



General Purpose Financial Statements

Kalamazoo Resources Pty Ltd

ACN 150 026 850

30 June 2015

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Corporate Directory

Directors

Luke Reinehr
Peter Benjamin
Angus Middleton

Principal registered office in Australia

Unit 3, 611 Hay Street
JOLIMONT WA 6014

Auditor

Grant Thornton Audit Pty Ltd
Level 30, 525 Collins Street
MELBOURNE VIC 3000

Directors' Report

Your directors present their report, together with the financial statements of the Company for the financial year ended 30 June 2015.

Directors

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

Luke Reinehr
Peter Benjamin
Angus Middleton
Matthew Reinehr (resigned 30 June 2016)
Brian Richardson (resigned 30 June 2016)
James Crawford (resigned 28 July 2015)

Principal activities

During the financial period the principal continuing activities was the exploration for minerals and the development of a sand mine and a gold mine all of which are located in Australia.

There was no significant change in the nature of these activities during the financial year.

Operating results

The loss of the Company for the financial period amounted to \$2,560,760 (2014: \$618,620)

Review of operations

A review of the operations of the Company during the financial year and the results of those operations found that the Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in the state of affairs

No significant changes in the Company's state of affairs occurred during the financial year other than during the year the Company relinquished a number of its tenements

Matters subsequent to the end of the financial year

Subsequent to year end the following events occurred:

- the Company formally commenced a process to list on the Australian Securities Exchange;
- the Members passed a resolution on 12 August 2016 to convert the Company from a Proprietary Limited Company to a Public Company; and
- the Members passed a resolution on 12 August 2016 to undertake a consolidation of share capital with every 7 shares converting to 1 share.

Directors' Report

Likely developments and expected results of operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company holds participating interests in a number of mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under the terms of the tenement. There have been no known breaches of the tenement conditions, and no breaches have been notified by any government agency during the period ended 30 June 2015.

Dividends

Since the start of the financial period, the directors have not paid or declared a dividend.

Insurance of officers

During the financial year, the Company paid a premium in respect of a contract to insure the directors of the Company against a liability of up to \$2 million. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Options

The Company has on issue 19,303,219 options with an expiry date of 9 November 2017 and an exercise price of \$0.10.

Proceedings on behalf of the Company

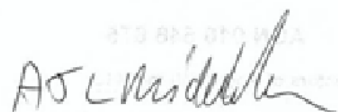
No person has applied for leave of a Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

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



Director: Peter Benjamin



Director: Angus Middleton

Dated this 12 day of September 2016

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Auditor's Independence Declaration
To the Directors of Kalamazoo Resources Pty Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Kalamazoo Resources Pty Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B. L. Taylor
Partner - Audit & Assurance

Melbourne, 12 September 2016

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Statement of Comprehensive Income

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue		-	51
Expenses			
Employee benefits expense		(251,447)	(300,960)
Depreciation expense		(3,351)	(4,678)
Finance costs		(1,922)	(33,366)
Exploration expenditure write off		(2,209,199)	(174,458)
Other expenses		(94,841)	(105,209)
Loss before income tax		(2,560,760)	(618,620)
Income tax expense	2	-	-
Loss attributable to the members of Kalamazoo Resources Pty Ltd		(2,560,760)	(618,620)
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		(2,560,760)	(618,620)

Statement of Financial Position

As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	15,717	2,673
Trade and other receivables	4	19,637	23,568
Other current assets		5,874	5,874
Total current assets		41,228	32,115
Non-current assets			
Exploration and evaluation assets	5	2,861,518	4,138,705
Plant and equipment	6	-	100
Intangible assets	7	2,902	4,722
Total non-current assets		2,864,420	4,143,527
TOTAL ASSETS		2,905,648	4,175,642
LIABILITIES			
Current liabilities			
Trade and other payables	8	73,516	85,785
Borrowings	9	623,021	-
Total current liabilities		696,537	85,785
TOTAL LIABILITIES		696,537	85,785
NET ASSETS		2,209,111	4,089,857
EQUITY			
Share capital	10	5,786,660	5,106,646
Accumulated (losses)		(3,577,549)	(1,016,789)
TOTAL EQUITY		2,209,111	4,089,857

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2015

	Issued capital	Retained Earnings	Total
	\$	\$	\$
At 30 June 2014	5,106,646	(1,016,789)	4,089,857
Issued capital	680,014	-	680,014
(Loss) for the year	-	(2,560,760)	(2,560,760)
At 30 June 2015	5,786,660	(3,577,549)	2,209,111
At 30 June 2013	3,836,540	(398,169)	3,438,371
Issued capital	1,270,106	-	1,270,106
(Loss) for the year	-	(618,620)	(618,620)
At 30 June 2014	5,106,646	(1,016,789)	4,089,857

