



ANNUAL REPORT 2017

For South East Asia Resources Limited (Subject to Deed of Company Arrangement)
and Controlled Entities

ABN 66 009 144 503

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Corporate Directory

SOUTH EAST ASIA RESOURCES LIMITED (Subject to Deed of Company Arrangement)

ABN 66 009 144 503

(Incorporated in Western Australia)

WEBSITE

www.southeastasiaresources.com.au

REGISTERED OFFICE

311 – 313 Hay Street

Subiaco

Western Australia 6008

Ph: +618 6489 0600

DIRECTORS & SECRETARY

Mr Gary Williams - Executive Director

Mr Jakob Tsaban - Executive Director

Mr Wayne Knight - Non-executive Director

Mr Luke Martino – Company Secretary

AUDITORS

Grant Thornton Audit Pty Ltd

Level 1, 10 Kings Park Road

West Perth

Western Australia 6005

SHARE REGISTRY

Advanced Share Registry

110 Stirling Hwy

Perth WA 6009

Ph: +61 8 9389 8033

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STOCK EXCHANGE LISTING

ASX Limited

ASX Code – SXI

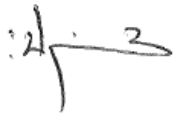
Letter to Shareholders

Dear Shareholders

On behalf of the Board of Directors, I present the 2017 Annual Report for South East Asia Resources.

We look forward to meeting our shareholders at the upcoming Annual General Meeting.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Jakob Tsaban', with a stylized flourish at the end.

Jakob Tsaban

Director

25 August 2017

Review of Operations

The Consolidated entity's activities are contained in releases to the ASX and can be obtained from our website www.southeastasiareources.com.au.

The Company's securities were suspended from official quotation on 1 October 2014.

On 8 January 2015, the Company was placed into voluntary administration and Mr David Ingram, Mr Cameron Shaw and Mr Richard Albarran were appointed as joint and several Administrators of the Company.

Following a creditors' meeting on 20 March 2015:

- a) the Company entered into a Deed of Company Arrangement (Original DOCA) with Olivest Pty Ltd (as proponent) (Olivest) dated 16 April 2015;
- b) David Ingram, Cameron Shaw and Richard Albarran were appointed as Deed Administrators on 16 April 2015.

A general meeting of Shareholders was held on 8 December 2016 to approve the Olivest recapitalisation proposal and for various issues of Shares in satisfaction of various debts owed to non-participating creditors of the Original DOCA. Details of the securities issued to date pursuant to the original and varied DOCA are set out below

In a report to creditors on 31 May 2017, the Deed Administrators advised Olivest was in default of the terms of the Original DOCA. At a creditors' meeting held on 8 June 2017, creditors resolved to vary the terms of the Original DOCA and accept a proposal put forward by Nelac Nominees Pty Ltd (Nelac) for the recapitalisation of the Company and re-admission to ASX.

The Original DOCA was subsequently amended consistent with Nelac's DOCA proposal (DOCA). A summary of the DOCA is set out below. Shareholder approval for various issues of Shares contemplated by Nelac's recapitalisation proposal was received by the Company at a shareholder meeting on 31 July 2017.

Deed of Company arrangement Variation

From the date of execution of DOCA, the Deed Administrators received \$370,000 as contribution for the DOCA. On April 2017, the Deed Administrators advised that the Company is in default under the terms of the DOCA and the guarantor, Olivest Pty Ltd ("Olivest") had indicated that it is not in a position to remedy the default.

A DOCA variation has been submitted by Nelac Nominees Pty Ltd ("Nelac") for the recapitalization of the Company. As part of the proposal, Nelac will replace Olivest in relation to providing the security required with respect to guaranteeing the terms and conditions of the amended DOCA, including executing a new general security agreement.

The major terms of the variation are outlined below:

1. Richard Albarran, David Ingram and Cameron Shaw to administer the DOCA/Creditors' Trust.
2. The original established Deed Fund of \$600,000 (of which \$230,000 remains unpaid) be increased to \$760,000 ("the Deed Fund") and dealt with in accordance with the DOCA/ Creditors' Trust. Nelac shall make the following payments to the DOCA/Creditors Trust Fund:
 - a. \$20,000 to be paid before the meeting of creditors convened pursuant to section 445F of the Act;
 - b. A lump sum of \$370,000 to be paid before 15 August 2017.

- c. 50% of the shares held by the Company in Amarant Mining AB as consideration for 50% of Alluvia Mining loan.
3. 50% of any right to the shares of Amarant Mining AB to be transferred and /or paid to the Administration under the DOCA.
4. The Company will do everything necessary to comply with Chapters 1 and 2 of the ASX Listing Rules to ensure the Company is in a position to be re-listed including attending to the following by 30 September 2017:
 - a) Complete its audited accounts for 2015, 2016 and 2017 financial years and half- years;
 - b) Convene a meeting of the Company's shareholders to seek shareholder approval for the acquisition of five (2) exploration licences covering an area of 340.31km² in Serbia.
5. The establishment of a Creditors' Trust as part of the recapitalisation process.
6. The Company's remaining shareholders, Convertible Note, Bond and or Loan holders who did not convert their claims into shares at the General Meeting held on 8 December 2016, may convert their claims into shares of the Company and or participate in any distribution under the DOCA as unsecured creditors.
7. Interest will be charged on any overdue amounts at the rate of 12% per annum.
8. Control and management of the Company will remain with the Directors until and upon effectuation of the amended DOCA and commencement of the Creditors' Trust.
9. The related creditors including the Directors, Mr Gary Williams, Mr Jakob Tsaban and Mr Wayne Knight and any entity associated with the Directors or their relatives (including in- laws) will subrogate their claims against the Company in their entirety, and will not participate in any distribution under the DOCA and will subject to shareholder approval, convert their debts into equity on the same terms and conditions as approved at the General Meeting held on 8 December 2016.
10. The Company's own subsidiaries will retain all assets as agreed in the DOCA, specifically:
 - a) Any rights to the Moly Project will be retained by the Company as an asset, with the title to this asset still subject to legal confirmations; and
 - b) 50% of the shares held by the Company in Amarant Mining AB as consideration for 50% of Alluvia Mining loan.
11. Subject to point 9, all claims against the Company arising prior to the appointment of the Administrators will be admissible under the DOCA.
12. There shall be a moratorium on enforcement of pre-Administration creditor claims under the DOCA.
13. Any distribution paid to creditors/beneficiaries is to be in full and final satisfaction of their claims against the Company.
14. Upon wholly effectuation of the DOCA, the Company shall be released from all pre- Administration debts owed to creditors participating in the DOCA.
15. Pursuant to the Act, a Deed Administrator generally has the powers under the prescribed provisions provided under Schedule 8A of the Corporations Regulations, save for 3(c), 10 and Pursuant to the proposed Creditors' Trust, the Trustees' powers would be the powers and rights of a duly appointed Trustee under statute and law. In addition to those powers, the Trustee would have additional powers to enable the proper administration of the trust fund for the purpose of distributing the funds to creditors/beneficiaries. The important powers will be those related to the distribution of the funds, which will be included in the Trust Deed.

16. If Nelac or the Company are unable to comply with any fundamental provisions of the DOCA including payment of monies due pursuant to the DOCA, and/or the Deed Administrators form the view that the Company is unlikely to be able to comply with the terms of the DOCA, then the Deed Administrators are entitled to terminate the DOCA and or convene a meeting of the Company's creditors at which creditors may resolve to:
- a) Vary the DOCA; or
 - b) Terminate the DOCA; or
 - c) Enforce the terms of the DOCA.
17. The DOCA/Creditors' Trust Fund will be distributed as follows; -
- Firstly, in payment of the remuneration, costs, disbursements and expenses of the Administrators for acting in their capacity as the Deed Administrators of the Company including that of their partners and staff.
 - Secondly, in payment of the remuneration, costs, disbursements and expenses of the Trustees for acting in their capacity as the Trustees of the Company including that of their partners and staff.
 - Finally, in the order of priority as set out in Section 556 of the Act for payment of the claims of the creditors/beneficiaries, other than excluded creditors/beneficiaries, which are admitted to prove under the terms of the DOCA/Creditors' Trust by the Deed Administrators, with any reference to the winding up of the company to be read as the company being subject to the DOCA/Creditors' Trust and the relevant date being the date of appointment of the Administrator.

In payment of the claims of the creditors/beneficiaries, other than excluded creditors/beneficiaries, and to the extent that the funds available are insufficient to pay in full all such claims they will be paid proportionately.

At the meeting of creditors held on 8 June 2017 pursuant to Section 445F of the Corporations Act 2001, creditors resolved that the DOCA executed on 16 April 2015 be varied in accordance with the above terms and conditions.

