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2018 ANNUAL REPORT

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Table 1: Tanami Gold NL Mineral Resources as at 30 June 2018 (75% Tanami⁹)

Project	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
		g/t Au			g/t Au			g/t Au			g/t Au	
CTP ⁹	6,255,000	2.9	579,000	11,075,000	2.8	1,001,000	12,106,000	2.9	1,133,000	29,436,000	2.9	2,713,000
CTP Stockpile ⁹	1,400,000	0.7	31,000	-	-	-	-	-	-	1,400,000	0.7	31,000
Total	7,655,000	2.5	610,000	11,075,000	2.8	1,001,000	12,106,000	2.9	1,133,000	30,836,000	2.8	2,744,000

Notes to accompany Table 1

- CTP is Central Tanami Project.
- Resource estimations completed using MineMap, Vulcan, Surpac, Datamine and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
- Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
- Resources reported above relevant cut-offs based on economic extractions, varying between 0.7g/t Au and 5.0g/t Au block model grade.
- Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
- Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t Au. Rounding may affect tallies.
- The information in this report pertaining to Mineral Resources was compiled by Mr Bill Makar (MAusIMM), former Consultant Geologist – Tanami Gold NL, Mr Michael Thomson (MAusIMM), former Principal Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), former Resource Geologist for Tanami Gold NL, Mr Mark Drabble (MAusIMM) – Principal Consultant Geologist, Optiro Pty Ltd and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants, and Mr Brook Ekers, a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of Northern Star Resources Limited. Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard, Mr Drabble, Mr Ball and Mr Ekers have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration 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 (JORC Code). Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard, Mr Drabble, Mr Ball and Mr Ekers consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.
- The dates referred to in this table titles (30th June 2018) represent the date of the most recent update of a Resource (ML22934 Groundrush) within this table, all other Mineral Resources except for ML22934 Groundrush remain unchanged.
- On 4th of August 2015, an unincorporated joint venture (“JV”) was formed between the Company and Northern Star Resources Limited who purchased an initial 25% interest in the Company’s CTP. On 14 September 2018, the Company had exercised the first put option available to it under the JV to sell a further 15% in the CTP. As at 14 September 2018, the Company retains a 60% interest in the CTP Resources stated in this table.

Table 2: Central Tanami Project Mineral Resources as at 30 June 2018 (75% Tanami)

Mineral Lease	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
		g/t Au			g/t Au			g/t Au			g/t Au	
MLS153 ⁸	1,051,000	2.2	73,000	3,046,000	2.2	217,000	849,000	2.7	74,000	4,946,000	2.3	365,000
MLS167 ⁸	2,709,000	3.4	293,000	2,613,000	2.9	244,000	2,050,000	2.9	191,000	7,372,000	3.1	728,000
MLS168 ⁸	854,000	2.2	60,000	314,000	1.6	16,000	1,094,000	1.6	58,000	2,262,000	1.8	133,000
MLS180 ⁸	545,000	3.3	57,000	872,000	2.7	76,000	269,000	2	18,000	1,685,000	2.8	151,000
MLSA172 ⁸	1,096,000	2.7	96,000	176,000	1.8	10,000	142,000	2.7	12,000	1,415,000	2.6	119,000
ML22934 – Groundrush ⁹	-	-	-	4,054,000	3.4	438,000	6,602,000	3.3	691,000	10,656,000	3.3	1,129,000
ML22934 – Ripcord ⁸	-	-	-	-	-	-	1,100,000	2.5	89,000	1,100,000	2.5	89,000
Sub Total	6,255,000	2.9	579,000	11,075,000	2.8	1,001,000	12,106,000	2.9	1,133,000	29,436,000	2.9	2,713,000
Stockpiles⁹	1,400,000	0.7	31,000	-	-	-	-	-	-	1,400,000	0.7	31,000
Total	7,655,000	2.5	610,000	11,075,000	2.8	1,001,000	12,106,000	2.9	1,133,000	30,836,000	2.8	2,744,000

Notes to accompany Table 2

10. Resource estimations completed using MineMap, Vulcan and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
11. Grade estimation was constrained to material within >0.7g/t mineralisation outlines.
12. Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
13. Resources reported above 0.7g/t block model grade.
14. Resources reported above 1.0g/t block model grade.
15. Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
16. Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t. Rounding may affect tallies.
17. The information in this report pertaining to Mineral Resources for the Central Tanami Project (excluding ML22934 Groundrush) was compiled by Mr Bill Makar (MAusIMM), former Consultant Geologist – Tanami Gold NL, Mr Michael Thomson (MAusIMM), former Principal Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), former Resource Geologist for Tanami Gold NL and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard and Mr Ball have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Makar, Mr Nicholls, Mrs Hillyard and Mr Ball consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.
18. ML22934 Resource consists of two Resources - Groundrush Deposit (10.7million tonnes at 3.3g/t for 1,129,000 ounces of gold) and the Ripcord Deposit (1.1 Million tonnes at 2.5g/t for 89,000oz). The information in this report pertaining to Mineral Resources for ML22934 Groundrush was compiled by Mr Brook Ekers, a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of Northern Star Resources Limited. Mr Ekers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration 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 (JORC Code). Mr Ekers consents to the inclusion in the public report of the matters based on this information in the form and context in which it appears.
19. The dates referred to in this table titles (30 June 2018) represent the date of the most recent update of a Resource (ML22934 Groundrush) within this table, all other Mineral Resources except for ML22934 Groundrush remain unchanged.

Estimation Governance Statement

The Company ensures that all Mineral Resource calculations are subject to appropriate levels of governance and internal controls.

Exploration results are collected and managed by an independent competent qualified geologist. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management.

Mineral Resource estimates are prepared by qualified independent Competent Persons. If there is a material change in the estimate of a Mineral Resource, the estimate and supporting documentation in question is reviewed by a suitable qualified independent Competent Persons.

The Company reports its Mineral Resources on an annual basis in accordance with JORC Code 2004 and 2012.

Competent Person's Statement

The information in this report that relates to all Mineral Resources (other than ML22934 Groundrush) is based on information compiled by consultant geologist Mr Michael Thomson of MiGeo Enterprise Pty Ltd. Mr Thomson is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Thomson consents to the inclusion in this report of the matters based on his information in the form and context in which they appear. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to the Mineral Resource for ML22934 Groundrush is based on information compiled Mr Brook Ekers, a Competent Person who is a full-time employee of Northern Star Resources Limited. Mr Ekers is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Ekers consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The Directors present their report together with the consolidated financial report of the Consolidated Entity, being the Company and its subsidiaries for the year ended 30 June 2018 and the auditor's report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

Non-Executive Chairman – Gerard J McMahon (appointed 23 April 2013 as a Non-Executive Director and Chairman as of 6 June 2013)

Mr Gerard McMahon is admitted as a Barrister in Hong Kong and New South Wales and has been living and working in Hong Kong for over 35 years. He is a Non-Executive Director of Hong Kong listed Guangnan (Holdings) Limited (appointed 2000), also a Director of ZZCI Corporate Finance Limited (previously known as Asian Capital (Corporate Finance) Limited), a Hong Kong based corporate finance and advisory firm which he co-founded. Over the past 30 years, Mr McMahon has been a Director of other listed Companies in the Asia Pacific region which are involved in the banking, manufacturing, retailing, information technology, medical, telecoms & mining industries. Mr McMahon's past experience includes extensive involvement in Hong Kong's Securities and Futures Commission as Chief Counsel, Member and Executive Director and is specialised in Hong Kong company law, securities and banking law and takeovers and mergers regulations.

Special responsibilities - Member of the Audit Committee and the Remuneration and Nomination Committee.

Non-Executive Director – Arthur G Dew, B.A., L.L.B. (appointed 2 December 2011)

Mr Dew is a non-practising Barrister with a broad range of corporate and business experience and has served as a Director, and in some instances Chairman of the Board of Directors, of a number of publicly listed companies in Australia, Hong Kong and elsewhere. He is Chairman and Non-Executive Director of Hong Kong listed companies Allied Group Limited, Allied Properties (H.K) Limited and APAC Resources Limited and is a Non-Executive Director of Hong Kong listed SHK Hong Kong Industries Limited. He is also Non-Executive Chairman of ASX listed company's Dragon Mining Limited and Tian An Australian Limited (previously known as PBD Developments Limited).

Non-Executive Director – Carlisle C Procter, B.Ec, M.Ec, FFin, (appointed 9 December 2011)

Mr Carlisle Procter graduated from the University of Sydney with a Bachelor's Degree and a Master's Degree in Economics. He is a fellow of the Financial Services Institute of Australasia (FFin.). Based in Australia, Mr Procter worked in the Reserve Bank of Australia for over 30 years, holding various senior management positions. Since leaving the Reserve Bank, he has worked as a consultant to the International Monetary Fund and the Asian Development Bank, and has also undertaken private consulting work in the Philippines, Indonesia and Papua New Guinea. Mr Procter has been a Non-Executive Director of a number of public companies in the United Kingdom, Hong Kong, and Papua New Guinea, as well as Australia. He is currently a Non-Executive Director of ASX listed company Dragon Mining Limited.

