fox resources ltd

ABN 44 079 902 499

FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2015

COMPANY INFORMATION

Directors

Mr G East	Non-Executive Director, appointed Non-Executive Chairman 12 May 2017, resigned as Non-Executive Chairman 10 November 2017
Mr B Garlick	Executive Director, Chief Financial Officer
Ms L Da' Silva	Non-Executive Director, appointed 12 May 2017, resigned 10 November 2017
Mr D Cooper	Appointed Non-Executive Chairman 10 April 2017, resigned 11 May 2017
Mr T Streeter	Non-Executive Chairman – resigned 10 April 2017, reappointed 10 November 2017

Chief Executive Officer
P Dunbar (Resigned 29/09/2014)
B Garlick (Appointed 30/09/2014)

Company Secretary
D Peterson (Resigned 30/09/2014)
B Garlick (Appointed 30/09/2014)

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Bankers
Bank West
300 Murray Street
Perth
Western Australia 6000

Auditors
Grant Thornton Audit Pty Ltd
Central Park
Level 43, 152-158 St Georges Terrace
Perth
Western Australia 6000

Lawyers
Armeli & Maloney
Level 3
1008 Hay St
Perth
Western Australia 6000

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DIRECTORS' REPORT

The Directors of Fox Resources Ltd ("the Company" or "Fox") present their report together with the financial statements of the consolidated entity, being Fox Resources Pty Ltd ("the Company") and its Controlled Entities ('the Group") for the year ended 30 June 2015.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr G East	Non-Executive Director, appointed Non-Executive Chairman 12 May 2017, resigned as Non-Executive Chairman 10 November 2017
Mr B Garlick	Executive Director, Chief Financial Officer
Ms L Da' Silva	Non-Executive Director, appointed 12 May 2017, resigned 10 November 2017
Mr D Cooper	Appointed Non-Executive Chairman 10 April 2017, resigned 11 May 2017
Mr T Streeter	Non-Executive Chairman – resigned 10 April 2017, reappointed 10 November 2017

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the year ended 30 June 2015 was the exploration for base metals, gold, iron ore and coal.

FINANCIAL RESULTS

The loss of the consolidated entity, after providing for income tax amounted to $15,988,927 (2014: loss of $4,299,246).

DIVIDENDS

No dividends were declared for the 2015 financial year (2014: nil).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than disclosed elsewhere in the financial report, there were no significant changes in the state of affairs during the period.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Mining Activities

The Radio Hill underground mine remained under care and maintenance during the half year and up until the date of this report.

Processing Activities

During the 2014 financial year and up until the date of this report, processing activities at Radio Hill remained suspended.

Exploration

During the current financial year the Company has focused the majority of its exploration efforts on its Queensland coking coal project and further exploration on the Mt Oscar and Pilbara Minerals Joint Venture respectively. The Board has chosen to recognise the remaining exploration assets as assets classified as held for sale and these assets have been valued appropriately for that undertaking.

Financial and Corporate

During the current financial year the Group had determined that its Fox Resources Radio Hill assets, at a carrying value of $3,608,731 were expected to be recovered principally through a sales transaction rather than continuing use. As such they have been reclassified to current and classified as an asset held for sale.

The Group has placed all of its exploration and tangible assets for sale. The net deficit position is $4,756,995 continues to be financially supported by the Directors and director-related entities up until the date of this report.

Significant Events after the Balance Date

On the 16 December 2016 Fox Resources Limited signed an agreement with Artemis Resources Ltd to purchase Fox Radio Hill Pty Ltd for $3.5m in cash to be settled on the 31 March 2017. Subsequently Fox Resources Limited signed a revised agreement with Artemis Resources Ltd on the 12 May 2017 to sell Fox Radio Hill Pty Ltd for the issue of 28 million shares in Artemis Resources Ltd and Artemis to assume creditors in the amount of $920,731, to be settled within eight weeks. In addition, Fox Resources Ltd has signed a service contract with Artemis Resources Ltd to provide ongoing services at Fox Radio Hill Pty Ltd.