To the date of the report, the DOCA variation has not been executed yet.

Issue of Equity

On 20 December 2016, 16,116,121 shares were issued at \$0.05 per share for the conversion of liabilities totaling \$805,806.

On 6 March 2017, 122,119,938 shares were issued at \$0.05 per share for the conversion of liabilities totaling \$6,105,996.90.

On 6 March 2017, 305,000,000 shares were issued at \$0.001 per share for a placement of \$305,000 for to raise working capital.

On 23 May 2017, 2,200,000 shares were issued at \$0.05 per share for the conversion of liabilities totaling \$110,000.

On 26 June 2017, 50,000,000 shares were issued at \$0.001 per share for a placement of \$50,000 for to raise working capital.

On 22 August 2017, 10,000,000 shares were issued at \$0.05 per share for the conversion of liabilities totaling \$500,000.

Review of Operations (continued)

On 22 August 2017, 100,000,000 shares were issued at \$0.001 per share for a placement of \$100,000 for to raise working capital.

Apart from the above mentioned, there have been no key events.

Corporate Governance Statement

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of South East Asia Resources Limited (“SXI” or “the Company”) support the Corporate Governance Principles and Recommendations (“Principles and Recommendations”) as issued by the Australian Stock Exchange Corporate Governance Council (CGC).

The Board of directors of SXI is responsible for the corporate governance of the entity and endorses the need for high standards of corporate governance. The Board guides and monitors the business and affairs of SXI on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board has formalised its corporate governance framework which it considers suitable given the size, history and strategy of the Company. The Board will keep its corporate governance practices under review and will ensure that the necessary policies are adopted as required by the Company.

Commensurate with the spirit of the ASX Corporate Governance Recommendations, the Company has followed each ASX Corporate Governance Recommendation where the Board has considered it to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, the resources available and the activities of the Company. Corporate governance policies and practice of the Company are reflective of the Company's current position. As the Company's activities develop in size, nature and scope, the Board will reconsider and review the Company's corporate governance structures.

In accordance with ASX Listing Rule 4.10.3, SXI is required to disclose the extent to which it has followed the Principles of Best Practice Recommendations during the financial year. Where, after due consideration, SXI's corporate governance practices depart from a recommendation, this has been identified and an explanation for the departure has been given in compliance with the “if not, why not” regime.

Structure & Role of the Board

The Board operates pursuant to a formal Board charter, which sets out the functions and responsibilities of the Board and management of the Company.

The Board of the Company is responsible for:

- (a) the overall operation and stewardship of the Company and its subsidiary;
- (b) charting the direction, strategies and financial objectives for the Company; and
- (c) monitoring the implementation of those policies, strategies and financial objectives,

They are also committed to protecting and enhancing shareholder values and conducting the Company's business ethically and in accordance with the highest standards of corporate governance.

Each of the Directors, when representing the Company, must act in the best interest of the shareholders of the Company and in the best interests of the Company as a whole.

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report, including their term of office, are detailed in the Directors' Report.

A Director is considered to be independent where they are a non-executive Director, are not a member of management and are free of any relationship that could, or could reasonably be perceived to, materially interfere with the independent exercise of their judgment. Directors are expected to bring independent views and judgement to the Board's deliberations. The Board Charter recommends that at least the majority of the Directors of SXI will be non-executive (preferably independent) Directors and that the Chair will be a non-executive Director. The existence of the following relationships may affect independent status if the Director:

Corporate Governance Statement (continued)

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with a substantial shareholder of SXI;
- is employed, or has previously been employed in an executive capacity by the Company, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with the services provided;
- is a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with the Company other than as a Director.

In the context of Director independence; "materiality" is considered from both the Company and individual Director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements.

In accordance with the definition of independence above, and the materiality thresholds set, the Board reviewed the positions and associations of each of the 3 Directors in office at the date of this statement and considers that 1 of the Directors is independent as follows:

Name	Position
Gary Williams	Executive Director
Wayne Knight	Non-Executive Director
Jackob Tsaban	Executive Director

The Board will assess the independence of new Directors upon appointment, and the independence of other Directors, as appropriate. To facilitate independent judgment in decision-making, each Director has the right to seek independent professional advice at the expense of the Company, subject to the prior approval from the Chairman, which may not be unreasonably withheld.

The term in office held by each Director in office at the date of this statement is set out in the Directors' Report.

Dealing in Securities Policy

The Board has an established Dealing in Securities Policy. The policy sets out the rules and regulations that apply to the Directors, Key Management Personnel, their associates and employees of the Company in regards to trading in the securities of the Company. The policy aims to develop a culture of awareness of individual responsibilities in regards to trading in the Company's securities and having regard to the insider trading provisions.

Code of Conduct

The Company has established a code of conduct. The Code of Conduct applies to all employees, directors and officers, each of whom must discharge their duties with honesty and integrity, in the best interests of the Company and having regard to the position and the goals and objectives of the Company.

Shareholder Communication Policy

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In particular, the Board believes that communicating with shareholders by electronic means, particularly through its website and ASX platform, is an efficient way of distributing information in a timely and convenient manner.

The Company's website includes a reports section containing copies of annual, half yearly and quarterly reports and reports from stockbroking firms, a news section, containing copies of ASX announcements made

by the Company, and details of the Company's projects and activities including presentation material provided to investors or stockbroking analysts, briefing material from any Company site visits and the Company profile and contact details. Copies of the Company's Corporate Governance Policies are currently not available on the Company's website. The Company aims to have all its Corporate Governance Policies available on its website shortly.

Diversity

Whilst SXI has not yet formally adopted a Diversity Policy, the Company recognises that a talented and diverse workforce is a key competitive advantage and that success is a reflection of the quality and skills of its people. Diversity assists the business in achieving its objectives and delivering for its stakeholders by enabling it to attract and retain the most qualified and experienced individuals to the workforce.

The Company's general policy when choosing employees is to recruit and manage on the basis of competence and performance regardless of age, nationality, race, gender, religious beliefs, sexuality, physical ability or cultural background. The Company currently does not have any female board or senior executive members.

Risk Management Policy

The Company is focused on ensuring that there are adequate structures and procedures in place to identify, assess, monitor and manage risk and is taking steps to address the practical implementation of risk management policies.

In accordance with the Company's Risk Management Policy, the Board oversees the establishment, implementation and regular review of the Company's risk management policies. To assist the Board to conduct the regular review, management and key executives are required to report to the Board on any material risks identified, how those risks are being managed, the implementation of any risk management or internal control system, and whether any breaches of the risk management policies have occurred during the preceding period.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.

This recommendation is satisfied.

The Company's Board Charter together with updated financial statements will be given to any new Director, all of which will set out details in respect of:

- The Company's financial, strategic and operational position;
- Each Director's rights, duties and responsibilities;
- The role of the Board and Management.

Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

This recommendation is satisfied.

Given the size of the Company, there are no executives employed by the Company at this time. The Chief Executive Officer and the Chief Financial Officer are contracted by the Company.

The performance target for each executive should be aligned to the business targets of the Company in accordance with the position of the relevant executive.

The Board recognizes the importance of ensuring that the performance of the Board is reviewed regularly against appropriate measures. The Board has previously established an informal procedure for review of the

Board and individual directors. A performance evaluation of the Board, individual directors and senior executives did not take place during the year.

The Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

To ensure that the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the Board. Upon management appointment, the responsibility for the operation and administration of the Company is delegated, by the Board, to the executive management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the executive management team.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1: A majority of the board should be independent directors.

This recommendation is not satisfied. Only 1 of the 3 directors is considered independent.

Recommendation 2.2: The chair should be an independent director.

This recommendation is not satisfied. Gary Williams is not independent.

Recommendation 2.3: The roles of chair and chief executive officer (CEO) should not be exercised by the same individual.

This recommendation is not satisfied. Gary Williams is both Chairman and CEO.

Recommendation 2.4: The board should establish a nomination committee.

This recommendation is not satisfied.

Given the size of the Company and its Board, the Directors consider that any efficiency achieved by the establishment of a nomination committee would be minimal, thereby not making establishment cost effective. For this reason the Board performs the role of the nomination committee.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

This recommendation is not satisfied.

The Directors of the Company otherwise consider that due to the size of the Company and its Board a formal review procedure is not appropriate at this point in time and has instead adopted a self-evaluation process to measure its own performance. A system to fairly review and actively encourage enhanced Board and management effectiveness is being considered.

The need for access to supporting equity and skills as required, and a flexible cost structure are greater imperatives for the Company as an exploration company, than the largely mutually exclusive concept of independence, which is much more relevant to larger corporations with substantial workforces.