Special responsibilities – Chairman of the Audit Committee and Member Remuneration and Nomination Committee.

Non-Executive Director – Brett Montgomery (appointed 6 February 2013)

Mr Brett Montgomery has extensive experience in the management of publicly listed mining companies having previously been the Managing Director of Kalimantan Gold NL, a Director of Grants Patch Mining Limited and Chairman and Joint Managing Director of Eurogold Limited. Mr Montgomery was appointed a Non-Executive Director of Magnum Gas and Power Limited on 9 October 2008 (resigned 19 August 2016) and Non-Executive Director of EZA Corporation Ltd on 19 November 2014 (resigned 18 January 2016) and Non-Executive Director of Bard1 Life Sciences Limited (formerly Eurogold Limited) on 17 November 2014 and Managing Director of AIC Resources Limited on 11 May 2017.

Special responsibilities - Member of the Audit Committee and Chairman of the Remuneration and Nomination Committee.

2. Company Secretary

Pauline Collinson was appointed Company Secretary on 18 July 2013 and has over 25 years' experience in the mining industry.

3. Directors' Meetings

Directors	Boarding Meetings		Audit Committee Meetings		Remuneration and Nomination Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr G McMahon	5	5	2	2	-	-
Mr A Dew	5	5	2	-	-	-
Mr C Procter	5	5	2	2	-	-
Mr B Montgomery	5	5	2	2	-	-
Mr M Wong*	5	-	2	-	-	-

*Mr M Wong is alternate director to Mr A Dew.

4. Nature of Operations and Principal Activities

The Company is a no liability company and is domiciled and incorporated in Australia. The principal activity of the Consolidated Entity during the course of the financial year was gold exploration. The Company's exploration centre is situated in the Tanami Desert in the Northern Territory.

5. Operating and Financial Review

Joint Venture with Northern Star Resources Limited

As previously announced, the Company and Northern Star Resources Limited ("NST") have formed an unincorporated joint venture ("JV") to advance the Company's Central Tanami Project ("CTP").

In accordance with the JV, management of the exploration activities at the Company's CTP have been handed over to NST which will sole fund all JV expenditure including all CTP exploration and evaluation costs, assessment and development costs, mining of the JV tenements and refurbishing the CTP process plant and associated infrastructure, during the Sole Funding Period.

The Sole Funding Period will expire on the date on which the process plant at the CTP has been refurbished to operating condition and has operated for a continuous 30 day period or has produced 5,000 ounces of gold ore (whichever occurs first). On the expiry of the Sole Funding Period, NST will have earned a further 35% undivided interest in the CTP which, following the exercise of the first Put Option by the Company as noted below, would take NST's total JV Interest to 75%.

On 27 June 2018, the Company announced its intention to exercise the first put option on the basis that NST advised that commercial production (as defined under the JV) would not be achieved by the required date of 31 July 2018. Furthermore, it was not clear if or when commercial production would actually be achieved. Failure to achieve commercial production by 31 July 2018, would render the first put option unexercisable until commercial production is ultimately achieved.

The first put option allows the Company the right to sell 15 percent of the CTP to NST for \$20 million in cash or NST shares (at the Company's election) at any time up to the earlier of three years after acquisition completion (31 July 2018) or commercial production being achieved.

Subsequent to year end, the Company exercised the first put option and elected to have the consideration payable in cash, refer to Section 9 Events Subsequent to Reporting Date for further information.

Sale of NST Shares

During the year, the Company sold 250,000 shares at a weighted average price of \$6.94 per share to receive approximately \$1.73 million net of transaction costs.

At 30 June 2018, the Company had 500,000 shares in NST remaining.

Sale of Tanami Exploration NL

On 3 October 2017, the Company announced it had entered into a binding Sale and Purchase Agreement with Northern Star Tanami Gold Pty Limited, a wholly owned subsidiary of NST, in relation to the divestment of the Company's 100% interest in Tanami Exploration NL, owner of the Western Tanami Project, for \$4.0 million in cash.

On 28 November 2017, the Company announced completion of this transaction, following shareholder approval at the General Meeting held on that date.

Completion of Share Transfer

On 6 June 2018, the Company advised completion under the sale agreement dated 2 February 2018 between Allied Properties Resources Limited ("APRL"), a controlling subsidiary of Allied Group Limited, and APAC Resources Mining Limited, a wholly owned subsidiary of APAC Resources Limited, whereby APRL transferred 447,612,786 ordinary shares in the Company (which represents 38.09% of the issued capital of the Company) to APAC Resources Mining Limited for \$20,142,575.

Central Tanami Exploration (75% Tanami)

In accordance with the JV which commenced on 3 August 2015, management of the exploration activities at the Company's CTP was assumed by NST who will sole fund all JV expenditure including CTP exploration and evaluation costs. The Company has continued to provide input into exploration targeting although NST, as Manager of JV activities, has responsibility to plan and implement ongoing exploration activities and ensure annual exploration commitments are met.

Work continued on the historical geological datasets across the project highlighting the under-explored nature of the region. Major geophysical and geochemical programs were completed prior to the commencement of regional and resource drilling programs late in financial year 2018 to identify opportunities for growth. Results of NST's drilling program were announced by the Company on 15 August 2018.

Refer to Section 9 Events Subsequent to Reporting Date for changes to the Company's ownership percentage after year end.

Financial Overview

The Consolidated Entity generated a total comprehensive income for the financial year ended 30 June 2018 of \$12.826 million (2017: loss \$5.297 million).

Notable items during the financial year included:

- Profit on sale of assets of \$1.210 million (2017: \$0.850 million) from the sale of 250,000 NST shares; and
- Profit on discontinued operations of \$12.301 million as a direct result of the sale of Tanami Exploration NL.

Business Strategies and Prospects

As the Company holds a 75% interest in the CTP JV, the Board monitors and provides assistance to the JV Manager NST whilst it is earning its further interest (see CTP Exploration above). Refer to Note 9 for change to the Company's ownership percentage after year end.

Risks

Whilst the Board believes the CTP will be returned to commercial production under the NST HoA, there are risks and uncertainties. These include, but are not limited to, the gold price and a risk that the CTP exploration programme being undertaken by NST does not produce a commercial outcome.

Environmental risks are noted in Section 6 below and financial risks are set out in Note 20 of the financial statements.

Community Relations

The Company recognises the importance of establishing relationships with the Traditional Owners that are based on trust and mutual advantage and of are respectful of the needs and concerns of the communities located within the regions in which it operates. The Company has agreements in place with the Traditional Owners through the Central Land Council ("CLC") and is committed to building strong relationships by:

- Being open and transparent in its communications;
- Improving cross-cultural awareness through training and education;
- Developing community relations management procedures that include business alliances;
- Being sensitive to the values and heritage issues of the local communities; and
- Being a good neighbour.

As a consequence of the CTP JV, NST now communicates with the CLC.

6. Environmental Regulation

The environment is a key aspect of mining activities.

The Consolidated Entity's operations are subject to environmental regulations under Commonwealth and State legislation. The Directors believe that the Consolidated Entity has adequate systems in place for the management of the requirements under those regulations and are not aware of any breach of such requirements as they apply to the Consolidated Entity.

7. Significant Changes in the Company's State of Affairs

Significant changes to the Company's State of Affairs have been set out in the Operating and Financial Review above and in the Events Subsequent to Reporting Date below.

8. Dividends

The Directors have not recommended the declaration of a dividend. No dividends were paid or declared during the year.

9. Events Subsequent to Reporting Date

On 31 July 2018, the Company announced that it had exercised the first put option granted to it under the JV agreement with NST in respect of the development of the CTP.

Subsequent to year end, the Company completed the sale to NST of a further 15% undivided interest in the CTP for \$20.0 million in cash. Settlement of the exercise of the first put option occurred on 14 September 2018. Following completion of the transaction, the respective interests of the Company and NST in the CTP are 60% and 40%.

10. Likely Developments

The Company expects that NST will continue with its exploration and drilling programme at the CTP and refurbishment of the processing facilities.

11. Directors' Interests

The relevant interest of each director in shares and options of the Company, as notified by the directors to the Australian Securities Exchange in accordance with section S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Directors	Fully paid shares	Unquoted options
Mr G McMahon	2,500,000	-
Mr A Dew	-	-
Mr C Procter	-	-
Mr B Montgomery	20,000,000	-
Mr M Wong	-	-

12. Share Options

Options granted to Directors and Executives of the Company

During or since the end of the financial year, the Company has not granted any options over unissued ordinary shares in the Company to any of the directors as part of their remuneration.

Unissued shares under option

At the date of this report there were no unissued ordinary shares in the Company.

During the year, there were no options forfeited due to performance criteria not being achieved or cessation of employment.

Shares issued

Since the end of the financial year, there were no shares issued.

Shares issued on exercise of options

During the financial year, no shares were issued by the Company as a result of the exercise of options.

13. Remuneration Report – audited

Remuneration is referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Consolidated Entity. Key management personnel comprise the directors of the Company and executives of the Company and the Consolidated Entity.

Compensation levels for key management personnel of the Company and relevant key management personnel of the Consolidated Entity are competitively set to attract and retain appropriately qualified and experienced directors and executives.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and to achieve the broader outcome of creation of value for shareholders. Compensation packages include a mix of fixed compensation and equity-based compensation as well as employer contributions to superannuation funds.

