Montejinni Resources Pty Ltd

ACN 616 894 216

Financial Report

for the period
18 January 2017 (date of incorporation) to 30 April 2018

Montejinni Resources Pty Ltd
Directors' Report
30 April 2018

The directors present their report, together with the financial statements, of Montejinni Resources Pty Ltd (referred to hereafter as the 'company') for the period 18 January 2017 to 30 April 2018.

Directors
The following persons were directors of Montejinni Resources Pty Ltd during the period 18 January 2017 to 30 April 2018 and up to the date of this report, unless otherwise stated:

Daniel Tuffin - Director (appointed on 18 January 2017)

Principal activities
The principal activities of the company during the period was the review of mining projects for acquisition.

Review of operations
The loss for the company after providing for income tax was $6,087.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the company during the financial period.

Matters subsequent to the end of the financial period

On 9 May 2018, the company entered into binding terms sheet to sell 90% interest in the company to Tempus Resources Limited. The acquisition is subject to both parties meeting the conditions precedent as set out in the binding terms sheet.

Other than the above, no matters or circumstances that have arisen since 30 April 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations
The company expects to maintain the present status and level of operations and hence, there are no likely developments in operations in the near future.

Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Daniel Tuffin

Mr Tuffin is a mining engineer with over 19 years of experience in the mining industry, covering a wide range of roles from boots-on-ground mine surveyor and project engineering, through to running successful mine consulting and private mining ventures. Although the bulk of Daniel's experience has been in Western Australian gold, he has also spent time on multiple projects covering a range of commodities abroad as a consultant over the past 10 years.

Daniel holds degrees in Mining Engineering (BEng) from the University of Ballarat, Mining and Engineering Surveying (BSc) from WASM, a Diploma in Project Management and is an accredited Chartered Professional with the AusIMM. Daniel's strengths lay in quality management, technical works, mentoring and board level consultation. Daniel also brings with him a wealth of open pit gold mining experience, a strong technical knowledge base and a view to consistently monetize projects for their optimal return.

Shares under option
There are no unissued ordinary shares of Montejinni Resources Pty Ltd under option at the date of this report.

Shares issued on the exercise of options
There are no ordinary shares of Montejinni Resources Pty Ltd issued on the exercise of options during the period ended 30 April 2018 and up to the date of this report.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Subsequent to the financial period, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Daniel Tuffin
Director

23 May 2018
Perth, Western Australia

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Montejinni Resources Pty Ltd for the period 18 January 2017 to 30 April 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 23 May 2018

Contents

General information

The financial statements cover Montejinni Resources Pty Ltd as a single entity. The financial statements are presented in Australian dollars, which is Montejinni Resources Pty Ltd's functional and presentation currency.

Montejinni Resources Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Suite 1, 19-21 Outram Street West Perth WA 6005	Suite 1, 19-21 Outram Street West Perth WA 6005

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 May 2018. The directors have the power to amend and reissue the financial statements.

Montejinni Resources Pty Ltd
Statement of profit or loss and other comprehensive income
For the period ended 30 April 2018

	Note	2018 $
Revenue from continuing operations		
Other income		-
Expenses		
Other expenses		(6,087)
Loss before income tax expense		**(6,087)**
Income tax expense		**-**
Loss after income tax expense for the period		**(6,087)**
Total comprehensive loss for the period		**(6,087)**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Montejinni Resources Pty Ltd
Statement of financial position
As at 30 April 2018

	Note	2018 $
Assets		
Current assets		
Cash and cash equivalents	3	100
Total current assets		100
Non current assets		
Exploration and evaluation asset	4	9,814
Total non current assets		9,814
Total assets		9,914
Non current liabilities		
Other payables	5	15,901
Total non current liabilities		15,901
Total liabilities		15,901
Net liabilities		**(5,987)**
Equity		
Issued capital	6	100
Accumulated losses		(6,087)
Total equity		**(5,987)**

The above statement of financial position should be read in conjunction with the accompanying notes

Montejinni Resources Pty Ltd
Statement of changes in equity
For the period ended 30 April 2018

	Issued capital $	Accumulated losses $	Total equity $
Balance at 18 January 2017 (date of incorporation)	100	-	100
(Loss) after income tax expense for the period	-	(6,087)	(6,087)
Total comprehensive loss for the period	-	(6,087)	(6,087)
Balance at 30 April 2018	**100**	(6,087)	**(5,987)**

The above statement of changes in equity should be read in conjunction with the accompanying notes

Montejinni Resources Pty Ltd
Statement of cash flows
For the period ended 30 April 2018

	Note	2018 $
Cash flows from operating activities		
Payments to suppliers and employees		(6,087)
Interest received		-
Net cash used in operating activities		(6,087)
Cash flows from financing activities		
Proceeds from issue of shares, net of share issue costs		100
Net cash from financing activities		100
Net increase in cash and cash equivalents		1
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	3	**1**

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New, revised or amending Accounting Standards and Interpretations adopted
The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Montejinni Resources Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Montejinni Resources Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

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

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 1. Significant accounting policies (continued)

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Comparative Figures
No comparative figures are available as this is the first financial statements since incorporation.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 April 2018. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. In the opinion of the Directors, there are no judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

	2018 **$**
Note 3. Cash and cash equivalents	
Cash at bank	100
	100
Note 4. Exploration and evaluation	
Exploration and evaluation - at cost	9,814
	9,814
Note 5. Other payables	
Other payables*	15,901
	15,901

* Other payables are unsecured, interest free and not expected to be repaid 12 months from reporting date.

Note 6. Equity - issued capital

	2018 Shares	2018 $
Ordinary shares - fully paid	100	100

Movements in ordinary share capital

Details	Date	No of shares	Issue price	$
Opening Balance - (Incorporation)	18 January 2017	100	$1.00	100
Closing Balance – 30 April 2018		**100**		**100**

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 and the company does not have a limited amount of authorised capital.

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.

Note 7. Contingent assets

The company has no contingent assets as at 30 April 2018.

Note 8. Contingent liabilities

The company has no contingent liabilities as at 30 April 2018.

Note 9. Commitments

The company has no capital or other expenditure commitments as at 30 April 2018.

Note 10. Events subsequent to reporting date

On 9 May 2018, the company entered into binding terms sheet to sell 90% interest in the company to Tempus Resources Limited. The acquisition is subject to both parties meeting the conditions precedent as set out in the binding terms sheet.

Other than disclosed above, no other matter or circumstance has arisen since 30 April 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Montejinni Resources Pty Ltd
Directors' Declaration
30 April 2018

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in Note 1, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Montejinni Resources Pty Ltd;

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in Note 1, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 April 2018 and of its performance for the period 18 January 2017 to 30 April 2018; and

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

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Daniel Tuffin
Director

23 May 2018
Perth, Western Australia

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MONTEJINNI RESOURCES PTY LTD

Opinion

We have audited the financial report of Montejinni Resources Pty Ltd (the Company), which comprises the statement of financial position as at 30 April 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period 18 January 2017 to 30 April 2018, 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 Company 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 April 2018 and of its financial performance for the period 18 January 2017 to 30 April 2018; and

(ii) complying with Australian Accounting Standards to the extent described in Note 1, 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 Company 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.

Basis of Accounting

We draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Contents page for the period 18 January 2017 to 30 April 2018, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 23 May 2018