans <Kamiyacho Super A/c>             | 1,000,000                | 2.90%                     |
| 7. March Bells Pty Ltd <DH Solomon Family A/C>                     | 726,445                  | 2.10%                     |
| 8. Endeavour River Pty Ltd                                         | 700,000                  | 2.03%                     |
| 9. Malenki Pty Ltd                                                 | 600,000                  | 1.74%                     |
| 10. Mark Tindale & Barbara Tindale <The Tindale Super Fund A/c>    | 540,000                  | 1.57%                     |
| 11. NGY Holdings Pty Ltd <Darling Super Fund A/c>                  | 439,000                  | 1.27%                     |
| 12. J P Morgan Nominees Australia Limited                          | 297,012                  | 0.86%                     |
| 13. HSBC Custody Nominees (Australia) Ltd                          | 276,415                  | 0.80%                     |
| 14. Success Investments Pty Limited                                | 265,000                  | 0.77%                     |
| 15. Robert Gilder                                                  | 260,000                  | 0.75%                     |
| 16. Roxsel Pty Ltd <The Fat Pig Superfund A/c>                     | 250,000                  | 0.72%                     |
| 17. Selwyn Pty Ltd <Korn Personal Superfund A/c>                   | 250,000                  | 0.72%                     |
| 18. Mercer Investments Pty Ltd                                     | 200,000                  | 0.58%                     |
| 19. Kenneth Yu                                                     | 200,000                  | 0.58%                     |
| 20. Timothy Clive                                                  | 200,000                  | 0.58%                     |
|                                                                    | <b>23,985,676</b>        | <b>68.25%</b>             |

## TENEMENT SCHEDULE

Table 1: Tasman Resource Tenement Schedule

| State | Licence Type | Number | %<br>Interest | Locality        | Location                                      |
|-------|--------------|--------|---------------|-----------------|-----------------------------------------------|
| SA    | EL           | 5849   | 100           | Lucas Hill      | Approximately 25 km south of Woomera          |
| SA    | EL           | 5499   | 100           | Andamooka North | Approximately 140 km northwest of Leigh Creek |
| SA    | EL           | 5602   | 100           | Iron Knob       | Approximately 50 km WSW of Port Augusta       |
| SA    | EL           | 6137   | 100           | Pernatty        | Approximately 115km north of Port Augusta     |