Shares and options may only be issued to director's subject to approval by shareholders in a general meeting.

The Board has no established retirement or redundancy schemes.

13.1.1 Fixed Compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds.

Compensation levels are reviewed regularly through a process that considers individual performance and the overall performance of the Consolidated Entity.

13.1.2 Performance-linked Compensation (short-term incentive bonus)

The Company has not paid any performance linked short-term incentives to key management personnel during the financial year ended 30 June 2018 (2017: nil).

13.1.3 Equity-based Compensation (long-term incentive bonus)

The Remuneration and Nomination Committee may use equity-based long-term incentives (LTIs) where appropriate to promote continuity of employment and to provide additional incentive to increase shareholder wealth. LTIs are provided as options over ordinary shares of the Company and are provided to key management personnel and employees based on their level of seniority and position within the Company and are exercisable on various dates.

LTIs shall be in such form and content and with such terms and conditions as the Board determines, including exercise price, vesting conditions, disposal conditions and terms of expiry.

If the option holder ceases to be a director and/or employee of the Company during the vesting period for any reason, the options will expire six months after cessation (subject to the exercise of discretion by the Board) and cease to carry any rights or benefits unless otherwise approved by the Remuneration and Nomination Committee.

There are no voting or dividend rights attached to the options. Voting rights will be attached to the ordinary issued shares when the options have been exercised.

There were no LTI granted during the year and there were no LTI in existence at the end of the financial year.

On 20 September 2012, the Company introduced a policy that prohibits those that are granted share-based payments as part of their remuneration from entering into other arrangements that limit their exposure to losses that would result from share price decreases. Entering into such arrangements has been prohibited by law since 1 July 2011.

13.1.4 Consequences of Performance on Shareholder Wealth

The Company continues to focus on enhancing shareholder value through the Farm-Out and Joint Venture Agreement with NST at the CTP outlined previously. To assist shareholders in assessing the Consolidated Entity's performance and benefits for shareholder wealth, the Company reports the following data for the current financial year and the previous five financial years:

	2018	2017	2016	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(loss) attributable to owners of the Company	12,411	(4,699)	12,570	(6,612)	(19,628)
Dividends paid	-	-	-	-	-
Share price at 30 June	\$0.036	\$0.051	\$0.049	\$0.028	\$0.016

13. Remuneration Report – audited (continued)

13.1.5 Service Contracts

Compensation and other terms of employment for directors and key management personnel are formalised in contracts of employment. The major provisions of the agreements relating to compensation are set out below.

Mr Daniel Broughton – Chief Financial Officer

Mr Broughton is employed on a contract basis as Chief Financial Officer. The arrangement can be terminated by either party without notice and without a termination payment. Mr Broughton has been Chief Financial Officer since 8 September 2014.

No remuneration consultants were engaged by the Company during the year.

13.2 Non-executive directors

Non-executive directors do not receive performance related compensation. Directors' fees cover all main board activities and membership of any committee. The Board has not established retirement or redundancy schemes in relation to non-executive directors. Non-Executive Directors, Mr Gerard McMahon and Mr Brett Montgomery, each continued their significantly expanded roles in the day-to-day running of the Company.

13.3 Directors' and executive officers' remuneration

Details of the nature and amounts of each major element of the remuneration of each director of the Company and each of the named officers of the Company and the Consolidated Entity receiving the highest remuneration are:

2018	Short-term	Post-employment	Total Remuneration	Proportion of Remuneration Performance Related
	Salary & Fees	Superannuation		
	\$	\$		
Directors - Non-executive				
Mr G McMahon	100,000	9,500	109,500	-
Mr A Dew	25,000	2,375	27,375	-
Mr C Procter	25,000	2,375	27,375	-
Mr B Montgomery	120,000	-	120,000	-
Executives				
Mr D Broughton	99,000	-	99,000	-
Total	369,000	14,250	383,250	-

2017	Short-term	Post-employment	Total Remuneration	Proportion of Remuneration Performance Related
	Salary & Fees	Superannuation		
	\$	\$		
Directors - Non-executive				
Mr G McMahon	100,000	9,500	109,500	-
Mr A Dew	25,000	2,375	27,375	-
Mr C Procter	25,000	2,375	27,375	-
Mr B Montgomery	120,000	-	120,000	-
Executives				
Mr D Broughton	99,000	-	99,000	-
Total	369,000	14,250	383,250	-

13. Remuneration Report – audited (continued)

13.4 Equity instruments

13.4.1 Options over equity instruments granted as compensation

No options over ordinary shares in the Company were granted as compensation to key management personnel during the reporting period and no options vested during the reporting period.

13.4.2 Modifications of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to key management personnel) have been altered or modified by the issuing entity during the reporting period or the prior period.

13.4.3 Exercise of options granted as compensation

During the financial year, no shares were issued on the exercise of options previously granted as compensation to key management personnel.

13.4.4 Analysis of options and rights over equity instruments granted as compensation

No options have been issued, granted or will vest to key management personnel of the Company.

13.4.5 Analysis of movements in options and rights

There were no options granted during the financial year ended 30 June 2018 and 30 June 2017 to key management personnel.

13.4.6 Shareholdings of Directors and Key Management Personnel

Ordinary Fully Paid Shares	Balance 1 July 2017	Granted as Remuneration	On Market Purchases / (Sales)	Balance 30 June 2018
Directors - Non-executive				
Mr G McMahon	2,500,000	-	-	2,500,000
Mr A Dew	-	-	-	-
Mr C Proctor	-	-	-	-
Mr B Montgomery	20,000,000	-	-	20,000,000
Executives				
Mr D Broughton	-	-	-	-
Total	22,500,000	-	-	22,500,000

Ordinary Fully Paid Shares	Balance 1 July 2016	Granted as Remuneration	On Market Purchases / (Sales)	Balance 30 June 2017
Directors - Non-executive				
Mr G McMahon	1,500,000	-	1,000,000	2,500,000
Mr A Dew	-	-	-	-
Mr C Proctor	-	-	-	-
Mr B Montgomery	20,000,000	-	-	20,000,000
Executives				
Mr D Broughton	-	-	-	-
Total	21,500,000	-	1,000,000	22,500,000

13.4.7 Options of Directors and Key Management Personnel

No options were issued during the 2018 financial year (2017: nil).

This is the end of the audited information.

14. Non-Audit Services

During the year, KPMG, the Consolidated Entity's auditor, did not perform any other services in addition to their statutory duties.

The Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- a. Non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor.
- b. Ensuring non-audit services do not involve the auditors reviewing or auditing their own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Amounts paid or payable to the auditor of the Company, KPMG, and its related practices for audit services during the year was \$49,275 (2017: \$43,000). No non-audit services were provided during the year.

15. Indemnification and Insurance of Officers

Indemnification

The Company has agreed to indemnify both the current directors of the Company and former directors against liability incurred to a third party (not being the Company or any related company) that may arise from their positions as directors or officers of the Company and its controlled entities, unless the liability arises out of conduct involving a lack of good faith.

The Company has also agreed to cover the costs and expenses incurred in successfully defending civil or criminal proceedings, or in connection with a successful application for relief under the Corporations Act 2001. The Company also provides indemnity against costs and expenses in connection with an application where a court grants relief to a director or officer under the Corporations Act 2001.

Insurance Premiums

Since the end of the 2017 financial year, the Company has paid insurance premiums in respect of directors' and officers' liability insurance, for the directors of the controlled entity. In accordance with subsection 300(9) of the Corporations Act 2001, further details have not been disclosed due to confidentiality provisions of the insurance contracts.

16. Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 13 and forms part of the directors' report for the financial year ended 30 June 2018.

17. Rounding off

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) and where noted (\$'000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191. The Company is an entity to which the instrument applies.

Dated at Perth, Western Australia this 28th day of September 2018.

Signed in accordance with a resolution of the Directors.



Gerard McMahon

Non-Executive Chairman

Perth, Western Australia

28 September 2018



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Tanami Gold NL

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

- i. no contraventions of the auditor 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.

KPMG.

KPMG

A handwritten signature in blue ink, appearing to read 'R Gambitta', with a stylized flourish at the end.

R Gambitta
Partner

Perth

28 September 2018

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

	Note	2018 \$'000	2017 ¹ \$'000
Continuing operations			
Revenue from gold sales		-	-
Other income		68	77
Profit on sale of assets	5	1,210	850
Care and maintenance costs		-	(444)
Exploration and evaluation expenses		-	(21)
Corporate and other expenses	5	(1,461)	(1,251)
Results from operating activities		(183)	(789)
Financial income		116	169
Financial expenses		-	(138)
Net finance expense		116	31
(Loss)/profit before income tax		(67)	(758)
Income tax benefit/(expense)	7	177	(256)
Profit/(loss) from operations		110	(1,014)
Profit/(loss) for the year		110	(1,014)
Discontinued operations			
Profit/(loss) from discontinued operations	6	12,301	(3,685)
Profit/(loss) for the year after tax		12,411	(4,699)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net gain/(loss) on financial assets classified as available for sale (net of tax)		415	(598)
Other comprehensive gain/(loss) for the year (net of income tax)		415	(598)
Total comprehensive profit/(loss) for the year attributable to owners of the Company		12,826	(5,297)
Earnings per share from continuing operations			
Basic and diluted profit/(loss) per share (cents per share)	8	0.000	(0.001)
Earnings per share from total operations			
Basic and diluted profit/(loss) per share (cents per share)	8	0.011	(0.004)

¹ Restated for disposal of discontinued operations refer to Note 6.