In May 2017 Fox also entered an agreement with Artemis Resources Ltd, which will provide $1,000,000 in service revenue:

- $400,000 has already been received at the date of signing this report;
- $200,000 payable in July;
- $100,000 per month thereafter from August 2017 until November 2017;

On the 20 December 2016 Fox Resources Limited signed an agreement to sell 50% of the coking coal tenement EPC 1523 to Zimprops Pty Ltd for $0.9m.

Fox then signed a Share Sale Agreement ("SSA") on 28 November 2017 to sell all of the shares in a new subsidiary of Fox, which is to hold the remaining 50% interest in Bundaberg EPC 1523 coking coal tenements after the Zimprops sale, to Bundaberg Coal Pty Ltd. Fox will receive $1,775,000 in cash or 8,875,000 shares at 20 cents per share in a new listed entity (which effectively owns all of EPC 1523, amongst other tenements), or a combination of cash and shares at Fox's election. Fox's share of the consideration payable under the SSA, the entity which will own its interest in EPC 1523, will increase in proportion to the potential increase in the coking coal resource from the current drilling program. Assuming Fox's share increases by 25Mt of coking coal resource then Fox will receive $1,963,500 in cash or 9,817,500 shares at 20 cents per share in the new listed entity, or a combination of cash and shares at Fox's election.

Directors and any associated director-related entities have continued to financially support the company from the reporting date until the date of signing this financial report. This is reflected in the increase in interest bearing liabilities since the previous reporting period on the Statement of Financial Position. Fox's major director-related creditor is Jungle Creek Gold Mines Pty Ltd ("Jungle Creek"), which was owed $6,438,074 as at 31 December 2014. Jungle Creek was placed into administration early 2017, however Fox obtained a Deed of Forbearance ("DOF") from the administrators of Jungle Creek. Under the DOF the administrators have agreed to provide Fox a forbearance period of 12 months until 12 May 2018 in exchange for $1.2 million in Artemis shares from the Artemis sale agreement plus $250,000. This was subsequently settled in 2017 with the administrators of Jungle Creek, Jungle Creek was released from administration and Mr Streeter was re-elected Non-Executive Chairman of Fox Resources Ltd on 10 November 2017.

Likely Developments and Expected Results

The Board continues to seek asset sale and funding opportunities for mining exploration projects.

Information on Directors

Terence EJ Streeter, Chairman – Non-Executive (resigned 10 April 2017, reappointed 10 November 2017)

Experience and expertise
Mr Streeter is a businessman with extensive experience in exploration and mining companies and has held various interests in the nickel sulphide industry for over 30 years.

Special Responsibilities
Chair of the Board.

Other current directorships.
None.
Former directorships in last 3 years
Non-Executive Director of Waratah Resources Ltd until October 2012.
Non-Executive Director of Midas Resources Limited until April 2013.
Chairman and a Non-Executive Director of Western Areas NL until November 2013.

Interests in shares and options
Mr Streeter and related entities held 315,903,225 ordinary shares and 222,619,638 listed options at the date of this report.

Garry East, Non-Executive Director (Appointed Chairman 12 May 2017, resigned at Chairman 10 November 2017)

Experience and expertise
Mr. East is a successful Western Australian based businessman who has taken leadership roles in the agricultural industry and has been an active investor in the resources sector for many years.

Other current directorships
None.

Former directorships in last 3 years
None.

Interests in shares and options
Mr East and related entities held 47,542,266 ordinary shares and 9,442,266 listed options at the date of this report.

David Cooper, Chairman – Non Executive (Appointed 10 April 2017. Resigned 11 May 2017)

Experience and expertise
Mr Cooper is a retired Public Accountant with 45 years' experience, including 25 years as a Practice Manager at T A Mairs and Company. He was an associate member of the AACPA and a Fellow of the Taxation Institute of Australia until retirement in 2009. Mr Cooper was also a founding Non-Executive Director of Western Area Ltd from incorporation in 1999 to his retirement from the Board in 2011.

Other current directorships
None.

Former directorships in last 3 years
None.

Interests in shares and options
Mr Cooper and related entities held 700,000 ordinary shares at the date of this report.