However, as the Company moves to become a resources producer the concept of independence will become more relevant. Whilst the Company will progressively increase the independence of its Directors over time, compliance with the best practice in this area is not considered a current imperative, due to the additional direct cost of employing such Directors, the view that there would not be an increase in Board skills (only independence), and the risk that inefficiency will occur in the Board decision making process whilst the independent Directors become familiar with the Company's business.

All assessments as to whether a Director is independent are to be made by the Board.

The Chairman of the Board is responsible for the leadership of the Board, ensuring that Board activities are organised and efficiently conducted and for setting the agenda for Board meetings. Under the Company's constitution, the maximum term for a director before they must be re-elected by the members is three years.

The Board has not established separate committees for Audit and Risk Management, Remuneration and Nomination. The Company is not of a sufficient size, nor are the affairs of a complexity sufficient to warrant the existence of separate committees. All matters which could be delegated to such committees are dealt with by the full Board.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- the practices necessary to maintain confidence in the company's integrity
- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

This recommendation is satisfied.

Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.

This recommendation is not satisfied.

Diversity includes, but is not limited to gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent.

However, given the size of the Company and its Board, the Company's Corporate Governance Plan does not include a policy specifically addressing diversity. The Board does not consider it necessary to have a diversity policy but will consider implementing one in the future.

Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

This recommendation is not satisfied.

Refer to recommendation 3.2.

Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organization, women in senior executive positions and women on the board.

This recommendation is not satisfied.

At present, given the size of the Company and its operations, it currently does not have any women in senior executive positions or on the board. The Company will continue to monitor this matter as the Company and its operations grow and expand.

Refer to recommendation 3.2.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1: The board should establish an audit committee.

This recommendation is not satisfied.

Given the size of the Company and its Board, it is not of a size to require an audit committee and the duties normally performed by an audit committee are undertaken by the Board as whole. The Company's Auditors attend the Annual General Meeting, at which time they are available to answer shareholder questions in relation to their audit.

Recommendation 4.2: The audit committee should be structured so that it:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent chair, who is not chair of the board
- has at least three members.

This recommendation is not satisfied.

Refer to recommendation 4.1.

Recommendation 4.3: The audit committee should have a formal charter.

This recommendation is not satisfied.

Refer to recommendation 4.1.

The integrity of the Company's financial reporting is a critical aspect of SXI's corporate governance and structures have been implemented during the reporting period to verify and safeguard the integrity of the Company's financial reporting.

It is the policy of the Board that the Company's financial statements be reviewed or Audited, at a minimum, each half year. The Company does not have a formalised audit committee; instead all Directors are responsible for the financial statements.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

This recommendation is satisfied.

The Company has a comprehensive disclosure policy to comply with the ASX Listing Rules regarding the public disclosure of material information. The aim of this policy is to ensure that the Company release price-sensitive information in a timely manner.

The Company will immediately notify the market by announcement to the ASX of any information concerning the business of the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Information about the Company is regarded as material if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.

Officers and employees are encouraged not to rely on their judgment and to consult the Chairman, Board and Company Secretary on whether particular information is considered to be material.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

This recommendation is satisfied.

The Board respects the rights of all shareholders and, to facilitate the effective exercise of those rights, the Company is committed to effective communication with shareholders. This occurs by electronic ASX releases to the market and via a subscription facility on the Company's website together with the postage of the Company's Notice of Shareholder Meetings.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

This recommendation is satisfied.

Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

This recommendation is satisfied.

Recommendation 7.3: The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

This recommendation is satisfied.

In all its activities the Company will adopt a structured and consistent approach to risk management.

Risks will be assessed and managed through an overriding policy of identification, assessment, mitigation, monitoring and communication of risks associated with its activities. The overriding policy will be reviewed regularly against the changing activities of the Company.

The level of risk management will be consistent with the Company's overall business objectives and risk appetite and tolerance.

Risk management and control will be incorporated into property protection, health, safety and environmental audits using either self-assessment or outside auditors as the Company deems appropriate.

The Board is responsible for the identification and management of business risks. The Board has obtained a written confirmation that the statement in relation to principle 4 above is founded on a sound system of risk management and internal compliance and control.

The Board has obtained a statement confirming that the systems are operating efficiently and effectively in all material respects.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: The board should establish a remuneration committee.

This recommendation is not satisfied.

Given its size and stage in development, the Board has decided not to establish or to delegate specific authority to a remuneration committee. Responsibilities which would normally be delegated to such committees are performed by the Board as a whole. The remuneration report of the SXI which includes all directors is included within the Directors' Report. All Directors are remunerated by way of fees and the granting of options. However they do not receive bonus payments or retirement benefits. Upon retirement, there is no contractual right to further benefits other than statutory superannuation.

The Board fulfils its responsibilities to shareholders which include:

- Ensuring that remuneration policies are appropriate;
- Determining the basis for any incentive schemes for the Company;
- Reviewing as required, the compensation arrangements for directors.

Recommendation 8.2: The remuneration committee should be structured so that it:

- consists of a majority of independent directors
- is chaired by an independent chair
- has at least three members

This recommendation is not satisfied.

Refer to recommendation 8.1.

Recommendation 8.3: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

This recommendation is satisfied.

The Board, within the pre-approved shareholder limits, determines fees payable to individual non-executive directors.

The remuneration levels of Executive Directors are determined by the Chairman after taking into consideration those that apply to similar positions in comparable companies in Australia and Directors' possible participation in any equity based remuneration scheme. The Chairman uses industry-wide data gathered by independent remuneration experts annually as his point of reference.

Options or shares issued to Directors pursuant to any equity-based remuneration scheme require approval by shareholders prior to their issue.

The remuneration levels of senior executives and other employees are determined by the Board of Directors after taking into consideration those levels that apply to similar positions in comparable companies in Australia and employees' possible participation in any equity based remuneration scheme. If deemed necessary, the Directors will consult recruitment and remuneration experts and will, where such expenditure is not already in an approved Budget seek Board approval prior to finalising the appointment.

Options or shares issued to senior executives and other employees who are not Directors would be proposed by the Chairman and issued only after approval by the Board.

The policy will be implemented by reviewing, not less than annually, all aspects of the remuneration paid to all employees and executives to ensure that it motivates the pursuit of long-term success, a safe working environment and a culture consistent with the Company's Corporate Governance Policy and is clearly linked to individual and group performance.

Directors' Report

The Directors' present their report together with the financial report of South East Asia Resources Limited (Subject to Deed of Company Arrangement) and its controlled entities ("the Company" or "consolidated entity") for the year ended 30 June 2017 and the independent audit report thereon.

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

Mr. Gary Williams

Executive Director, Chief Executive Officer

Appointed 29 November 2013

Mr. Williams is an experienced international mining executive with formal qualifications as a mining engineer, mine manager holding MBA. As Founder and Managing Director of the global mining materials handling company, Continental and mining services United Mining Group, as well as previous position as Executive with Cyprus Coal, Coal & Allied/CRA, Sheli and BP Coal, Mr Williams has more than 30 years' experience in the industry.

Mr Williams has significant expertise in the exploration and development of world class, highly efficient open-pit, underground and resource infrastructure projects in Australia, Thailand, Indonesia, New Zealand, North & South America and South Africa. He has held no Directorships in other listed companies in the last four years.

Mr. Wayne Knight

Non-Executive Director

Appointed 3 December 2007

Mr Knight has worked in the financial services industry since 1989 and has a Diploma in Financial Planning 1, 2, 3, 4. He is an Authorised Representative of Tandem Financial Advice Limited and offers services in the areas of personal superannuation planning, managed investments, risk management, rollover and redundancy planning, wealth creation and insurances. He has held no Directorships in other listed companies in the last four years.

Mr. Jakob Tsaban

Executive Director, Chief Financial Officer

Appointed 18 October 2013

Mr Tsaban is a qualified chartered accountant. He moved from Israel to Australia in 2007 and was appointed as the Chief Financial Officer for the South East Asia Resources group in January 2013.

Mr. Tsaban is also a Director of ORH Limited from 19 December 2013, a company listed on the ASX.

COMPANY SECRETARY

Mr Luke Martino

Company secretary

Appointed 30 November 2007

Mr Martino is a Fellow of the Institute of Chartered Accountants Australia and New Zealand and a member of the Institute of Company Directors.

His area of expertise includes corporate finance and business growth consulting advice to the mining and resources sector and a wide range of other industries. Mr Martino is also a Director of Pan Asia Corporation Ltd, as well as Company Secretary of Blackgold International Holdings Ltd. He is also an Alternate Director of Central Asia Resources Limited.