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes to the financial statements.

TANAMI GOLD NL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
	Note	\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	10	8,543	4,573
Other receivables	11	90	54
Inventories	12	128	251
Available for sale financial assets	13	3,630	3,563
Asset held for sale	14	2,365	-
Total current assets		<u>14,756</u>	<u>8,441</u>
Non-current assets			
Other receivables	11	2,513	2,513
Property, plant and equipment	15	95	1,494
Acquired exploration and evaluation	16	13,208	15,539
Total non-current assets		<u>15,816</u>	<u>19,546</u>
Total assets		<u>30,572</u>	<u>27,987</u>
Liabilities			
Current liabilities			
Trade and other payables	17	58	252
Provisions	9	-	34
Liability held for sale	14	199	-
Total current liabilities		<u>257</u>	<u>286</u>
Non-current liabilities			
Provisions	18	1,127	11,339
Total non-current liabilities		<u>1,127</u>	<u>11,339</u>
Total liabilities		<u>1,384</u>	<u>11,625</u>
Net assets		<u>29,188</u>	<u>16,362</u>
Equity			
Issued capital	19	317,637	317,637
Accumulated losses		(290,256)	(302,667)
Reserves		1,807	1,392
Total equity attributable to equity holders of the Company		<u>29,188</u>	<u>16,362</u>

The consolidated statement of financial position is to be read in conjunction with the accompanying notes to the financial statements.

TANAMI GOLD NL
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Available for Sale Fair Value Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2016	317,637	(298,098)	130	1,990	21,659
Profit / (Loss) for the period	-	(4,699)	-	-	(4,699)
Net change in fair value of available for sale financial assets	-	-	-	(598)	(598)
Total comprehensive profit for the period	-	(4,699)	-	(598)	(5,297)
Transactions with Owners in their Capacity as Owners:					
Shares issued (net of costs)	-	-	-	-	-
Transfer resulting from options lapsed	-	130	(130)	-	-
Balance at 30 June 2017	317,637	(302,667)	-	1,392	16,362
Balance at 1 July 2017	317,637	(302,667)	-	1,392	16,362
Profit/(Loss) for the period	-	12,411	-	-	12,411
Net change in fair value of available for sale financial assets	-	-	-	415	415
Total comprehensive loss for the period	-	12,411	-	415	12,826
Transactions with Owners in their Capacity as Owners:					
Shares issued (net of costs)	-	-	-	-	-
Transfer resulting from options lapsed	-	-	-	-	-
Balance at 30 June 2018	317,637	(290,256)	-	1,807	29,188

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the financial statements.

TANAMI GOLD NL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Cash receipts from customers		-	167
Cash payments in the course of operations		(1,703)	(2,370)
Interest received		120	171
Payments for exploration and evaluation		(302)	(1,025)
Cash payment for litigation settlement		-	(3,000)
<i>Net cash used by operating activities</i>	10	<u>(1,885)</u>	<u>(6,057)</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		53	-
Proceeds from sale of financial assets		1,734	1,375
Dividends received		68	75
Proceeds from sale of subsidiary		4,000	-
<i>Net cash from investing activities</i>		<u>5,855</u>	<u>1,450</u>
Cash flows from financing activities			
<i>Net cash (used)/provided from financing activities</i>		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held		3,970	(4,607)
Cash and cash equivalents at beginning of the financial year		4,573	9,180
Cash and cash equivalents at the end of the financial year	10	<u>8,543</u>	<u>4,573</u>

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes to the financial statements.

BASIS OF PREPARATION

This section of the financial report sets out the Group's (being the Company and its subsidiaries) accounting policies that relate to the Consolidated Financial Statements. Where an accounting policy is specific to one Note, the policy is described in the Note to which it relates.

The Notes include information which is required to understand the Consolidated Financial Statements and is material and relevant to the financial position and performance of the Group. Information is considered relevant and material if:

- the amount is significant due to its size or nature;
- the amount is important in understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business; and
- it relates to an aspect of the Group's operations that is important to its future performance.

NOTE 1: CORPORATE INFORMATION

The consolidated financial report of the Company for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 28 September 2018. The Board of Directors has the power to amend the Consolidated Financial Statements after issue.

The Company is a for-profit company limited by shares whose shares are publicly traded on the Australian Securities Exchange. The Company and its subsidiaries are incorporated and domiciled in Australia. The registered office and principal place of business of the Company is Unit B1, 431 Roberts Road, Subiaco Western Australia 6008.

The nature of the operations and principal activities of the Company are disclosed in the Directors' Report.

The amounts contained in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) pursuant to the option available to the Company under ASIC Instrument 2016/191. The Company is an entity to which this Instrument applies.

NOTE 2: REPORTING ENTITY

The Consolidated Financial Statements are for the Group, a list of the Group's subsidiaries is provided in Note 21.

NOTE 3: BASIS OF PREPARATION

These general purpose Consolidated Financial Statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated Financial Statements of Tanami Gold NL also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These Consolidated Financial Statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are required to be measured at fair value.

a) Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

b) Foreign currency translation

Functional and Presentation Currency

Both the functional and presentation currency of Tanami is Australian Dollars. Each entity in the Group determines its own functional currency and items included in the Financial Statements of each entity are measured using that currency.

NOTE 3: BASIS OF PREPARATION (Continued)

Foreign Currency Translation

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at balance date.

All translation differences relating to transactions and balances denominated in foreign currency are taken to the Consolidated Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

c) Goods and services tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

d) Comparatives

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

PERFORMANCE FOR THE YEAR

This section provides additional information about those individual line items in the Consolidated Statement of Comprehensive Income that the Directors consider most relevant in the context on the operations of the entity

NOTE 4 SEGMENT INFORMATION

Identification of reportable segments

Management has determined the operating segments based on the reports reviewed and used by the Board of Directors (the chief operating decision maker) that are used to make strategic decisions.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- external regulatory requirements
- geographical and geological styles

Operations

The Consolidated Entity operates predominantly in the gold exploration industry.

Accounting policies developed

Unless stated otherwise, all amounts reported to the Board of Directors as chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the Consolidated Financial Statements of the Group.

Information about reportable segments

	Gold Production		Exploration		Total	
	2018	2017	2018	2017	2018	2017 ¹
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues	-	- ¹	-	-	-	-
Depreciation and amortisation	-	-	-	(442) ¹	-	(442)
Reportable segment loss before income tax	-	- ¹	-	(465) ¹	-	(465)
Reportable segment other income	-	-	68	77 ¹	68	77
Reportable segment assets	-	-	18,200	19,851	18,200	19,851
Reportable segment liabilities	-	-	1,185	11,591	1,185	11,591

¹Comparatives have been restated to reflect the disposal Tanami Exploration NL refer to Note 6. The Company's Coyote Gold Project ("Coyote") was placed on care and maintenance in April 2013. For the year ended 30 June 2017, the Company was a gold exploration company however the Company successfully recovered 97.792 ounces of gold through continued clean-up of the Coyote processing plant.

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

NOTE 4 SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items:

	2018	2017
	\$'000	\$'000
Revenue and other income		
Total revenue and other income for reportable segments	-	-
Consolidated revenue and other income	-	-
Profit or loss		
Total loss for reportable segments	-	(465) ¹
Profit from discontinued operations	12,301	(3,685) ¹
Profit on sale of available-for-sale financial assets	1,210	850 ¹
Other income	68	77
Unallocated amounts: other corporate expenses	(1,345)	(1,220)
Consolidated profit/(loss) before income tax	12,234	(4,443)
Assets		
Total assets for reportable segments	18,200	19,851
Other unallocated amounts	12,173	8,136
Consolidated total assets	30,373	27,987
Liabilities		
Total liabilities for reportable segments	1,185	11,591
Other unallocated amounts	-	34
Consolidated total liabilities	1,185	11,625

NOTE 5 REVENUE & EXPENSES

	2018	2017
	\$'000	\$'000
Profit on sale of assets		
Profit on sale of available for sale financial assets ²	1,210	850
	1,210	850

¹ Comparatives have been restated to reflect the disposal Tanami Exploration NL refer to Note 6.

² During the year, the Company sold 250,000 (2017: 250,000) NST shares at a weighted average price of \$6.94 (2017: \$5.53) per share. The shares were initially recognised at \$2.10 per share.

	2018	2017
	\$'000	\$'000
Corporate and other expenses		
Consulting fees	368	262
Salaries and wages	-	218
Directors' fees	284	284
Depreciation mine site assets	289	-
Statutory and compliance costs	166	-
Legal	113	-
Rent and outgoings	69	-
Insurance	66	-
Other	106	487
	1,461	1,251

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

NOTE 6 RESULTS FROM DISCONTINUED OPERATION

On 3 October 2017, the Company announced it had entered into a binding Sale and Purchase Agreement with Northern Star Tanami Gold Pty Limited, a wholly owned subsidiary of NST, in relation to the divestment of the Company's 100% interest in Tanami Exploration NL, owner of the Western Tanami Project, for \$4.0 million in cash.