Bruce Garlick, Executive Director, CFO & Company Secretary (Appointed 30 September 2014)

Experience and expertise
Mr Garlick has more than 20 years' experience in the mining and engineering industries, both internationally and locally. He is a member of CPA Australia. He has held senior positions in companies in Australia, South and Western Africa, Europe and the USA including Normandy Mining (now Newmont Mining), Platinum Australia and MI Energy. Mr Garlick has extensive experience with corporate governance, financial regulations and has secured complex funding deals for large projects.

Other current directorships
None.

Former directorships in last 3 years
None.

Interests in shares and options
Mr Garlick and related entities hold no shares or options at the date of this report.

Luciana Da' Silva, Non Executive Director (Appointed 12 May 2017, resigned 10 November 2017)

Experience and expertise
Ms Da' Silva is a founding director of Riverbank Resources Pty Ltd, an exploration company with resources in Titanium – Iron – Vanadium – Phosphate situated in north eastern Brazil. She is responsible for corporate affairs, and new business development.

Other current directorships
None.

Former directorships in last 3 years
None.

Interests in shares and options
Ms Da' Silva and related entities hold 4,000,000 shares or options at the date of this report.

Paul Dunbar, Managing Director. (Resigned 29 September 2014)

Experience and expertise
Mr. Dunbar is an exploration geologist with a BSc (Hons) from Curtin University and an MSc (Mineral exploration and evaluation) from Queens University in Canada. Mr Dunbar has over 17 years' experience in exploration for gold, base metals, nickel and uranium both within Australia and internationally having worked for large mining house Barrick Gold and junior explorers Westgold, Abra Mining and more recently Energy Metals Limited. Mr Dunbar resigned as Managing Director on 29 September 2014.

Other current directorships
None.

Former directorships in last 3 years
Non-Executive Director of Extract Resources Limited (March to November 2012).

Interests in shares and options
Mr Dunbar held 1,500,000 shares and 2,000,000 unlisted options at the date of this report

EXECUTIVES

Paul Dunbar, Managing Director & CEO. (Resigned as Managing Director 29 September 2014)

Bruce Garlick, CEO (Appointed Executive Director, CFO & Company Secretary 30 September 2014)

COMPANY SECRETARY INFORMATION

Bruce Garlick, Company Secretary. (Appointed 30 September 2014)

David Peterson, Company Secretary. (Resigned 30 September 2014)

Mr Peterson has over 25 years' experience as a company secretary in the mining and exploration industry in Western Australia and Queensland. For the 12 years to December 2011, David was company secretary and executive general manager corporate at Kagara Ltd, an ASX listed base metals producer and for 10 years prior to that was company secretary and administration manager at Forrestania Gold NL a gold producer listed on ASX until takeover in 1997. Since January 2012, David has been providing company secretarial, corporate and related consultancy services to listed and publicly unlisted companies.

Directors' Meetings

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2015 and the number of meetings attended by each Director.

Name of Director	Director Meetings Eligible To Attend	Number Attended
T Streeter	10	10
G East	10	10
P Dunbar	2	2
B Garlick	8	8

Unissued shares under option

There are no unissued ordinary shares of the Company under option at the date of this report.

Shares issued during or since the end of the year as a result of exercise

1 share has been issued during or since the end of the year as a result of the exercise of options.

Directors and Officers Insurance

Indemnity agreements have been entered into between the Company and each of the Directors and Officers of the Company. Under the agreements, the Company has agreed to indemnify those officers, to the extent permitted under the *Corporations Act 2001*, against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities as officers of the Company. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the policy as such disclosure is prohibited under the terms of the contract of insurance.

Proceedings on Behalf of Company

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

No proceeds have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001* except as disclosed in the Contingencies note in the financial report.

Environmental Regulation

The Company's operations are subject to various environmental regulations under both Commonwealth and State Government legislation. The Directors are not aware of any breaches of the legislation during the current financial year which are material in nature.

<u>Greenhouse gas and energy data reporting requirements</u>
The Directors have considered compliance with both the Energy Efficiency Opportunity Act 2006 and the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements for the period ended 30 June 2015.

Non-Audit Services

The Company from time to time may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor as set out below did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do no impact on the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of *Ethics for Professional Accountants*.