Statement of Cash Flows

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		3,931	31,296
Payments to suppliers and employees		(358,558)	(328,409)
Interest paid		(1,922)	-
Net cash used in operating activities	11	<u>(356,549)</u>	<u>(297,113)</u>
Cash flows from investing activities			
Payments for exploration activities		(932,012)	(745,708)
Payments for plant and equipment		(3,251)	(1,329)
Payments for intangibles		1,820	(1,432)
Net cash used in investing activities		<u>(933,443)</u>	<u>(748,469)</u>
Cash flows from financing activities			
Proceeds from issue of shares		680,014	1,151,106
Proceeds from borrowings		623,022	(202,885)
Net cash provided by financing activities		<u>1,303,036</u>	<u>948,221</u>
Net change in cash and cash equivalents held		13,044	(97,361)
Cash and cash equivalents at beginning of financial year		2,673	100,034
Cash and cash equivalents at end of financial year	3	<u>15,717</u>	<u>2,673</u>

Notes to the financial statements

For the year ended 30 June 2015

1. Statement of significant accounting policies

General information

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Kalamazoo Resources Pty Ltd is a Company limited by shares, incorporated and domiciled in Australia. During the financial period the principal continuing activities was the exploration for minerals and the potential development of a sand mine and a gold mine all of which are located in Australia.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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 fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. Any changes in accounting policies compared to the previous financial year have been disclosed in the notes to the financial statements.

(a) Going Concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and realisation of assets and the settlement of liabilities in the ordinary course of business. There is uncertainty on whether the Company will continue as a going concern on the entity's ability to fund its working capital requirements and exploration expenditure commitments.

Notwithstanding the above, the financial report has been prepared on a going concern basis on the assumption that the Company will have the ability to obtain ongoing support from its financiers and be able to raise further capital.

Notes to the financial statements

For the year ended 30 June 2015

1. Statement of significant accounting policies (continued)

(b) Income tax

The income tax benefit for the year comprises current income tax benefit and deferred tax benefit. Current and deferred income tax benefit is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Deferred tax assets and liabilities are recognised 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 and on unused tax losses. No deferred tax assets or liabilities will be recognised from the initial recognition of an asset or liability excluding a business combination that at the time of the transaction did not affect either accounting or taxable profit or loss.

Current tax

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

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

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

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

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

Notes to the financial statements

For the year ended 30 June 2015

1. Statement of significant accounting policies (continued)

(b) Income tax (continued)

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

(c) Revenue

Revenue from the sale of ore is recognised at the time of the rights transferring to the purchaser.

(d) Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Exploration and evaluation assets

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

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

Where a decision is made to proceed with the development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance will then be reclassified to development.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. 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.

Notes to the financial statements

For the year ended 30 June 2015

1. Statement of significant accounting policies (continued)

(f) Property, plant and equipment

Property, 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 Company's management.

Property, plant and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of property, plant and equipment. The following depreciation rates are applied:

- | | |
|---------------------|--------|
| • Computer Hardware | 40.00% |
| • Computer software | 40.00% |
| • Office Equipment | 20.00% |

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(g) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying values of its 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the financial statements

For the year ended 30 June 2015

1. Statement of significant accounting policies (continued)

(h) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Loans and receivables

All financial assets except for those at fair value through profit & loss are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Companies, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Company.

Notes to the financial statements

For the year ended 30 June 2015

1. Statement of significant accounting policies (continued)

(h) Financial instruments (continued)

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include related party borrowings and trade and other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest method.

(i) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Actual results may differ from these estimates.

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

Recovery of deferred assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. None have been recognised as it is not probable that the deferred tax assets will be realised in the foreseeable future.

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

Notes to the financial statements

For the year ended 30 June 2015

1. Statement of significant accounting policies (continued)

(l) Accounting standards and interpretations issued, not yet effective, and not early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 reporting period. The Company has assessed of the impact of these new standards (to the extent relevant to the Company) and have concluded they are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Notes to the financial statements

For the year ended 30 June 2015

	2015	2014
	\$	\$

2. Income tax expense

Numerical reconciliation of income

Loss before income tax	(2,560,760)	(618,620)
Income tax expense/(benefit) using the domestic corporation tax rate of 30% (2014: 30%)	<u>(768,228)</u>	<u>(185,586)</u>
Non deductible and non taxable items		
Deferred tax assets not recognised	<u>768,228</u>	185,586
Income tax expense attributable to the Company	<u><u>-</u></u>	<u><u>-</u></u>

Deferred tax assets

Deferred tax assets not brought to account total \$768,228 (2014: \$185,586)