On 28 November 2017, the Company announced completion of this transaction, following shareholder approval at the General Meeting held on that date.

A reconciliation of this transaction is below:

	2018	2017
	\$'000	\$'000
Results of discontinued operations		
Revenue	5	167
Other income	71	75
Exploration and evaluation expenses	(280)	(1,015)
Care and maintenance costs (incl depreciation and amortisation)	(514)	(2,912)
Results from operating activities, net of tax	<u>(718)</u>	<u>(3,685)</u>
Gain on sale of subsidiary (a)	13,019	-
Profit/(loss) on discontinued operations, net of tax	<u>12,301</u>	<u>(3,685)</u>
Basic and diluted earnings/(loss) per share	0.010	(0.003)
Calculate gain on sale of subsidiary		
Total consideration	4,000	
Less assets and liability disposal of TENL:		
Cash and cash equivalents	(1)	
Receivables	(37)	
Inventory	(64)	
Property, plant and equipment	(934)	
Payables	42	
Rehabilitation liability	10,013	
Carrying value of TENL assets and liabilities	<u>9,019</u>	
Gain on sale of TENL (a)	<u>13,019</u>	
Cash flows from/(used in) discontinued operations		
Net cash flows from/(used in) operating activities	(765)	(2,939)
Net cash flows from/(used in) investing activities	53	-
Net cash flows from/(used in) financing activities	1,084	2,934
Net cash flow for the period	<u>372</u>	<u>(5)</u>

As a result of the sale of the shares of TENL, the Company expects to realise a capital loss for tax purposes. The calculation of the tax loss has been estimated at 30 June 2018 (refer note 7) and will be finalised as part of the 30 June 2018 tax return.

NOTE 7 TAXATION

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follow:

	2018	2017
	\$'000	\$'000
Income statement		
Relating to origination and reversal of temporary differences	(414)	(519)
Deferred tax assets not recognised in the current period	237	775
Income tax/(benefit) expense not reported in income statement	<u>(177)</u>	<u>256</u>

The components of recognised deferred tax balance are as follows:

CONSOLIDATED

Consumables	39	39
Asset held for sale	774	596
Deferred tax asset offset against deferred tax liability	<u>(813)</u>	<u>(635)</u>
Gross deferred income tax liabilities	<u>-</u>	<u>-</u>

Reconciliation to income tax expense/(benefit) on account profit/(loss)

Profit/(loss) before income tax	<u>12,234</u>	<u>(4,699)</u>
Prima facie tax payable/(receivable) at the statutory income tax rate	3,670	(1,410)
Non-deductible expenses	210	383
Non-assessible income	(3,922)	-
Tax loss on disposal of subsidiary	(9,948)	-
Non-taxable franked dividend	9	10
Deferred tax assets not recognised	9,567	498
Deferred tax assets not previously recognised	<u>237</u>	<u>775</u>
Income tax (benefit)/expense	<u>(177)</u>	<u>256</u>

Deferred tax asset (30%) not recognised arising on:

Income losses	66,877	66,825
Capital losses	9,948	-
Temporary differences	<u>11,998</u>	<u>25,569</u>
	<u>88,823</u>	<u>92,394</u>

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

In determining the amount of current and deferred tax, the Consolidated Entity considers the impact of uncertain tax positions and whether additional taxes and interest may be due. The Consolidated Entity believes its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Consolidated Entity to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

NOTE 7 TAXATION (Continued)

Tax Consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2002 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Tanami Gold NL.

NOTE 8 EARNINGS PER SHARE

Basic earnings/(loss) per share

The calculation of basic earnings per share at 30 June 2018 was based on the profit attributable to ordinary shareholders of \$12.411 million (2017: loss \$4.699 million) and a weighted average number of ordinary shares outstanding of 1,175,097,046 (2017: 1,175,097,046).

Diluted earnings/(loss) per share

Diluted earnings per share for 2018 and 2017 equals' basic earnings per share as there are no options on issue.

The Consolidated Entity presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for shares held by the Company's sponsored employee share plan trust, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

EMPLOYEE BENEFITS

This section of the Notes includes information that must be disclosed to comply with accounting standards and other pronouncements relating to the remuneration of employees and consultants of the Group, but that is not immediately related to individual line items in the Financial Statements.

NOTE 9 EMPLOYEE BENEFITS

	2018	2017
	\$'000	\$'000
Employee entitlements	-	34
	<u>-</u>	<u>34</u>

Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as worker's compensation insurance and payroll tax.

No provision is made for non-vesting sick leave as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting leave will never be paid.

The non-current portions of long service leave and its associated employment on-costs are measured at the present value of estimated future cash flows.

Other long-term benefits

The Consolidated Entity's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. Provision for long service leave together with the associated employment on-costs are measured at their nominal amounts based on remuneration rates expected to be paid

ASSETS

This section provides additional information about those individual line items in the Consolidated Statement of Financial Position that the Directors consider most relevant in the context of the operations of the entity.

NOTE 10 CASH AND CASH EQUIVALENTS

	2018	2017
	\$'000	\$'000
Cash and cash equivalents	8,543	4,573
	<u>8,543</u>	<u>4,573</u>

The Consolidated Entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 20.

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Cash as at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	2018	2017
	\$'000	\$'000
Net profit/(loss)	12,411	(4,699)
Add/(less) non-cash items		
Provision for rehabilitation	-	1,114
Income tax (benefit)/expense	(177)	256
Depreciation	289	1,152
Unwinding of interest rate on provision for rehabilitation	-	135
Deferred revenue	-	(83)
Add/(less) items classified as investing/financing activities		
Gain on disposal of subsidiary	(13,019)	-
Gain on sale of available-for-sale financial assets	(1,210)	(850)
Dividends received	(68)	(75)
Net cash used by operating activities before changes in assets and liabilities	<u>(1,774)</u>	<u>(3,050)</u>

Changes in assets and liabilities during the financial year:

Decrease/(increase) in receivables	(36)	359
Decrease/(increase) in inventories	123	(123)
Decrease/(increase) in prepayments	-	(18)
Increase/(decrease) in provisions	(34)	(2,984)
(Decrease)/increase in trade and other payables	(164)	(241)
Net cash flows from operating activities	<u>(1,885)</u>	<u>(6,057)</u>

NOTE 11 OTHER RECEIVABLES

	2018	2017
	\$'000	\$'000
Current		
Trade debtors	67	9
Other debtors	23	45
	<u>90</u>	<u>54</u>
Non-current		
Other debtors ¹	2,513	2,513
	<u>2,513</u>	<u>2,513</u>

¹ Non-current other debtors represent term deposits placed in support of environmental performance bonds lodged with Newmont Australia Limited \$0.850 million (2017: \$0.850 million) and the Department of Resources (NT) \$1.663 million (2017: \$1.663 million).

Other receivables are initially recorded at the amount of proceeds due and are subsequently measured at amortised cost.

All trade receivables and other debtors are due and payable within 30 days.

NOTE 12 INVENTORIES

	2018	2017
	\$'000	\$'000
Raw material and stores (net of impairment)	128	251
	<u>128</u>	<u>251</u>

The Company has stated inventory at the lower of cost or net realisable value. No impairment loss has been recognised for 30 June 2018 (2017: nil).

Raw materials and stores are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 13 AVAILABLE FOR SALE FINANCIAL ASSETS

	2018	2017
	\$'000	\$'000
Quoted equity shares	3,630	3,563
	<u>3,630</u>	<u>3,563</u>

At 30 June 2018, the Company has a remaining investment of 500,000 listed equity shares in Northern Star Resources Limited. Subsequent to initial recognition, these shares are measured at fair value being the published price quotation in an active market. Changes therein are recognised in Other Comprehensive Income (unless it represents impairment) and presented as an unrealised gain/(loss) reserve in equity. The fair value movement in the asset during the period was a gain of \$0.415 million (2017: loss of \$0.598 million) (less the recognition of a Deferred Tax Liability) which has been recognised as the net change in the fair value of Available for Sale Financial Assets in Other Comprehensive Income. As a result of the Company's carry forward tax losses, a corresponding \$0.177 million Deferred Tax Liability (2017: \$0.256 million Deferred Tax Asset) has been recognised with the associated tax expense/benefit reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

All investments are initially recognised at cost, being the fair value of the consideration given and acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement. Gains or losses on available for sale investments (which comprise equity securities) are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Consolidated Entity has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

NOTE 13 AVAILABLE FOR SALE FINANCIAL ASSETS (Continued)

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to ASX quoted market bid prices at the close of business on the balance sheet date.

For investments where there is not a quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in another category of financial assets. Available for sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented in the available for sale fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

Available for sale financial assets comprise equity securities. The fair value of investments in quoted equity securities is determined by reference to their quoted closing bid price at the reporting date.