During the year ended 30 June 2015 and in the previous financial year there were no fees paid or payable for non-audit services provided by the auditor of the consolidated entity.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the lead auditor from Company's auditors, Grant Thornton Audit Pty Ltd, to provide the directors with a written Independence Declaration in relation to their audit of the financial report for the year ended 30 June 2015. This written Auditor's Independence Declaration is set out on page 49.

This report which includes the accompanying Corporate Governance Statement is signed in accordance with a resolution of Directors.

27 February 2018 at Perth, Western Australia.

TERRY STREETER
NON-EXECUTIVE CHAIRMAN

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015

	Notes	Consolidated 2015 $	Consolidated 2014 $
Revenue	3(a)	-	531,549
Other Income	3(b)	-	11,963
Staffing costs		**(293,659)**	(489,226)
Consultancy expenses		**(380,552)**	(540,301)
Rental expenses		**(95,093)**	(115,016)
Insurance expense		**(91,337)**	(120,105)
Legal expenses		**(119,563)**	(82,469)
Travel expenses		**(6,178)**	(36,852)
Accountancy and audit fees		**(102,297)**	(138,080)
Printing, Stationary and postage		**(23,859)**	(76,732)
Repairs and Maintenance		-	2,163
Consumables		-	(3,725)
Bank charges		**(218)**	(15,049)
Share registry and exchange expenses		**(47,346)**	(114,560)
Supplies and services		-	(250,438)
Depreciation expense	9	**(5,200)**	(386,764)
Share based payment	16(a)	-	(114,166)
Impairment on property, plant and equipment	9	-	(463,774)
Impairment loss on exploration and evaluation	11	-	(1,150,211)
Exploration and evaluation write off	11	-	(247,332)
Other expenses		**(44,154)**	(69,024)
Finance costs	3(c)	**(411,647)**	(741,466)
Loss before income tax		**(1,621,103)**	(4,609,615)
Income tax benefit	4	-	310,369
Loss from continuing operations		**(1,621,103)**	(4,299,246)

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015 continued

Loss on discontinued operation, net of tax	3(d)	(14,367,824)	-
Loss		**(15,988,927)**	(4,299,246)
Other Comprehensive Income			
Other Comprehensive Income		-	-
Income tax relating to comprehensive income		-	-
Total Other Comprehensive Income, after tax		-	-
Total Comprehensive (Loss) attributable to members of the parent		**(15,988,927)**	(4,299,246)
Basic and diluted loss per share for the year attributable to the consolidated entity (cents)	5	**(1.89)**	(0.81)
Basic and diluted loss per share for the year attributable continued operations (cents)	5	**(0.19)**	(0.81)

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2015

	Notes	Consolidated 2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	-	138,494
Trade and other receivables	7	**12,312**	215,174
Other financial assets	8	**31,095**	51,808
		43,407	405,476
Assets classified as held for sale	26	**5,608,731**	3,511,101
TOTAL CURRENT ASSETS		**5,652,138**	3,916,577
NON-CURRENT ASSETS			
Property, Plant and equipment	9	-	1,227,676
Exploration and evaluation expenditure	11	-	17,636,662
Other financial assets	8	**78,481**	78,481
TOTAL NON CURRENT ASSETS		**78,481**	18,942,819
TOTAL ASSETS		**5,730,619**	22,859,396
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**2,409,047**	2,869,873
Liabilities directly associated with assets classified as held for resale	26	**920,731**	-
Interest bearing liabilities	13	**1,748,369**	5,028,954
Provisions	14	**20,139**	28,661
TOTAL CURRENT LIABILITIES		**5,098,286**	7,927,488
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	13	**5,389,328**	-
Provisions	14	-	3,784,344
TOTAL NON-CURRENT LIABILITIES		**5,389,328**	3,784,344
TOTAL LIABILITIES		**10,487,614**	11,711,832
NET ASSETS/ (DEFICIT)		**(4,756,995)**	11,147,564
EQUITY			
Issued capital	15(a)	**125,976,992**	125,892,624
Other reserves	16	**150,346**	150,346
Accumulated losses	16	**(130,884,333)**	(114,895,406)
TOTAL EQUITY		**(4,756,995)**	11,147,564