3. Cash and cash equivalents

Cash on hand	40	40
Cash at bank	<u>15,677</u>	<u>2,633</u>
	<u><u>15,717</u></u>	<u><u>2,673</u></u>

4. Trade and other receivables

GST receivable	<u>19,637</u>	<u>23,568</u>
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5. Non-current assets - exploration and evaluation

Exploration and evaluation assets	<u>2,861,518</u>	<u>4,138,705</u>
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Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

Opening balance	4,138,705	3,567,455
Additions	932,012	745,708
Exploration expenditure written off	<u>(2,209,199)</u>	<u>(174,458)</u>
Closing balance	<u><u>2,861,518</u></u>	<u><u>4,138,705</u></u>

Notes to the financial statements

For the year ended 30 June 2015

5. Non-current assets - exploration and evaluation (continued)

During the year the Company relinquished a number of tenements as the Directors made an assessment that these areas of interest were no longer a focus for the Company. As a consequence of this decision the capitalised expenditure in relation to these tenements has been written off.

6. Plant and equipment

	2015	2014
	\$	\$
Plant and equipment		
Plant and equipment at cost	5,283	5,283
less accumulated depreciation	<u>(5,283)</u>	<u>(5,183)</u>
Total plant and equipment	<u><u>-</u></u>	<u><u>100</u></u>

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

Opening balance	100	3,451
Additions	-	321
Depreciation expense	<u>(100)</u>	<u>(3,672)</u>
Closing balance	<u><u>-</u></u>	<u><u>100</u></u>

7. Intangible assets

Intangible assets		
Computer software at cost	10,024	8,592
less accumulated amortisation	<u>(7,122)</u>	<u>(3,870)</u>
Total intangible assets	<u><u>2,902</u></u>	<u><u>4,722</u></u>

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

Opening balance	4,722	4,296
Additions	1,431	1,432
Depreciation expense	<u>(3,251)</u>	<u>(1,006)</u>
Closing balance	<u><u>2,902</u></u>	<u><u>4,722</u></u>

Notes to the financial statements

For the year ended 30 June 2015

	2015	2014
	\$	\$
8. Trade and other payables		
Current		
Trade payables	72,625	83,496
Other payables and accruals	891	2,289
	<u>73,516</u>	<u>85,785</u>

The average credit period on purchases is 30 days. No interest is charged on trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

9. Borrowings

Related party loan

Current		
Loan payable to Rockrose Pty Ltd	573,021	-
Loan payable to 818205 Pty Ltd	50,000	-
	<u>623,021</u>	<u>-</u>

10. Equity - issued capital

	2015	2014	2015	2014
	Shares	Shares	\$	\$
Ordinary shares - fully paid	279,439,961	211,439,965	5,786,660	5,106,646

Movements in ordinary share capital

Details	No of shares	\$
Opening balance (1 July 2013)	127,883,533	3,836,540
Shares issued	<u>83,556,432</u>	<u>1,270,106</u>
Closing balance (30 June 2014)	<u>211,439,965</u>	<u>5,106,646</u>
Shares issued	<u>67,999,996</u>	<u>680,014</u>
Closing balance (30 June 2015)	<u>279,439,961</u>	<u>5,786,660</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

Notes to the financial statements

For the year ended 30 June 2015

10. Equity - issued capital (continued)

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

Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company manages capital risk by monitoring the ongoing position of the entity against forecast outcomes from exploration on mining tenements and the funding needs to continue to conduct activities that will have an impact of being net incremental to shareholders.

Dividends

There were no dividends paid or declared during the current or previous financial period.

11. Cash flow information

Reconciliation of cash flow from operating activities with profit attributable to members of Kalamazoo Resources Pty Ltd:

	2015	2014
	\$	\$
Loss attributable to the members of Kalamazoo Resources Pty Ltd	(2,560,760)	(618,620)
Non-cash flows in profit		
Depreciation & amortisation	3,351	4,678
Exploration expenditure write off	2,209,199	174,458
Expenses converted to equity	-	119,000
Changes in assets and liabilities		
Increase/(decrease) in trade and other payables	(12,270)	(8,881)
Increase/(decrease) in trade and other receivables	3,931	32,252
Net cash used in operating activities	(356,549)	(297,113)

Notes to the financial statements

For the year ended 30 June 2015

12. Financial risk management

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company may use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board of Directors ('Board'). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Company's operating units. Finance reports to the Board regularly.

Market risk

Interest rate risk

The Company's interest rate risk is limited to its exposure on its cash holdings at any point in time. Given the level of cash held at 30 June 2015, the Company is not exposed to material interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's receivables relate to GST, which is not considered a significant risk of default.

Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Notes to the financial statements

For the year ended 30 June 2015

12. Financial risk management (continued)

Remaining contractual maturities

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less	Over 5 years	Remaining contractual maturities
	\$	\$	\$
2015			
Non-derivatives			
<i>Non-interest bearing</i>			
Trade payables	73,516	-	73,516
<i>Interest bearing</i>			
Borrowings	623,021	-	623,021
Total non-derivatives	696,537	-	696,537

	1 year or less	Over 5 years	Remaining contractual maturities
	\$	\$	\$
2014			
Non-derivatives			
<i>Non-interest bearing</i>			
Trade payables	85,785	-	85,785
Borrowings	-	-	-
Total non-derivatives	85,785	-	85,785

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Notes to the financial statements

For the year ended 30 June 2015

13. Key management personnel disclosures

Shareholding

The number of shares in the Company held during the financial period by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Opening balance	Additions	Disposals/ other	Closing balance
2015				
<i>Ordinary shares</i>				
Matthew Reinehr	131,122,128	84,869,908	-	215,992,036
	Opening balance	Additions	Disposals/ other	Closing balance
2014				
<i>Ordinary shares</i>				
Matthew Reinehr	49,344,861	81,777,267	-	131,122,128

The shares are held by Doux Argent Pty Ltd as trustee for the Reinehr Investment Trust. Matthew Reinehr is a Director of Doux Argent Pty Ltd.

	Opening balance	Additions	Disposals/ other	Closing balance
2015				
<i>Ordinary shares</i>				
Brian Richardson	1,000,000	500,000	-	1,500,000
	Opening balance	Additions	Disposals/ other	Closing balance
2014				
<i>Ordinary shares</i>				
Brian Richardson	1,000,000	-	-	1,000,000
	Opening balance	Additions	Disposals/ other	Closing balance
2015				
<i>Ordinary shares</i>				
Angus Middleton	833,333	1,000,000	-	1,833,333
	Opening balance	Additions	Disposals/ other	Closing balance
2014				
<i>Ordinary shares</i>				
Angus Middleton	833,333	-	-	833,333

Notes to the financial statements

For the year ended 30 June 2015

13. Key management personnel disclosures (continued)

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	2015	2014
	\$	\$
Short-term employee benefits	<u>240,000</u>	<u>280,000</u>

14. Contingent liabilities

The Company has no contingent liabilities for the financial year ended 30 June 2015.

15. Commitments

Exploration and evaluation assets

Committed at the reporting date but not recognised as liabilities payable:

Within one year	1,300,600	1,053,050
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In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals and to meet the minimum expenditure requirements of the tenements. Minimum expenditure commitments may be avoided by sale, farm out or relinquishment.

Notes to the financial statements

For the year ended 30 June 2015

16. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in Note 13.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2015 \$	2014 \$
<i>Current payable - 818205 Pty Ltd</i>		
Opening Balance	-	202,886
Net funds received	50,000	527,114
Loan converted to equity	-	(730,000)
Closing balance	<u>50,000</u>	<u>-</u>
<i>Current payable - Rockrose Pty Ltd</i>		
Opening Balance	-	-
Net funds received	573,021	-
Loan converted to equity	-	-
Closing balance	<u>573,021</u>	<u>-</u>

17. Subsequent Events

Subsequent to year end the following events occurred:

- the Company formally commenced a process to list on the Australian Securities Exchange;
- the Members passed a resolution on 12 August 2016 to convert the Company from a Proprietary Limited Company to a Public Company; and
- the Members passed a resolution on 12 August 2016 to undertake a consolidation of share capital with every 7 shares converting to 1 share.

18. Auditor's Remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the Company and its related practices.

	2015 \$	2014 \$
<i>Assurance Services</i>		
Audit or review of financial statements of entities in the consolidated group	8,000	8,000
<i>Non Assurance Services</i>		
Taxation compliance	4,300	2,500
Other services	3,500	4,000
	<u>15,800</u>	<u>14,500</u>

Directors' declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 25, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date of the Company; and

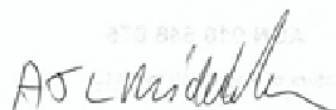
During the financial period the principal continuing activities was the exploration for minerals in Australia.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director: Peter Benjamin



Director: Angus Middleton

Dated this 12th day of September 2016

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Independent Auditor's Report To the Members of Kalamazoo Resources Pty Ltd

We have audited the accompanying financial report of Kalamazoo Resources Pty Ltd (the "Company"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's opinion

In our opinion:

- a the financial report of Kalamazoo Resources Pty Ltd is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B. L. Taylor
Partner - Audit & Assurance

Melbourne, 12 September 2016