PRINCIPAL ACTIVITIES

South East Asia Resources Limited (Subject to Deed of Company Arrangement) (SXI, the Company) is currently subject to Deed of Company Arrangement varied on 15 August 2017. SXI is a diversified resource company seeking to create shareholder value by acquiring and operating highly valuable resource projects around the world.

OPERATING RESULTS AND FINANCIAL REVIEW

The loss attributable to members of the parent entity after providing for income tax amounted to \$266,646 (2016: loss \$32,106).

REVIEW OF OPERATIONS

Please see "Review of Operations" section of this report.

FUTURE DEVELOPMENTS

The Company will continue to explore and evaluate other projects, with the aim of becoming a resources producer worldwide.

It is not possible to estimate the future results at this stage.

In addition the group will continue to assess and evaluate further resource opportunities.

DIVIDENDS

No dividends were paid or declared during the financial year ended 30 June 2017.

MATTERS SUBSEQUENT TO REPORTING DATE

The DOCA variation was executed on 15 August 2017.

On 22 August 2017, 100,000,000 shares were issued at \$0.001 per share for a placement of \$100,000 for to raise working capital.

On 22 August 2017, 10,000,000 shares were issued at \$0.05 per share for the conversion of liabilities of \$500,000.

DIRECTORS' INTERESTS

The relevant interest of each director in the shares, interests in registered schemes and rights or options over such instruments issued by the companies within the consolidated entity and other related bodies corporate, as notified by the directors to the Australian Stock Exchange in accordance with S205G (1) of the Corporations Act 2001, at the date of this report is as follows:

Directors' Equity Holdings

As at the report date, the interests of the Directors in the equity of the Company are as follows:

Name	Closing Balance as at report date
W Knight	
Ordinary Shares	1,365,000
Options	-
G Williams	
Ordinary Shares	3,939,720
Performance Shares	-
Options	-
J Tsaban	
Ordinary Shares	3,630,000
Options	-
Total Ordinary Shares	8,934,7200
Total Performance Shares	-
Total Options	-

MEETINGS OF DIRECTORS

The number of directors' meetings and the number of meetings attended by each of the directors of the Company during the financial year are:

Director	Number of meetings eligible to attend	Number of meetings attended during the year
Mr W Knight	1	1
Mr. G Williams	1	1
Mr. J Tsaban	1	1

In addition there were three (3) Circular Resolutions signed by the directors who were eligible to vote.

SHARE OPTIONS

At the date of this report, there were no unlisted performance options over the unissued ordinary shares of the Company.

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the company secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor. There have also been no legal proceedings during

the year and no application for leave has been made in respect of the Company for proceedings on behalf of the Company.

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the Company's directors and key management personnel for the financial year ended 30 June 2016. The key management personnel of the Company include the Directors and other officers of the Company. For the purposes of this report "key management personnel" are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company.

The Non-Executive Directors' fees are approved by the Board within the aggregate approved by the shareholders at a general meeting. The fee pool currently stands at \$200,000 as approved at the Company's AGM in November 2000. During the year, no Non-Executive Directors used this fee pool. The Company does not provide retirement benefits, however directors may salary sacrifice an element of their total remuneration to superannuation. In addition, the Board seeks shareholder approval for any options that may be issued to directors.

The amount of aggregate remuneration and the manner in which it is apportioned amongst directors is reviewed annually. Shareholder approval is sought where there is a proposed change in the total remuneration paid to non-executive directors.

The Board considers the Company's particular circumstances as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process and determining the nature and amount of key management remuneration. There is no relationship between board policy for key management remuneration and the entity's performance.

The Company received 99.5% of yes votes on its remuneration report for the financial year ending 30 June 2014. The Company received no specific feedback to its remuneration report at the AGM. The Company did not use any remuneration consultants during the year.

Details of the remuneration of each Director and other Key Management Personnel are set out below.

2017	Short-term employment benefits	Post-employment benefits		Share-based	Total	Value of options as % remuneration
	Cash salary & fees \$	Superannuation benefits \$	Other \$	Options \$		
Directors' Fees						
Wayne Knight (Non-Exec Director)	-	-	-	-	-	0%
Gary Williams (CEO/Exec Director)	-	-	-	-	-	0%
Jackob Tsaban (CFO/Exec Director)	-	-	-	-	-	0%
Company Secretary Fees						
Luke Martino	-	-	-	-	-	0%
Total	-	-	-	-	-	

There were no service agreements in place for the year ended 30 June 2016.

Directors' Report (continued)

2016	Short-term employment benefits	Post-employment benefits		Share- based	Total \$	Value of options as % remuneration
	Cash salary & fees \$	Superannuation benefits \$	Other \$	Options \$		
Directors' Fees						
Wayne Knight (Non-Exec Director)	-	-	-	-	-	0%
Gary Williams (CEO/Exec Director)	-	-	-	-	-	0%
Jackob Tsaban (CFO/Exec Director)	-	-	-	-	-	0%
Company Secretary Fees						
Luke Martino	-	-	-	-	-	0%
Total	-	-	-	-	-	

There were no service agreements in place for the year ended 30 June 2017.

Directors' Equity Holdings

As at 30 June 2017, the interests of the Directors in the equity of the Company are as follows:

Name	Opening Balance 1 July 2016	Acquired during the period	Expired during the period	Closing Balance 30 June 2017
W Knight				
Ordinary Shares	125,000	1,240,000	-	1,365,000
G Williams				
Performance Shares	-	3,939,720	-	3,939,720
Performance Shares	-	-	-	-
J Tsaban				
Ordinary Shares	-	3,630,000	-	3,630,000
Total Ordinary Shares	125,000	8,809,720	-	8,934,720
Total Performance Shares	-	-	-	-

Related Party Transactions

During the year transactions of \$135,510 were made Indian Ocean Advisory Group Pty Ltd, an entity which Mr. Luke Martino is a director of, for provision of professional services. There was \$78,761 outstanding as at 30 June 2017.

During the year transactions of \$6,672 were made with Jackori Consulting, a related entity which Mr Jackob Tsaban is a director, for provision of professional services in capacity as Chief Financial Officer. These services were provided on normal commercial terms and conditions and at market rates. There was Nil balance outstanding as at 30 June 2017.

There were no other related party transactions during the year.

END OF REMUNERATION REPORT (AUDITED)

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not regulated by any significant environmental regulation under the Law of the Commonwealth or of a State or Territory of Australia. However, the group's operations in Indonesia are subject to environmental regulations under Indonesian laws. The group has a policy of complying with its environmental performance obligations and at the date of this report, it is not aware of any breach of such regulations.

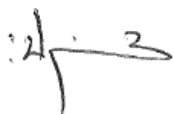
NON-AUDIT SERVICES

During the year, Grant Thornton Audit Pty Ltd, the Company's auditor, has not provided any non-audit services to the Company.

A copy of the lead auditors' independence declaration for the year ended 30 June 2017 has been received and can be found on page 23 of the Annual Report.

Grant Thornton Audit Pty Ltd continues in office in accordance with Section 327 of the *Corporations Act 2001*.

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



Jakob Tsaban

Director

25 August 2017

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SOUTH EAST ASIA RESOURCES LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of South East Asia Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Michael Hillgrove
Partner - Audit & Assurance

Perth, 25 August 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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Independent Auditor's Report to the Members of South East Asia Resources Limited

Report on the audit of the financial report

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as at 30 June 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

We do not express an opinion on the accompanying consolidated financial statements of South East Asia Resources Limited and its subsidiaries (the Group). Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

As noted in Note 1(r) to the financial statements, the directors state that the consolidated entity's financial statements have been prepared on a going concern basis. In assessing the going concern basis of preparation, the consolidated entity has made a number of assumptions including the assumption that the consolidated entity is able to raise capital of \$1,000,000 by the 15th of September 2017 to settle its obligations under the Deed of Company Arrangement. As at the date of this signed report, we have been unable to obtain sufficient and appropriate audit evidence that the consolidated entity will raise capital of \$1,000,000 by the 15th of September in order for us to form an opinion on the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

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Our Ref: 170825 South East Asia Resources Independent Auditors Report.Docx

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the 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 responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 25 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of South East Asia Resources Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton Audit Pty Ltd

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner - Audit & Assurance

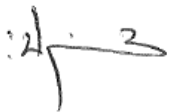
Perth, 25 August 2017

Directors' Declaration

In accordance with a resolution of the directors of South East Asia Resources Limited, I declare that:

1. In the opinion of the Directors:
 - a. the financial statements and notes set out on pages 28 to 59 and the remuneration disclosures that are contained in pages 20 to 23 in the Remuneration Report contained 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 2017 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards and Corporation Regulations 2001; and
 - iii. complying with International Financial Reporting Standards as disclosed in Note 1
 - b. as indicated in Note 1(r), subject to the successful recapitalisation of the Company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
 - c. the remuneration disclosures that are contained in pages 20 to 23 of the Remuneration Report in the Directors Report comply with Accounting Standard AASB 124 Related Party Disclosures
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 period ending 30 June 2017.