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 30 June 2015

	Note	Consolidated 2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from other revenue		-	507,300
Sundry Income		**119,980**	11,963
R&D Tax Offset		-	310,369
Payments to suppliers and employees		**(993,169)**	(1,745,939)
Interest paid		**(22,121)**	(26,198)
NET CASH (USED IN) OPERATING ACTIVITIES	23(a)	**(895,310)**	(942,505)
CASHFLOWS FROM INVESTING ACTIVITIES			
Interest received		-	24,149
Exploration and Evaluation expenditure		**(1,067,846)**	(1,920,921)
Proceeds from refund of security deposits		-	1,155,046
NET CASH (USED IN) INVESTING ACTIVITIES		**(1,067,846)**	(741,626)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues		**105,445**	910,309
Share issue costs		-	(190,430)
Proceeds from borrowings		**1,858,656**	2,391,000
Borrowing costs		-	(72,961)
Repayment of borrowings and hire purchase		**(139,439)**	(1,345,135)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**1,824,662**	1,692,783
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(138,494)**	8,652
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**138,494**	129,842
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	-	138,494

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the year ended 30 June 2015

CONSOLIDATED	*Issued Capital* $	*Accumulated Losses* $	*Other Reserves* $	*Total Equity* $
At 1 July 2013	119,966,397	(110,596,160)	36,180	9,406,417
Loss for the period	-	(4,299,246)	-	(4,299,246)
Other Comprehensive Income	-	-	-	-
Issue of share capital 15(b)	6,241,657	-	-	6,241,657
Shares issue expenses 15(b)	(315,430)	-	-	(315,430)
Share based payments 16(a)	-	-	114,166	114,166
At 30 June 2014	125,892,624	(114,895,406)	150,346	11,147,564
At 1 July 2014	125,892,624	(114,895,406)	150,346	11,147,564
Loss for the period	-	(15,988,927)	-	(15,988,927)
Other Comprehensive Income	-	-	-	-
Shares issue expenses (note 15(c))	-	-	-	-
Issue of share capital (note 15(b))	84,368	-	-	84,368
At 30 June 2015	125,976,992	(130,884,333)	150,346	(4,756,995)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2015

1 Corporate Information

The financial report of Fox Resources Ltd for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 26 February 2018.

The financial statements cover the Group of Fox Resources Limited and its controlled entities. Fox Resources Ltd is a company limited by shares incorporated in Australia and whose shares were publicly traded on the Australian Securities Exchange, until it delisted on 29 August 2016. Fox Resources Ltd was a for profit entity for the purposes of preparing the financial statements.

The nature of the operations and principal activities of Fox Resources Ltd is the exploration for base metals, coal and the development of a heap leaching operation to produce nickel and copper products.

2 Summary of Significant Accounting Policies

(a) Basis of accounting

The consolidated general purpose financial statements of the Company have 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. 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 and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis, except for cash flow information, and is based on historical costs with the exception of available for sale investments measured at fair value. This financial report has been presented in Australian dollars.

Fox Resources Ltd is the Group's Ultimate Parent Company. Fox Resources Ltd is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is 10 Abbotsford Street, West Leederville, Western Australia.

The consolidated financial statements for the year ended 30 June 2015 were approved and authorised for issue by the Board of Directors on 26 February 2018.

(b) New and revised standards that are effective for these financial statements

A number of new and revised standards and an interpretation became effective for the first time to annual periods beginning on or after 1 July 2014. Information on these new standards is presented below.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015 (continued)

applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets and is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities

The amendments in AASB 2013-5 provide an exception to consolidation to investment entities and require them to measure unconsolidated subsidiaries at fair value through profit or loss in accordance with AASB 9 Financial Instruments (or AASB 139 Financial Instruments: Recognition and Measurement where AASB 9 has not yet been adopted). The amendments also introduce new disclosure requirements for investment entities that have subsidiaries.

These amendments apply to investment entities, whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Examples of entities which might qualify as investment entities would include Australian superannuation entities, listed investment companies, pooled investment trusts and Federal, State and Territory fund management authorities.

AASB 2013-5 is applicable to annual reporting periods beginning on or after 1 January 2014.

This Standard has not had any impact on the Group as it does not meet the definition of an 'investment entity' in order to apply this consolidation exception.