NOTE 14 ASSETS HELD FOR SALE

	2018	2017
	\$'000	\$'000
Assets held for sale ¹	2,166	-
	Carrying Value	Less AHFS
Assets and liability representing (15%) of CTP	75%	15%
Exploration and evaluation asset	15,539	2,331
Property, plant and equipment	225	34
Rehabilitation liability	(1,327)	(199)
	14,437	2,166
		Carrying Value
		60%
		13,208
		191
		(1,128)
		12,271

¹On 27 June 2018, the Company announced its intention, absent the receipt of any new material information, to exercise the first put option under the joint venture agreement with Northern Star Resources Limited (NST), in relation to the Central Tanami Project ("CTP"), on the basis that NST advised that commercial production (as defined under the joint venture agreement) would not be achieved by the required date of 31 July 2018. Furthermore, it was not clear if or when commercial production would actually be achieved. Failure to achieve commercial production, would render the first put option unexercisable until commercial production is ultimately achieved.

The first put option allows the Company the right to sell 15% of the CTP to NST for \$20m in cash or NST shares (at the Company's election) at any time up to the earlier of three years after acquisition completion (31 July 2018) or commercial production being achieved.

As a result of the above announcement, the Group has reclassified its CTP assets and liabilities to assets held for sale ("AHFS").

Subsequent to year end, the Company completed the exercise of the first put option and elected to have the consideration payable in cash, refer to Note 28 Events Subsequent to Balance Date for further information.

The Company has a second put option which grants the Company the right but not the obligation to sell 25% of the CTP for \$32m in cash or NST shares (at the Company's election) up to six months after commercial production is achieved.

Disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

NOTE 15 PROPERTY PLANT AND EQUIPMENT

	Buildings \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Furniture & Fittings \$'000	Work in Progress \$'000	Total \$'000
At 1 July 2017 net of accumulated depreciation	790	626	13	8	57	1,494
Disposal	(660)	(343)	(13)	(3)	(57)	(1,076)
Transfer 15% interest in CTP as held for sale	(19)	(14)	-	(1)	-	(34)
Depreciation charge	(4)	(283)	-	(2)	-	(289)
At 30 June 2018 net of accumulated depreciation	107	(14)	-	2	-	95
At 30 June 2018						
Cost	135	2,589	130	85	-	2,939
Accumulated depreciation	(28)	(2,603)	(130)	(83)	-	(2,844)
Net carrying amount	107	(14)	-	2	-	95
At 1 July 2016 net of accumulated depreciation						
Depreciation charge	(22)	(1,111)	(17)	(2)	-	(1,152)
At 30 June 2017 net of accumulated depreciation	790	626	13	8	57	1,494
At 30 June 2017						
Cost	892	15,425	1,087	946	57	18,407
Accumulated depreciation	(102)	(14,799)	(1,074)	(938)	-	(16,913)
Net carrying amount	790	626	13	8	57	1,494

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

All such assets, except freehold land, are depreciated over their estimated useful lives on a straight line, reducing balance or production output basis, as considered appropriate, commencing from the time the asset is held ready for use.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "Profit on Sale of Assets" in profit or loss.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Consolidated Entity and its cost can be measured reliably.

The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Assets acquired are recognised at cost. Cost is measured as the fair value of the assets given up, shares issued, or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the Company if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the original performance of the asset will flow to the Company in future years. Costs that do not meet the criteria for capitalisation are expensed as incurred.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated depreciation rates for the current and comparative periods are as follows:

Major depreciation periods are:	2018	2017
Buildings	2.5%	2.5%
Plant and equipment	15–33%	15–33%
Motor vehicles	13-33%	13-33%
Furniture and fittings	7.5-40%	7.5-40%

NOTE 15 PROPERTY PLANT AND EQUIPMENT (Continued)

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(i) *Useful lives*

Mine development costs are depreciated or amortised over the lower of their estimated useful lives and the estimated remaining life of the mine. The estimated remaining life of the mine is based upon geological resources. Assets not linked to the mining operation are depreciated over their estimated useful lives.

(ii) *Amortisation*

Amortisation is charged to the income statement, except to the extent that it is included in the carrying amount of another asset as an allocation of production overheads.

Any rehabilitation asset is amortised on a straight-line basis over the life of the mine.

Amortisation is not charged on costs carried forward in respect of interest in the development phase until commercial production commences.

Mining properties in production are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs is provided on the production output basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

The carrying amounts of the Consolidated Entity's assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTE 16 ACQUIRED EXPLORATION AND EVALUATION EXPENDITURE

	2018	2017
	\$'000	\$'000
Carrying amount at beginning of period	15,539	15,539
Transfer 15% interest in CTP as held for sale	(2,331)	-
	<u>13,208</u>	<u>15,539</u>

The remaining acquired exploration and evaluation costs carried forward in respect of areas of interest represents the purchase price for CTP. Acquisition costs and acquired exploration and evaluation expenditure which are acquired are capitalised, until such times as an impairment is considered.

Pre-licence costs are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, exploration and evaluation expenditure incurred on licenses where the technical feasibility and commercial viability of extracting mineral resources has not yet been established is expensed as incurred. The directors of the Company generally consider a project to be economically viable on the satisfactory completion of a feasibility study and a JORC reserve estimate.

Exploration and evaluation expenditure includes the costs of acquiring and maintaining the rights to explore, investigate, examine and evaluate an area of mineralisation, and assessing the technical feasibility and commercial viability of extracting the mineral resources from that area.

LIABILITIES AND EQUITY

This section provides additional information about those individual line items in the Consolidated Statement of Financial Position that the Directors consider most relevant in the context of the operations of the entity.

NOTE 17 TRADE AND OTHER PAYABLES

	2018 \$'000	2017 \$'000
Trade creditors	38	186
Other payables	20	66
	<u>58</u>	<u>252</u>

The Consolidated Entity's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 20. Trade and other payables are stated at their amortised cost.

NOTE 18 PROVISIONS

	2018 \$'000	2017 \$'000
Provisions		
Non-current		
Site and mine restoration	1,127	11,339
	<u>1,127</u>	<u>11,339</u>
Reconciliation of site and mine restoration		
Opening balance 1 July	11,339	10,090
Increase/(reduction) in provision made during the year	-	1,114
Unwind of discount	-	135
Transfer 15% interest in CTP as held for sale	(199)	-
Carrying value of mine restoration sold to NST (100%) ¹	<u>(10,013)</u>	<u>-</u>
Balance at 30 June	<u>1,127</u>	<u>11,339</u>

¹ Refer to Note 6 Revenue and Expenses Profit on Profit on Sale of Discontinued Operation.

Site and mine restoration

A provision is recognised if, as a result of a past event, the Consolidated Entity has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision is made for the estimated cost of rehabilitation relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated. Provision has been made in full for all disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated cost of rehabilitation includes the current cost of re-contouring, topsoiling and revegetation, employing legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

Uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the impact of changes in environmental legislation. The amount of the provision relating to rehabilitation of mine infrastructure and dismantling obligations is recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time. The provision is recognised as a non-current liability with a corresponding asset included in property, plant and equipment.

At each reporting date the rehabilitation liability is re-measured in line with changes in discount rates and timing or amount of costs to be incurred. Changes in the liability relating to rehabilitation of mine infrastructure and dismantling obligations are added to or deducted from the related asset, other than the unwinding of the discount which is recognised as finance costs in profit or loss as it occurs.

If the change in liability results in a decrease in the liability that exceeds the carrying amount of the asset, the asset is written-down to nil and the excess is recognised immediately in the income statement. If the change in the liability results in an addition to the cost of the asset, the recoverability of the new carrying amount is considered. Where there is an indication that the new carrying amount is not fully recoverable, an impairment test is performed with the write-down recognised in profit or loss in the period in which it occurs.

NOTE 19 ISSUED CAPITAL AND MANAGEMENT

	2018	2017
	\$'000	\$'000
Share capital		
1,175,097,046 (2017: 1,175,097,046) ordinary shares, fully paid	317,637	317,637
Movements in issued capital		
Balance at 1 July	317,637	317,637
Balance at 30 June	317,637	317,637

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2017.

The capital structure of the Group consists of cash and cash equivalents, debt and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings. None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of 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.

FINANCIAL INSTRUMENTS

This section of the Notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

NOTE 20 FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

The Group's principal financial instruments comprise cash, receivables and payables.

The Group monitors and manages its exposure to key financial risks in accordance with the Group's financial management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest risk, credit risk, commodity risk, equity risk and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(a) Credit Risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Consolidated Entity is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Presently, the Consolidated Entity undertakes exploration and evaluation activities exclusively in Australia. At the balance sheet date, there were no significant concentrations of credit risk.

Cash and cash equivalents

The Consolidated Entity limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Other receivables

Non-current Other receivables includes term deposits placed in support of environmental performance bonds lodged with Newmont Australia Limited and the Department of Resources (NT). Management does not consider either of these amounts to be subject to credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as and when they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

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

NOTE 20 FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT (Continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30-Jun-18	Carrying Amount	Contractual Cash Flows	6 Months or Less	6-12 Months	1-2 Years	2-5 Years	More Than 5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	(58)	(58)	(58)	-	-	-	-

30-Jun-17	Carrying Amount	Contractual Cash Flows	6 Months or Less	6-12 Months	1-2 Years	2-5 Years	More Than 5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	(252)	(252)	(252)	-	-	-	-

(c) Interest Rate Risk

The Consolidated Entity is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rate on interest-bearing financial instruments. The Consolidated Entity does not use derivatives to mitigate these exposures.