On behalf of the Board



Jakob Tsaban

Director

25 August 2017

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2017

	Note	Consolidated Entity	
		2017 \$	2016 \$
Other Income	4	63,054	-
Listing fees		(82,176)	(32,106)
Personnel, suppliers and consulting expenses	5	(247,412)	-
Professional services fees		-	-
Finance costs		-	-
Other expenses		(112)	-
Loss before income tax expense		(266,646)	(32,106)
Income tax expense	6	-	-
Loss for the year		(266,646)	(32,106)
Loss attributable to:			
Non-controlling Interest		-	-
Members of the parent entity		(266,646)	(32,106)
		(266,646)	(32,106)
Other comprehensive income:			
Items which may be subsequently be reclassified to profit or loss		-	-
Total other comprehensive income for the year		-	-
Total Comprehensive loss for the year		(266,646)	(32,106)
Total Comprehensive loss attributable to:			
Non-controlling Interest		-	-
Members of the parent entity		(266,646)	(32,106)
		(266,646)	(32,106)
Earnings per share for loss attributable to the ordinary equity holders of the Company:			
		Cents	Cents
Basic earnings per share earnings/(loss)	9	(0.06)	(0.01)
Diluted earnings per share earnings/(loss)	9	(0.06)	(0.01)

The accompanying notes form part of these financial statements.

Statement of Financial Position
As at 30 June 2017

	Note	Consolidated entity	
		2017 \$	2016 \$
Current Assets			
Cash & cash equivalents	10	30,674	-
Trade & other receivables	11	8,293	3,210
Prepayments			-
Total Current Assets		38,967	3,210
Non-Current Assets			
Total Non-Current Assets		-	-
Total Assets		38,967	3,210
Current Liabilities			
Trade & other payables	14	305,826	358,423
Borrowings	15	777,500	777,500
Amounts to be converted as part of debt conversion agreement	16	1,132,450	8,154,254
Total Current Liabilities		2,215,776	9,290,177
Total Liabilities		2,215,776	9,290,177
Net Assets/ (liabilities)		(2,176,809)	(9,286,967)
Equity			
Issued capital	17	31,210,629	23,833,825
Reserves		-	-
Accumulated losses	18	(33,387,438)	(33,120,792)
Total Equity		(2,176,809)	(9,286,967)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2017

CONSOLIDATED ENTITY	Note	Issued Capital \$	Foreign Currency Translation \$	Option Reserve \$	Non-controlling Interest \$	Acquisition Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2015		23,833,825	-	-	-	-	(33,088,686)	(9,254,861)
Loss attributable to members of parent entity	18	-	-	-	-	-	(32,106)	(32,106)
Other comprehensive loss		-	-	-	-	-	-	-
Sub-total		23,833,825	-	-	-	-	(33,120,792)	(9,286,967)
Conversion of convertible loans		-	-	-	-	-	-	-
Contributions of equity, net of transaction costs		-	-	-	-	-	-	-
Balance at 30 June 2016		23,833,825	-	-	-	-	(33,120,792)	(9,286,967)
Balance at 1 July 2016		23,833,825	-	-	-	-	(33,120,792)	(9,286,967)
Loss attributable to members of parent entity	18	-	-	-	-	-	(266,646)	(266,646)
Other comprehensive loss		-	-	-	-	-	-	-
Sub-total		23,833,825	-	-	-	-	(33,387,438)	(9,553,613)
Conversion of convertible loans and debt		7,021,804	-	-	-	-	-	7,021,804
Contributions of equity, net of transaction costs		355,000	-	-	-	-	-	355,000
Balance at 30 June 2017		31,210,629	-	-	-	-	(33,387,438)	(2,176,809)

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2017

	Note	Consolidated entity	
		2017 \$	2016 \$
Cash Flows from Operating Activities			
Receipts from customers		63,054	-
Payments to suppliers and employees		(387,381)	(27,500)
Net cash (used in) operating activities	21	(324,326)	(27,500)
Cash Flows from Investing Activities			
Net cash (used in) investing activities		-	-
Cash Flows from Financing Activities			
Proceeds from borrowings		355,000	27,500
Net cash provided by financing activities		355,000	27,500
Net increase in cash and cash equivalents		30,674	-
Cash and cash equivalents at the beginning of the financial year		-	-
Cash and cash equivalents at the end of the financial year	10	30,674	-

The accompanying notes form part of these financial statements.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2017

1. Statement of Significant Accounting Policies

The financial report covers the consolidated entity of South East Asia Resources Limited (the “Company”) and controlled entities (the “Group”). South East Asia Resources Limited is a listed public company, incorporated and domiciled in Australia. The company is a for-profit entity for the purpose of preparing financial statements. The financial report was authorised for issue by a resolution of the Board of Directors on 25 August 2017.

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The reporting currency is Australian Dollars.

Adoption of New Accounting Standards and Interpretations

During the current year, the Group was not required to adopt any new or revised Australian Accounting Standards and Interpretations that had an impact on the balances and transactions presented in any periods reported within this financial report.

Accounting Standards and Interpretations Not Yet Effective

There are no upcoming Australian Accounting Standards and Interpretations that could be seen to affect the balances and transactions within this financial report and to be presented in future periods.

a. Principles of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2017. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

b. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

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

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

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

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

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

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

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

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

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Plant & Equipment

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labor, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Office Furniture	6% - 40%
Office Equipment	12.5% - 40%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

d. Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. Financial Instruments

Recognition and Initial Measurement

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

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised as profit or loss.

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

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

ii. Loans and receivables

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

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. Available-for-sale (AFS) financial assets

AFS financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS

reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'finance income'.

v. Impairment

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

vi. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

f. Derivative financial instruments

Derivative financial instruments are accounted for at FVTPL.

All derivative financial instruments are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

If a forecast transaction is no longer expected to occur any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss.

g. Impairment of Non-Financial Assets

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

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

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. Intangibles

Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- i. *the rights to tenure of the area of interest are current; and*
- ii. *at least one of the following conditions is also met:*
 - a. *the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or*

- b. *exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.*

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

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

i. Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

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

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

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

Group companies

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

Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

Income and expenses are translated at average exchange rates for the period;

Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

j. Employee Entitlements

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

k. Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of one month or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

l. Revenue

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

All revenue is stated net of the amount of goods and services tax (GST).

m. Borrowing Costs

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

All other borrowing costs are expensed in the period in which they are incurred.

n. Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

o. Contributed Equity

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

p. Earnings Per Share

- Basic earnings per share: Basic earnings per share is determined by dividing the net loss attributable to equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year.

- Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

q. Goods and Services Tax (GST)

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

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

r. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of the normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2017, the Group incurred an operating loss of \$161,416 (2016: \$32,106 loss) and an operating cash outflow of \$324,326 (2016: \$27,500). As at 30 June 2017, the Group had a net current and overall net asset deficiency of \$2,071,578.

At the meeting of creditors held on 20 March 2015 pursuant to Section 439A of the Corporations Act 2001, creditors resolved for the Company to execute a Deed of Company Arrangement (DOCA). The DOCA was executed on 16 April 2015. For further details please refer to Note 22 - Post reporting date events.

The Directors have reviewed the circumstances of the Company and believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as going concern, after consideration of the following factors:

- On 8 December 2016 the shareholders approved conversion of liabilities and loans of the Consolidated Entity totaling \$8,854,253 for 177,085,060 fully paid ordinary shares. Of this approved conversion 16,116,121 shares were issued on 12 December 2016 and 122,119,938 shares were issued on 7 March 2017.
- The remaining balance of the interest bearing liabilities of \$500,000 was converted on 15 August 2017 and amounts to be converted of \$1,132,450 will be converted by 15 September 2017.
- As at 31 July 2017, the Company liabilities is of \$305,000 (including \$210,000 DOCA liability), compare to \$10,330,979 as at 30 June 2014.
- As described in Note 21 'Events Subsequent to Reporting Date':
 - The Company has made payments of \$390,000 under the DOCA and the creditors approved variation of the DOCA on 8 June 2017. The Company is expecting to raise \$1,000,000 through a share placement to pay the balance of the DOCA commitment and the remaining borrowing amount of \$277,500;
 - Subject the above, the Company will effectuate its DOCA and the Company will cease to be in administration.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

- In addition, given the Consolidated Entity's history of successful raising of capital, the Directors are confident of the Company's ability to raise additional funds as and when they are required but will not require these funds to continue as a going concern. This is because the Company's expenditures can be curtailed and are discretionary based on whether these additional capital raises are successful.