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity); and
- amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2011-2013 Cycle clarify that an entity should assess whether an acquired property is an investment property under AASB 140 Investment Property and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

(c) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2015. 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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015 (continued)

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.

(d) Foreign currency translation

Both the functional and presentational currency of Fox Resources Limited and its Australian subsidiaries is Australian dollars.

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

All exchange differences in the consolidated financial report are taken to profit or loss.

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

(e) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment	over 3 to 5 years
Motor Vehicles	over 3 to 5 years
Furniture and fittings	over 3 to 15 years
Computer equipment	over 2 to 3 years
Building	over 5 to 15 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. Any impairment loss is recognised in profit or loss.

De-recognition and disposal
An item of property, plant and equipment is derecognised on disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(f) Borrowing costs

Borrowing costs are expensed as incurred. Borrowing costs directly associated with qualifying assets are capitalised.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015 (continued)

(g) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that a non-financial asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(h) Investments and other financial assets

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provision to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expenses to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised costs using the effective interest rate method, or costs. Fair value represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;

b. less principal repayments;

c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and

d. less any reduction for impairment.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015 (continued)

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to the expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or 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. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(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.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets).

If during this period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise of investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(vi) *Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015 (continued)

(vii) *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.

(i) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(j) Cash and cash equivalents

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

For the purpose of the consolidated Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Share-based payment transactions

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

There is currently one plan in place to provide these benefits being the Employee Share Option Plan (ESOP), which provides benefits to directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

In valuing equity-settled transactions no account is taken of any performance conditions, other than conditions linked to the price of the shares of Fox Resources Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects

(i) the extent to which the vesting period has expired; and

(ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest.

This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The profit or loss charge or credit for a period recognises the movement in cumulative expense recognised as at the beginning and end of the period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015 (continued)

No expense is recognised for awards that do not ultimately vest, except when vesting is conditional only on market performance conditions.

If the terms of equity settled contract are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity settled award is cancelled, it is treated as if it had vested on the date on cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(m) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. Lease incentives are recognised in the profit or loss as an integral part of the lease.

(n) Revenue

Revenue is recognised to the extent that is it probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest Revenue
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Rental Revenue
Revenue is recognised from the leasing of rooms of the accommodation camp in arrears and when it can be measured reliably.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015 (continued)

(o) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

1. except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

1. except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Rebates received for research and development tax concessions are recognised in the profit or loss, when the related expenditure is recouped as an expense.

(p) Other taxes

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

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015 (continued)

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

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

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

(q) Areas in Exploration and Evaluation

Exploration and evaluation costs related to an area of interest are carried forward only when rights of tenure to the area of interest are current and provided that one of the following conditions is met:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- Exploration and/or evaluation activities in the area of interest have not yet reached a state 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 are continuing.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

Refer to Note 25 for assessment of impairment.

(r) Provisions for Site Restoration

The Group records the present value of the estimated cost of legal and constructive obligations (such as those under the Group's Environmental Policy) to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

Typically the obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

(s) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the reporting period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(t) Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised and as well as through the amortisation process.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015 (continued)

(u) Earnings Per Share ("EPS")

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as the net profit attributable to members, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Contributed equity

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

(w) Interests in Joint Arrangements

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Where the Group's activities are conducted through joint operations, the Group recognises its assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Where the Group's activities are conducted through a joint venture, the Group recognises its interests in the joint venture using the equity method.

Under the equity method, the investment in the joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the joint venture. Where there has been a change recognised directly in other comprehensive income or equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of profit or loss and other comprehensive income or the statement of changes in equity, as appropriate. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The share of the joint venture's net profit / (loss) is shown on the face of profit or loss. This is the profit / (loss) attributable to venturers in the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the venturer. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Details of interests in joint arrangements are shown at Note 18.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015 (continued)

(x) Employee benefits

(i) Wages and salaries, superannuation, sick leave
Liabilities for wages, salaries and superannuation, including non-monetary benefits and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables.

(ii) Annual leave
Liabilities for annual leave are recognised as a current provision.

(iii) Long Service Leave
Liabilities for long service leave are recognised as a current provision.