	2018 \$'000	2017 \$'000
Variable rate instruments		
Cash and cash equivalents	8,543	4,573
Current other receivables	90	54
Non-current other receivables ¹	2,513	2,513
	<u>11,146</u>	<u>7,140</u>

¹ Non-current Other receivables which are variable rate instruments includes Newmont Australia Limited \$0.850 million (2017: \$0.850 million), and the NT Department of Resources \$1.663 million (2017: \$1.663 million). The term deposits mature on a monthly basis and their value is dependent on a variable interest rate.

Fair value sensitivity analysis for fixed instruments

The Consolidated Entity does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2017.

30-Jun-18	Profit or Loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	\$'000	\$'000	\$'000	\$'000
Interest income on cash balance	85	(85)	(85)	85
Interest income on other receivables (term deposits)	25	(25)	(25)	25
Cash flow sensitivity (net)	110	(110)	(110)	110

NOTE 20 FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT (Continued)

30-Jun-17	Profit or loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	\$'000	\$'000	\$'000	\$'000
Interest income on cash balance	45	(45)	(45)	45
Interest income on other receivables (term deposits)	25	(25)	(25)	25
Cash flow sensitivity (net)	70	(70)	70	(70)

(d) Fair Value

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	30-Jun-18		30-Jun-17	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	8,543	8,543	4,573	4,573
Available for sale financial assets	3,630	3,630	3,563	3,563
Other receivables	2,603	2,603	2,567	2,567
Trade and other payables	58	58	252	252

(e) Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For years ending 30 June 2018 and 30 June 2017 available for sale financial assets were valued using level 1 methods.

(f) Commodity Price Risk

The Consolidated Entity is a gold exploration company which has an indirect exposure to the gold price.

(g) Equity Risk

The Consolidated Entity is exposed to equity price risk, which arises from the remaining 500,000 (2017: 750,000) NST shares.

These shares are listed on the ASX and classified as Available for Sale Financial Assets with which are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented in the Available for Sale Fair Value Reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to the Consolidated Statement of Profit or Loss. A 10% movement in the 30 June 2018 share price would result in an +/- \$0.363 million (2017: +/- \$0.356 million) movement in the value of the Available for Sale Financial Assets.

GROUP COMPOSITION

This section of the Notes includes information that must be disclosed to comply with accounting standards and other pronouncements relating to the structure of the Group, but that is not immediately related to individual line items in the Financial Statements

NOTE 21: LIST OF SUBSIDIARIES

Tanami Exploration NL (until 28 November 2018) and Tanami (NT) Pty Ltd are both wholly owned subsidiaries of Tanami Gold NL.

NOTE 22: PARENT ENTITY INFORMATION

As at, and throughout, the financial year ended 30 June 2018 the parent company of the Consolidated Entity was Tanami Gold NL.

	2018	2017
	\$'000	\$'000
Parent Entity		
Result of the parent entity		
Loss for the year	(7,343)	(140)
Total comprehensive loss for the year	(7,343)	(140)
Financial position of the parent entity at year end		
Current assets	8,612	4,531
Total assets	8,612	7,140
Current liabilities	60	-
Total liabilities	8,815	-
Total equity of the parent entity comprising of:		
Issued capital	317,637	317,637
Accumulated losses	(317,840)	(310,497)
	(203)	7,140

OTHER INFORMATION

This section of the Notes includes other information that must be disclosed to comply with accounting standards and other pronouncements, but that is not immediately related to individual line items in the Financial Statements.

NOTE 23 CONTINGENT LIABILITIES

The Group has no contingent liabilities as at 30 June 2018 (2017: nil).

NOTE 24 REMUNERATION OF AUDITORS

	2018	2017
	\$	\$
Audit services		
Amounts paid, or due and payable, to the auditor KPMG for:		
Audit and review of the financial statements	49,275	43,000

NOTE 25 COMMITMENTS

a) Operating lease

The Consolidated Entity sub-leases the corporate office under an operating lease. The Company has a new operating sub-lease arrangement which runs for 3 years commencing 12 December 2015. Lease payments are adjusted annually to reflect market rentals. There are no restrictions placed upon the lessee by entering into the sub-lease.

Future minimum rentals payable under the non-cancellable operating leases as at 30 June are as follows:

	2018	2017
	\$'000	\$'000
Operating leases		
Within one year	9	20
Between two and five years	-	9
	9	29

NOTE 26 RELATED PARTY TRANSACTIONS

Other transactions with the Company or its controlled entities

Specified directors hold positions in other entities that resulted in them having control or significant influence over the financial or operating policies of those entities. These entities transacted with the Company or its subsidiaries during the financial year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

NOTE 27 KEY MANAGEMENT PERSONNEL

Specified Directors

Gerard McMahon (Non-Executive Chairman)	appointed April 2013
Arthur Dew (Non-Executive Director)	appointed December 2011
Carlisle Procter (Non-Executive Director)	appointed December 2011
Brett Montgomery (Non-Executive Director)	appointed February 2013

Specified Executives

Daniel Broughton (Chief Financial Officer)	appointed 8 September 2014
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The key management personnel compensation included in 'Corporate and Other Expenses' is as follows:

	2018	2017
	\$	\$
Short-term employee benefits	369,000	369,000
Post-employment benefits	14,250	14,250
	<u>383,250</u>	<u>383,250</u>

NOTE 28: EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 31 July 2018, the Company announced that it had exercised the first put option granted to it under the JV agreement with NST in respect of the development of the CTP.

Subsequent to year end, the Company completed the sale to NST of a further 15% undivided interest in the CTP for \$20.0 million in cash. Settlement of the exercise of the first put option occurred on 14 September 2018. Following completion of the transaction, the respective interests of the Company and NST in the CTP are 60% and 40%.

ACCOUNTING POLICIES

This section of the Notes includes information that must be disclosed to comply with accounting standards and other pronouncements, but that is not immediately related to individual line items in the Financial Statements.

NOTE 29 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. However, actual outcomes would differ from these estimates if different assumptions were used and different conditions existed.

The Group has identified the following areas where significant judgements, estimates and assumptions are required, and where actual results were to differ, may materially affect the financial position or financial results reported in future periods.

Accounting estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the Consolidated Entity's critical accounting policies and estimates and the application of these policies, estimates and judgements. The estimates and judgements that may have a significant impact on the carrying amount of assets and liabilities are discussed below:

(i) *Mine rehabilitation and site restoration provision*

Significant judgement is required in determining the provision for mine rehabilitation and site restoration as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate and restore the mine sites and related assets. Factors that will affect this liability include future development, changes in technology, price increases and changes in interest rates. When these factors change or become known in the future, such differences will impact the site restoration provision and asset in the period in which they change or become known.

NOTE 29 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Continued)

(ii) Impairment of exploration and evaluation of assets, investment in subsidiary and loans to subsidiary

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in its subsidiaries and loans to its subsidiaries is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties. The Consolidated Entity undertakes at least on an annual basis, a comprehensive review of indicators of impairment of these assets. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts where there are impairment indicators.

The key areas of estimation and judgement that are considered in this review include:

- recent drilling results and reserves and resource estimates;
- environmental issues that may impact the underlying tenements;
- the estimated market value of assets at the review date;
- independent valuation of underlying assets that may be available;
- fundamental economic factors such as the gold price, exchange rates and current and anticipated operating costs in the industry; and
- the Consolidated Entity's market capitalisation compared to its net assets.

Information used in the review process is tested against externally available information as appropriate.

NOTE 30 CHANGES IN ACCOUNTING POLICIES

In the year ended 30 June 2018, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

The directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2018 are outlined below.

NOTE 31 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2018 are outlined below.

AASB 9 Financial instruments (effective from 1 July 2018)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. All financial assets that are within the scope of AASB 9 are required to be measured at either amortised cost or fair value, while financial liabilities measured at fair value through profit and loss will require consideration as to the portion change in fair value that is attributable to changes in the credit risk of that liability. Such changes in value with a connection to change in credit risk will be presented in other comprehensive income rather than profit and loss.

The requirements for hedge accounting under AASB 9 retain similar accounting treatments to those currently available under AASB 139. The new standard introduces greater flexibility to types of transactions eligible for hedge accounting while the previous requirement for hedge effectiveness testing has been replaced with the principle of an 'economic relationship' and the requirement for retrospective assessment of hedge effectiveness has been removed. The standard has however introduced enhanced disclosure requirements regarding risk management activities.

The Group has considered the impact on its consolidated Financial Statements and assessed that the effect of the new standard will be minimal.

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment transactions (effective from 1 July 2018)

This standard amends AASB 2 Share-Based Payments clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for:

- The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- Share-based payment transactions with a net settlement feature for withholding tax obligations;
- A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The Group has considered the impact on its consolidated Financial Statements and assessed that the effect of the new standard will be minimal.