Notwithstanding this, there is significant uncertainty whether the Company and the Group will be able to continue as going concerns.

The ability for the Group to continue as a going concern is dependent upon, the group meeting the terms and requirements of the Deed of Company Administration (as amended), the significant requirements are as follows:

- Complete and lodge audited accounts for 30 June 2017 by 30 September 2017;
- Convene a meeting of shareholders to seek shareholder approval for the acquisition of exploration licences in Serbia.
- The remaining claims by shareholders, convertible note holders and or loan holders convert their claims to shares in the company, once the above general meeting approval is obtained to issue the additional shares in accordance with ASX listing requirements.
- Raise, by 15 September 2017, \$1,000,000 in additional equity. From these proceeds, an amount of \$390,000 will be paid to the Creditors Trust on or before the 15 September 2017. The remaining funds from the equity raising will be used to fund the working capital requirements of the group.

Should the Company and the Group be unable to continue as going concerns, they may be required to realise their assets and extinguish liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company and the Group be unable to continue as a going concern.

s. Comparative Figures

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

t. Critical Accounting Estimates and Judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical knowledge and experience, best available information and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The critical accounting estimates and judgements applicable to this financial report are as follows:

Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recovered or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at nil value.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Consolidated Entity's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities and assets are recognised at the amount expected to be paid to or recovered from the taxation authorities.

u. Equity-settled compensation

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

2. Financial Risk Management Policies

The group's principal financial instruments comprise mainly of deposits with banks, receivables, payables and available for sale investments.

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

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

a. Treasury Risk Management

Due to the size of the group, responsibility for identification and control of financial risks rests with the Board of Directors. This includes the use of hedging derivative instruments, credit risk policies and future cash flow requirements. The level of activity during the financial year did not warrant using derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures.

b. Financial Risk Exposures and Management

The group's activities expose it to financial risks, market risk (including currency risk, fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The level of activity during the financial year did not warrant using derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Where relevant and appropriate, the Company will avail itself of appropriate hedging instruments in future financial years.

c. Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

As a result of significant operations in Indonesia a large purchase of services in United States Dollars (a number of Indonesian contractors use United States Dollars), the Group's statement of financial position can be affected significantly by movements in the US\$/A\$ exchange rates. The Group also has transaction currency exposure. Such exposure arises from purchases by an operating entity in currencies other than the functional currency.

At 30 June 2017, the Group had the following exposure to US\$ foreign currency:

	Consolidated entity	
	2017	2016
	\$	\$
Financial Assets		
Cash and cash equivalents	30,674	-
Financial Liabilities		
Trade and other payables	(305,826)	(358,423)
Net exposure	<u>(275,152)</u>	<u>(358,423)</u>

The Parent has a loan with a controlled entity denominated in US currency. This loan is not expected to be repaid in the foreseeable future and as such effectively forms part of the parent entity investment in that controlled entity.

The following sensitivity is based on the foreign currency risk exposures in existence at the reporting date:

At 30 June 2017, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2017 \$	2016 \$	2017 \$	2016 \$
Consolidated				
AUD/USD +10%	-	-	-	-
AUD/USD - 5%	-	-	-	-

Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments. The movements are reasonable with reference to the historical exchange rate fluctuations.

d. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group did not have any material credit risk exposure to any single debtor or group of debtors at balance date.

e. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to fund the group's activities. The directors regularly monitor the Company's cash position and on an on-going basis consider a number of strategic initiatives to ensure that adequate funding continues to be available.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities. The undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2017.

Maturity analysis of financial assets and liability based on management's expectation

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of the day to day operations of the group. These assets are considered in the group's overall liquidity risk.

Year ended 30 June 2017	≤ 6 months \$	6-12 months \$	1-5 years \$	> 5 years \$	Total \$
Consolidated financial assets					
Cash and cash equivalents	30,674	-	-	-	30,674
Loans and receivables	8,293	-	-	-	8,293
Available for sale financial assets	-	-	-	-	-
	38,967	-	-	-	38,967
Consolidated financial liabilities at amortised cost					
Trade and other payables	305,826	-	-	-	305,826
Borrowings	777,500	-	-	-	777,500
	1,083,326	-	-	-	1,083,326

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

Year ended 30 June 2016	≤ 6 months \$	6-12 months \$	1-5 years \$	> 5 years \$	Total \$
Consolidated financial assets					
Cash and cash equivalents	-	-	-	-	
Loans and receivables	-	-	-	-	
Available for sale financial assets	-	-	-	-	
	-	-	-	-	

Year ended 30 June 2016	≤ 6 months \$	6-12 months \$	1-5 years \$	> 5 years \$	Total \$
Consolidated financial liabilities at FVTPL					
Derivative financial instruments	-	-	-	-	-
	-	-	-	-	-
Consolidated financial liabilities at amortised cost					
Trade and other payables	358,423	-	-	-	358,423
Borrowings	777,500	-	-	-	777,500
	1,135,923	-	-	-	1,135,923

Cash Flow and Fair Value Interest Rate Risk

Due to the Company's insignificant holding of cash and cash equivalents, the group's income and operating cash flows are not materially exposed to changes in market interest rates.

At balance date, the group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	Consolidated entity	
	2017 \$	2016 \$
Financial Assets		
Cash and cash equivalents	30,674	-
Net exposure	(275,152)	(358,423)

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

At 30 June 2017, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2017 \$	2016 \$	2017 \$	2016 \$
Consolidated				
AUD/USD + 1% (100 basis points)	-	-	-	-
AUD/USD - .5% (50 basis points)	-	-	-	-

The movements in profit are due to higher/lower interest costs from variable rate cash balances. The movements are reasonable with reference to the historical interest rate fluctuations.

f. Price Risk

The Group's exposure to commodity and equity securities price risk is minimal at present.

Equity securities price risk arises from investments in equity securities. The Company has one investment in a listed equity which is publicly traded.

The price risk for both listed and unlisted securities is immaterial in terms of a possible impact on profit and loss or total equity and as such a sensitivity analysis has not been completed.

g. Net Fair Values

The net fair values of:

- Term receivables, government and fixed interest securities and bonds are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value
- Listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment
- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value
- Other assets and other liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Financial assets where the carrying amount exceeds net fair values have not been written down as the consolidated group intends to hold these assets to maturity.

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

Assets and liabilities where the carrying amount is a reasonable approximation of fair value, for example, for financial instruments such as short-term trade receivables and payables, have not been adjusted to fair value.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

	2017		2016	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Financial Assets				
Cash and cash equivalents	30,674	30,674	-	-
Trade and other receivables	8,293	8,293	-	-
Available-for-sale financial assets – listed investments	-	-	-	-
	<u>38,967</u>	<u>8,293</u>	<u>-</u>	<u>-</u>
Financial Liabilities at Amortised Cost				
Other payables and amounts due	305,826	305,826	358,423	358,423
Borrowings	777,500	777,500	777,500	777,500
	<u>1,083,326</u>	<u>1,083,326</u>	<u>1,135,923</u>	<u>1,135,923</u>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2017				
Financial Assets				
Available-for-sale financial assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2016				
Available-for-sale financial assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available have been adopted to determine the fair values of these investments.

Derivative instruments are included in Level 2 of the hierarchy with the fair values being determined using valuation techniques incorporating observable market data relevant to the hedged position.

3. Segment Information

The reportable segments have been re-designated during the prior year and it was identified that the Consolidated Entity has no material operating segment. The Consolidated Entity's operations during the period included corporate and administrative tasks to resolve debts and act under the Deed of Company Arrangement as mentioned throughout this financial report.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

4. Other Income

	Consolidated entity	
	2017 \$	2016 \$
Other received	63,054	-
Sundry Income	-	-
Total other income	63,054	-

Sundry income relates to debts forgiven during the year as a result of execution of Deed of Company Arrangement with its creditors.

5. Personnel, Suppliers and Consulting Expenses

	Consolidated entity	
	2017 \$	2016 \$
Consultancy fees	247,412	-
Directors' fees	-	-
Total personnel, suppliers and consulting expenses	247,412	-

6. Income Tax Expense

Reconciliation of income tax expense to prima facie tax payable

	Consolidated entity	
	2017 \$	2016 \$
Profit/(loss) from ordinary activities before income tax expense	(266,646)	(32,106)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2016: 30%)	(79,994)	(9,632)
Tax effect of amounts which are taxable (deductible) in calculating taxable income:		
- deferred tax assets not recognised	3,367,812	3,367,812
Income tax expense	-	-
Unused tax losses for which no deferred tax asset has been recognised	14,303,370	14,303,370
Potential Tax Benefit at 30%	4,291,011	4,291,011

Income tax benefit due to timing differences not brought to account. Deferred tax liability is reduced to nil by benefits attributable to tax losses not brought to account.