NOTE 31 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (Continued)

AASB 16 Leases (effective from 1 July 2019)

AASB 16 distinguishes leases and services contracts based on whether an identified asset is controlled by the customer. Distinctions between operating leases (previously off-balance sheet) and finance leases (previously on balance sheet) are removed under the new standard and replaced by the concept of right of use. Where an entity has control over and an ongoing right to use an asset, that asset will be recognised on the balance sheet as an asset with a corresponding liability.

The Group has considered the impact on its consolidated Financial Statements and assessed that the effect of the new standard is minimal. The Group will continue to assess its contracts and other arrangements that may be impacted by the introduction of the revised standard.

AASB Interpretation 23 Uncertainty over Income Tax Treatments (effective from 1 July 2019)

This Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit, tax bases, unused tax losses, unused tax credits and tax rates;
- How an entity considers changes in facts and circumstances.

The Group has considered the impact on its consolidated Financial Statements and assessed that the effect of the new standard will be minimal.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

In accordance with a resolution of the Directors of Tanami Gold NL (the Company), I state that:

1. In the opinion of the directors:
 - a) the consolidated financial statements and notes and the Remuneration report set out in Note 13 in the Directors' report are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2018 and of its 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
 - b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 3
 - c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2018.

On behalf of the board



Gerard McMahon

Non-Executive Chairman

Perth, Western Australia

28 September 2018



Independent Auditor's Report

To the shareholders of Tanami Gold NL

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Tanami Gold NL (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2018
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matter

The **Key Audit Matter** we identified is:

- Sale of the Tanami Exploration NL and disclosure of discontinued operation

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.

Sale of the Tanami Exploration NL (TENL)	
Refer to Note 6 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The sale of TENL is considered a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the transaction to the Group’s business and the profit from discontinued operations (being 99% of profit for the year after tax) • The greater level of audit effort to assess the calculation of the profit on sale and the presentation of continuing and discontinued operations. This required detailed analysis and involvement of senior team members. <p>In assessing the impact of the transaction, we focused on:</p> <ul style="list-style-type: none"> • The restatement of financial information into continuing and discontinuing operations • Taxation implications, including loss on sale for tax purposes. 	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Reading the transaction documents to understand the terms and conditions of the disposal; • Evaluating the substance of the disposals, using the terms and conditions of the transaction documents, against criteria for discontinued operations in the accounting standards; • Assessing the identification of assets and liabilities disposed of, comparing to transaction documents and underlying financial records at the point of disposal; • Checking the sale consideration by comparing relevant amounts to bank records and the transaction documents; • Assessing the tax treatment of the disposal; and • Assessing the disclosure in the Financial Report relating to the disposal, including the restatement of prior period information to reflect the impact of the disposals, against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Tanami Gold NL’s annual reporting which is provided in addition to the Financial Report and the Auditor’s Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor’s Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf
This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Tanami Gold NL for the year ended 30 June 2018, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in Section 13 of the Directors' report for the year ended 30 June 2018.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.



KPMG



R Gambitta
Partner

Perth

28 September 2018

 **TANAMI GOLD NL**
CORPORATE GOVERNANCE STATEMENT

The Board of Tanami Gold NL has adopted the spirit and intent of the 3rd Edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.

The Company's 2018 Corporate Governance Statement is available in the Corporate Governance section of the Company's website: <http://www.tanami.com.au/company/corporate-governance.html>.

This document is reviewed regularly to address any changes in governance practices and the law.

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows.

The information is current as at 26 September 2018.

Issued Equity Capital

	Ordinary Shares	Options
Number of holders	4,727	Nil
Number on issue	1,175,097,046	Nil

Voting Rights

Voting rights, on a show of hands, are one vote for every registered holder of Ordinary Shares and on a poll, are one vote for each share held by registered holders of Ordinary Shares. Options do not carry any voting rights.

Distribution of Holdings of Equity Securities

Holding ranges	Number of Equity Security Holders	
	Total Holders	Units
1 – 1,000	1,625	578,154
1,001 – 5,000	1,066	2,602,473
5,001 – 10,000	363	2,805,585
10,001 – 100,000	1,095	42,870,189
100,001 and over	551	1,126,240,645
TOTAL	4,700	1,175,097,046

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel (which as at 26 September 2018 was 8,624,732 Shares) was: 3,261.

Substantial Shareholders

	Number of Ordinary Shares	Percentage (%)
APAC RES MINING LTD	477,612,786	40.64%
SUN HUNG KAI INV SVCS LTD	164,413,248	5.49%

On Market Buy Back

There is no current on-market buy-back.

Top 20 Shareholders

Rank	Name	Number of Ordinary Shares	Percentage (%)
1	APAC RES MINING LTD	477,612,786	40.64%
2	SUN HUNG KAI INV SVCS LTD	48,238,736	4.11%
3	ABN AMRO CLRG SYD NOM PL	41,512,221	3.53%
4	PERTH SELECT SEAFOODS PL	33,500,000	2.85%
5	JEMAYA PL	30,200,000	2.57%
6	JEMAYA PL	20,700,000	1.76%
7	GERISE PL	20,000,000	1.70%
8	HSBC CUSTODY NOM AUST LTD	19,804,403	1.69%
9	DPS CAP PL	16,532,838	1.41%
10	SUN HUNG KAI INV SVCS LTD	16,174,512	1.38%
11	CITICORP NOM PL	11,158,775	0.95%
12	YANDAL INV PL	8,250,001	0.70%
13	RICKARDS LAWRENCE + C A	7,525,000	0.64%
14	MAMMALIA LTD	7,151,251	0.61%
15	WHITEHEAD N R + SMITH J H	6,000,000	0.51%
16	CEN PL	6,000,000	0.51%
17	TOUSSAINT PAUL	5,519,764	0.47%
18	SILTON PL	5,300,000	0.45%
19	CR INV PL	5,000,000	0.43%
20	ANTHONY BURKE PL	5,000,000	0.43%
	TOTAL	791,180,287	67.34%

TANAMI GOLD NL
SCHEDULE OF MINERAL TENEMENTS
As at 30 June 2018

Northern Territory				
Tenement	Name	Status	Interest**	Registered Holder
EL8797*	Gamma	Granted	75%	Tanami (NT) Pty Ltd
EL9763	Red Hills	Granted	75%	Tanami (NT) Pty Ltd
EL9843	Chapmans Hill	Granted	75%	Tanami (NT) Pty Ltd
EL10355	Red Hills North	Granted	75%	Tanami (NT) Pty Ltd
EL10411	Tanami Downs North	Granted	75%	Tanami (NT) Pty Ltd
EL22061	Farrands Hill South	Granted	75%	Tanami (NT) Pty Ltd
EL22229	Question Mark Bore East	Granted	75%	Tanami (NT) Pty Ltd
EL22378	Question Mark Bore Far	Granted	75%	Tanami (NT) Pty Ltd
EL23342	Aperta Far East	Granted	75%	Tanami (NT) Pty Ltd
EL26925	Goanna 2	Granted	75%	Tanami (NT) Pty Ltd
EL26926	Black Hills 2	Granted	75%	Tanami (NT) Pty Ltd
EL28282	Suplejack	Granted	75%	Tanami (NT) Pty Ltd
EL28474	Rushmore	Granted	75%	Tanami (NT) Pty Ltd
EL28613	Gamma East	Application	75%	Tanami (NT) Pty Ltd
ML22934	Groundrush	Granted	75%	Tanami (NT) Pty Ltd
MLS119	Reward	Granted	75%	Tanami (NT) Pty Ltd
MLS120	No.1 South	Granted	75%	Tanami (NT) Pty Ltd
MLS121	No.2 South	Granted	75%	Tanami (NT) Pty Ltd
MLS122	No.3 South	Granted	75%	Tanami (NT) Pty Ltd
MLS123	No.4 South	Granted	75%	Tanami (NT) Pty Ltd
MLS124	No.1 North	Granted	75%	Tanami (NT) Pty Ltd
MLS125	No.2 North	Granted	75%	Tanami (NT) Pty Ltd
MLS126	No.3 North	Granted	75%	Tanami (NT) Pty Ltd
MLS127	No.4 North	Granted	75%	Tanami (NT) Pty Ltd
MLS128	No.5 North	Granted	75%	Tanami (NT) Pty Ltd
MLS129	No.6 North	Granted	75%	Tanami (NT) Pty Ltd
MLS130	East Block	Granted	75%	Tanami (NT) Pty Ltd
MLS131	No. 5 South	Granted	75%	Tanami (NT) Pty Ltd
MLS132	No. 6 South	Granted	75%	Tanami (NT) Pty Ltd
MLS133	South East Block	Granted	75%	Tanami (NT) Pty Ltd
MLS153	Tanami Extended	Granted	75%	Tanami (NT) Pty Ltd
MLS167	Matilda	Granted	75%	Tanami (NT) Pty Ltd
MLS168	Enterprise	Granted	75%	Tanami (NT) Pty Ltd
MLS180	Molech	Granted	75%	Tanami (NT) Pty Ltd

*Renewal lodged 14/08/2018 – pending decision by DPIR.

**After year end, the Company exercised the first put option and sold a further 15% interest in the Central Tanami Project reducing the Company's tenement interest to 60%.