The potential tax benefit will only be obtained if:

- i. The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- ii. The consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation^(a); and
- iii. No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

- (a) The Consolidated Entity's ability to realise and recognise the deferred tax asset in future periods is dependent on the Entity satisfying the "Continuity of Ownership" or "Same Business" tests. Given the significant changes in share structure, impending re-capitalisation and anticipated change in business direction (as referred to in Note 25), the Consolidated Entity may not be able to retain its carried forward losses.

7. Key Management Personnel Disclosures

	Consolidated entity	
	2017	2016
Aggregate Compensation	\$	\$
Short term employee benefits	-	-
Post-Employment Benefits	-	-
	-	-

8. Auditor's Remuneration

	Consolidated entity	
	2017	2016
Remuneration of Grant Thornton Audit Pty Ltd of the parent entity for:	\$	\$
- Auditing or reviewing of financial reports	63,000	-

9. Earnings per Share

	Consolidated entity	
	2017	2016
	\$	\$
Loss attributable to ordinary equity holders	(266,646)	(32,106)
Earnings used to calculate basic and diluted EPS	(266,646)	(32,106)
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	456,302,907	312,520,518
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	456,302,907	312,520,518

Anti-dilutive options and performance shares have not been used in the EPS calculation. As at 30 June 2017 there were 120,000,000 performance shares.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

10. Cash and Cash Equivalents

	Consolidated entity	
	2017	2016
	\$	\$
Cash at bank and on hand	30,674	-

Cash at bank is comprised of “at-call” funds attracting a floating rate of interest of between 0.01% and 2.1%.

Reconciliation of Cash

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

Cash and at bank and in hand	30,674	-
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11. Current Trade and other Receivables

	Consolidated entity	
	2017	2016
	\$	\$
Other receivables	8,293	3,210
Total	8,293	3,210

There are no balances within trade and other receivables that are impaired and are past due. It is expected these balances will be received when due.

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter party. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

12. Property Plant & Equipment

	Consolidated entity	
	2017	2016
	\$	\$
Office Equipment at cost	14,237	14,237
Less accumulated depreciation	(14,237)	(14,237)
	-	-
Computing equipment and software	7,971	7,971
Less accumulated depreciation	(7,971)	(7,971)
	-	-
	-	-

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

13. Controlled Entities

The Consolidated Entity incorporates the assets, liabilities and results of the following companies:

	Country of Incorporation	Principal Activity	Percentage Interest	
			2017%	2016%
South East Asia Resources Limited (Parent Entity)	Australia	Mining exploration		
South East Asia Energy Resources Pte Limited	Singapore	Dormant	100	100
South East Asia Energy Resources (Australia) Pty Ltd	Australia	Dormant	100	100
South East Asia Energy Resources (Tasmania) Pty Ltd	Australia	Dormant	100	100
Victory West Moly (Singapore) Pte Ltd	Singapore	Dormant	-	-
Victory West Pty Ltd ¹	Australia	Dormant	-	100
PT Sulawesi Molybdenum Management ¹	Indonesian	Dormant	-	95
PT Inti Cemerlang ¹	Indonesian	Dormant	-	95
PT Era Moreco ¹	Indonesian	Dormant	-	95
PT Indo Surya Moreco ¹	Indonesian	Dormant	-	95
PT Sembilan Sumber Mas ¹	Indonesian	Dormant	-	95
PT Satria Mas ¹	Indonesian	Dormant	-	95
PT Promistis ¹	Indonesian	Dormant	-	95

¹All the Company's rights, interest and title to the Indonesian companies were held through its subsidiary Victory West Pty Ltd (Victory West) which had a 95% interest in the operations and assets of the Moly Subsidiaries and the power to govern the financial and operating policies of these companies.

On 10 March 2017, Victory West was deregistered. As a result, the Company lost all right, title or interest to the Moly Project.

14. Trade and Other Payables

	Consolidated Entity	
	2017 \$	2016 \$
Unsecured liabilities		
Trade payables	305,826	358,423
	305,826	358,423

All payables are unsecured, interest free and for an open period.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

Borrowings

	Consolidated Entity	
	2017 \$	2016 \$
Current borrowings		
Convertible loans – unsecured (a)	500,000	500,000
Short-term borrowings (b)	277,500	277,500
	777,500	777,500

(a) The convertible loans represent the remaining not converted balance raised during 2013 financial year. It does not have a maturity date and expected to be converted into ordinary shares. In case the above loan will not be converted its debt to equity it will be allocated to the Creditors' Trust Fund. The amount will be written off in the Company's account, with partial payment to occur from the Creditors' Trust.

(b) The other short-term borrowings are as follows.

- The other unsecured loan of \$277,500 bears no interest and has no set maturity date. The lender has agreed not to seek repayment of the loan unless the company is in a position to make payment for the debt.

15. Amounts to be converted

Following the execution of the Deed of Company arrangement on 16 April 2015, it was agreed that the following amount of liabilities and loans owed by the company and or its controlled subsidiaries, will be converted to regular shares. This was approved during shareholders meeting held on 8 December 2016.

	2017 \$	2016 \$
Amounts owed to suppliers	-	86,282
Amounts owed to related parties	-	1,335,541
Convertible notes secured	-	2,865,474
Convertible notes unsecured	-	1,110,000
Convertible bonds unsecured	-	110,000
Short term loans (i)	1,132,450	2,646,957
Balance at the end of reporting period	1,132,450	8,154,254

In case the balance as at 30 June 2017 will not be converted its debt to equity it will be allocated to the Creditors' Trust Fund. The amount will be written off in the Company's account, with partial payment to occur from the Creditors' Trust.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

16. Contributed equity

		Consolidated entity	
		2017	2016
		\$	\$
807,956,577 (2016: 312,520,518) fully paid ordinary shares	(a)	31,210,629	23,833,825
120,000,000 (2015: 120,000,000) performance shares	(b)	-	-
		31,210,629	23,833,825

a) Ordinary Shares

		Consolidated entity	
		2016	2015
		\$	\$
At the beginning of the reporting period		23,383,825	23,383,825
Share Placement (i)		305,000	-
Share Placement (i)		50,000	-
Conversion of debt to equity (ii)		7,021,804	-
At reporting date		31,210,629	23,383,825

		No. Shares	No. Shares
At the beginning of reporting period		312,520,518	312,520,518
Share Placement (i)		305,000,000	-
Share Placement (i)		50,000,000	-
Conversion of debt to equity (ii)		140,436,059	-
At the end of reporting period		807,956,577	312,520,518

b) Performance Shares

		2016	2015
		\$	\$
At the beginning of the reporting period		-	-
Changes during the year		-	-
At the end of reporting period		-	-

		No. Shares	No. Shares
At the beginning of reporting period		120,000,000	120,000,000
Changes during the year		-	-
At the end of reporting period		120,000,000	120,000,000

i. On 7 March 2017 and 26 June 2017, the Company completed the placement of 305,000,000 and 50,000,000 ordinary shares at a value of \$0.001 per share to raise \$355,000.

ii. During the year, the Company issued 140,436,059 ordinary shares at a deemed value of \$0.05 per share, in consideration for the conversion of convertible loans and other debts, as part of the Deed of Company

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

arrangement.

Ordinary shares have no par value and participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Performance shares do not entitle the holder to any dividends and shall participate in the proceeds of surplus profits or assets on winding up of the parent entity only to the extent of \$0.0001 per performance share. Performance shares do not entitle the holder to vote on any resolutions proposed at a general meeting of shareholders.

c) Capital management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Consolidated entity	
	2017 \$	2016 \$
Total borrowings	777,500	777,500
Less cash and cash equivalents	-	-
Net debt	777,500	777,500
Total equity	31,210,629	23,833,825
Total capital	31,988,129	24,611,325

The Company's Management is the process of securing finance and equity for the company's working capital requirements. For additional information on financing arrangements subsequent to year end refer to note 22.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

17. Accumulated Losses

	Consolidated Entity	
	2017	2016
	\$	\$
Accumulated losses at the beginning of the financial year.	33,120,792	33,088,686
Loss attributable to members of the parent entity	266,646	32,106
Accumulated losses at the end of the financial year	<u>33,387,438</u>	<u>33,120,792</u>

18. Related Party Transactions

Directors and key management personnel

Disclosures relating to directors and key management personnel are set out in Directors' Report and in note 8.

Related Party Transactions

During the year transactions of \$135,510 were made Indian Ocean Advisory Group Pty Ltd, an entity which Mr. Luke Martino is a director of, for provision of professional services. There was \$78,761 outstanding as at 30 June 2017.

During the year transactions of \$6,672 were made with Jackori Consulting, a related entity which Mr Jakob Tshan is a director, for provision of professional services in capacity as Chief Financial Officer. These services were provided on normal commercial terms and conditions and at market rates. There was Nil balance outstanding as at 30 June 2017.

There were no other related party transactions during the year.

19. Contingent Liabilities

The Group's subsidiary, South East Asia Energy Resources Pte Limited, had amounts owing to creditors of \$685,764 as at 30 June 2014. These amounts were subsequently written off by the Group as at 30 June 2015 period. The Group has had no correspondence from creditors since 30 September 2014 and the subsidiary's operations have ceased and were closed as last communicated by the company secretary of the subsidiary on 23 February 2015. The Singapore subsidiary has previously been funded solely by the Parent, with its ability to operate reliant on the Parent's support. When the Parent went into administration and considering the Deed of Company Arrangement referred to within this financial report, was concluded that the Singapore subsidiary could no longer viably operate. The creditors of the Singapore subsidiary have not made any communication with the Parent with a claim on amounts owed by the Singapore subsidiary and it has been concluded that these creditors are no longer active.

The Directors have determined that the amount of \$685,764 is considered a contingent liability given that there is no present obligation to settle these amounts, however there is a possibility these amounts may arise in future periods at which point a present and measurable obligations would deemed to have occurred and would be recorded as a provision accordingly.

Apart from the above mentioned items, as at 30 June 2017 the Group has no other contingent liabilities nor does it have any contingent assets.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

20. Cash Flow Information

Reconciliation of Loss after Income Tax to Net Cash Outflow from Operating Activities

	Consolidated entity	
	2017 \$	2016 \$
Loss after income tax	(266,646)	(32,106)
<i>Adjustment for non-cash items</i>		
<i>Changes in operating assets and liabilities (Increase)/decrease in:</i>		
Trade and other receivables	(110,314)	(3,211)
<i>Increase/(decrease) in:</i>		
Trade payables and accruals	(52,597)	7,817
Net cash outflow from operating activities	<u>(324,326)</u>	<u>(27,500)</u>

21. Post reporting date events

The DOCA variation was executed on 15 August 2017.

On 22 August 2017, 100,000,000 shares were issued at \$0.001 per share for a placement of \$100,000 for to raise working capital.

On 22 August 2017, 10,000,000 shares were issued at \$0.05 per share for the conversion of liabilities totaling \$500,000.

Apart from the to the date of this report, there have been no key events.

Notes to and Forming Part of the Accounts (continued)

For the Year Ended 30 June 2017

22. Parent Entity Disclosures

Parent Entity	2017 \$	2016 \$
Assets		
Current assets	38,967	3,210
Non-current assets	-	-
Total Assets	<u>38,967</u>	<u>3,210</u>
Liabilities		
Current liabilities	2,215,777	9,290,177
Non-current liabilities	-	-
Total Liabilities	<u>2,215,777</u>	<u>9,290,177</u>
Net Assets/(Liabilities)	<u>(2,176,810)</u>	<u>(9,286,967)</u>
Equity		
Issued capital	30,760,629	29,383,825
Options Reserve	-	-
--	<u>(38,937,439)</u>	<u>(38,670,792)</u>
Total Equity	<u>(2,176,810)</u>	<u>(9,286,967)</u>
Financial Performance		
Loss for the year	(266,646)	(32,106)
Other comprehensive income	-	-
Total comprehensive Loss	<u>(266,646)</u>	<u>(32,106)</u>

23. Contractual Commitments

As at 30 June 2017 and 30 June 2016 the Parent Company had no contractual commitments.

Additional Information for Listed Companies

Equity Holder Information

a. Distribution of Shareholders (as at 10 August 2017)

Category (size of holding)	No. of shareholders	No. of shares	%
1 - 1,000	541	221,578	0.027
1,001 - 5,000	269	788,366	0.098
5,001 - 10,000	134	1,060,223	0.131
10,001 - 100,000	359	14,346,822	1.776
100,001 - and over	291	791,539,588	97.968
TOTAL	1,594	807,956,577	100.0

The number of shareholders holding less than a marketable parcel of 500,000 shares based upon recent equity issues at \$0.001) is 1,441 and they hold a total of 49,243,318 shares.

b. Twenty Largest Shareholders (as at 10 August 2017)

The names of shareholders that are recorded in the Register of Shareholders (as at 10 August 2017) are as follows:

Name	No. of shares	%
R L WEBB NOMINEES PTY LTD	82,000,000	10.149
DEMPSEY RESOURCES PTY LIMITED	57,309,480	7.093
MISS LAURA JANE STEELE	50,000,000	6.188
MR KENNY KEOGH	50,000,000	6.188
JAKEL SERVICES PTY LTD	50,000,000	6.188
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	35,029,850	4.336
BRYNWILLIAMS PTY LIMITED	30,000,000	3.713
MS NATALA ALBUQUERQUE SILVA	30,000,000	3.713
DOMENAL ENTERPRISES PTY LTD	26,240,705	3.248
CAUDURO MANAGEMENT PTY LTD	20,000,000	2.475
JUNEDAY PTY LTD	11,750,000	1.454
INDIAN OCEAN CORPORATE PTY LTD	10,594,700	1.311
TIMRIKI PTY LTD	10,100,000	1.250
LEWOKE PTY LIMITED	10,000,000	1.238
MR ANDY XIA & MRS JENNY WANG	10,000,000	1.238
ROGUE INVESTMENTS PTY LTD	10,000,000	1.238
RUBY HALL PTY LTD	8,342,801	1.033
MRS NADZLEY BTE NOORDIN & MR AHMAD FUAD DATO ALI	8,250,000	1.021
G & K FAMILY INVESTMENTS PTY	7,306,401	0.904
JUNEDAY PTY LTD	7,000,000	0.866
TOTAL	523,923,937	64.846

Additional Information for Listed Companies (continued)

c. Details of Substantial Shareholders (as at 10 August 2017)

The Company has received the following substantial shareholder notices:

Name	No of Shares	% of Issued Share Capital
R L WEBB NOMINEES PTY LTD	82,000,000	10.149
DEMPSEY RESOURCES PTY LIMITED	57,309,480	7.093
MISS LAURA JANE STEELE	50,000,000	6.188
MR KENNY KEOGH	50,000,000	6.188
JAKEL SERVICES PTY LTD	50,000,000	6.188

d. Distribution of Unlisted Performance Shares (as at 10 August 2017)

Category (size of holding)	No. of option holders	No. of Performance Shares	%
1 - 1,000	0	0	0.0
1,001 - 5,000	0	0	0.0
5,001 - 10,000	0	0	0.0
10,001 - 100,000	0	0	0.0
100,001 - and over	11	120,000,000	100.0
TOTAL	11	120,000,000	100.0

10,000,000 performance shares (Class A) are convertible to ordinary shares upon the completion of a 10,000m drilling program for the Malala Molybdenum Project before 24 February 2015. Each performance share is converted into one ordinary share on achievement of this milestone. If the milestone is not achieved before 24 February 2015, then all of the performance shares will be automatically redeemed for the sum of \$0.000001 per performance share.

110,000,000 performance shares (Class B) are convertible to ordinary shares within 10 business days of the commercial shipment of 100,000 tonnes of coal from any of SEAE current coal projects (Milestone 1) before 24 December 2015. Each performance share is converted into one ordinary share on achievement of this milestone. If the milestone is not achieved before 24 December 2015, then all of Class B Performance Shares will be converted to ordinary shares on a basis of 1 ordinary share for every 1 million Class B performance shares.

e. Voting Rights

Ordinary shares

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

Each shareholder entitled to vote, may vote in person or by proxy, attorney or representative.

On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote.

On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each Fully Paid Share held, or in respect of which he/she has appointed a proxy, attorney

Additional Information for Listed Companies (continued)

or representative, have one vote for the share, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

Options

Options do not carry a right to vote.

Performance Shares

Performance Shares do not carry a right to vote.

f. Share Buy-Backs

There is no current on-market buy-back scheme.

g. Registered Office

The address of the registered office in Australia is:

311 – 313 Hay Street
SUBIACO WA 6008
Ph: +61 8 6489 0600

h. Securities Register

Registers of Securities are held at the following addresses:

Computershare Investor Services
Level 2, 45 St George's Terrace
PERTH WA 6000
Ph: 1300 557 010 (within Australia)
Ph: +61 8 9323 2033

i. Stock Exchange Listing

The Company's securities are quoted on the Australian Stock Exchange Limited (SXI) and the Frankfurt Stock Exchange.