(iv) Employee benefit on-costs
Employee benefit on costs, including payroll tax, are recognised and included in other payables.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

3 Revenue, Other Income and Finance Costs

	Note	Consolidated 2015 $	Consolidated 2014 $
(a) Revenue			
Finance revenue – bank interest		-	24,249
Accommodation camp rental Income		-	507,300
		-	531,549
(b) Other income		-	11,963
		-	11,963
(c) Finance costs			
Interest on loan from director-related and other entities		**411,647**	715,268
Finance charges payable under hire purchase contracts		-	26,198
		411,647	741,466
(d) Loss on discontinued operations			
Impairment loss on exploration and evaluation	11,26	**9,124,316**	-
Exploration and evaluation write off	11	**4,794,953**	-
Depreciation expense	9	**97,704**	-
Supplies and services		**203,889**	-
Staffing costs		**104,208**	-
Rental expenses		**126,645**	-
Rental income		**(126,154)**	-
Other expenses		**42,263**	-
		14,367,824	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

4 Income Tax

	Consolidated	
	2015	**2014**
	$	**$**
Reconciliation to income tax expense on accounting profit		
Accounting (loss) before income tax	**(15,988,927)**	(4,609,615)
Tax payable at the statutory income tax rate	**(4,796,678)**	(1,382,884)
Expenditure not allowable for income tax purposes:		
Non-deductible expenses	-	35,199
Tax losses not recognised	**4,796,678**	1,347,685
Prior year R&D benefit	-	(310,369)
	-	(310,369)
Net Deferred Tax recognised arising on:		
Deferred tax assets		
Tax losses	**5,812,891**	5,492,537
	5,812,891	5,492,537
Deferred tax liabilities		
Exploration and evaluation assets	**(5,812,891)**	(5,492,537)
	(5,812,891)	(5,492,537)
Net deferred tax	-	-
Deferred Tax Asset not recognised arising on:		
Tax losses	29,915,991	28,458,439
Capital losses	9,030	9,030
	29,925,021	28,467,469

The Income Tax Benefits in 2015 and 2014 represent Research and Development tax credits received from the Australian Taxation Office.

The Group has tax losses arising in Australia of $119,096,276 (2014: $113,169,920) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. These losses are only available if the Group satisfies specific requirements in the tax year in which they were recouped.

Tax consolidation

For the purposes of income taxation, Fox Resources Limited and its 100% owned subsidiaries have formed a tax consolidated group in 2004. Fox Resources Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries. In addition the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

Tax effect accounting by members of the tax consolidated group

Tax expense / income, deferred tax liabilities and deferred tax assets arising from temporary differences are recognised in the separate financial statements of the members of the tax consolidated group using the group allocation method. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax consolidated group).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

Members of the tax consolidated group have entered into a tax funding agreement. Under the terms of the tax funding agreement each member of the tax consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other members of the tax consolidated group.

5 Loss per Share

The following reflects the income and share data used in the calculation of basic and diluted loss per share.

	Consolidated	
	2015	2014
	$	$
Net loss attributable to the consolidated entity used in calculating basic and diluted loss per share:	**(15,988,927)**	(4,299,246)
Net loss attributable to continuing operations used in calculating basic and diluted loss per share:	**(1,621,103)**	-
	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	**847,165,179**	530,632,409

Options on issue are not considered to be dilutive as the impact of including them would be to decrease the loss per share.

6 Cash and cash equivalents

	Consolidated	
	2015	2014
	$	$
Cash at bank	-	138,494
	-	138,494

Cash at bank earns interest at floating rates based on daily bank deposit rates. The weighted average interest rate on the cash accounts was 1 % (2014: 1%).

7 Trade and other receivables

	Consolidated	
	2015	2014
Current	**$**	$
Trade debtors	-	99,729
Other debtors	**12,312**	115,445
	12,312	215,174

Terms and conditions relating to the above financial instruments:

(i) Trade and other debtors are non-interest bearing and generally repayable within 14-30 days. All Trade and Other debtors are within terms and not considered past due or impaired.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

8 Other Assets

	Consolidated	
	2015	2014
	$	$
Current		
Prepayments	**31,095**	12,042
Other financial assets	**-**	39,766
	31,095	51,808

Current other financial assets represent bonds for office premises and credit cards.

Non-Current		
Other financial assets	**78,481**	78,481
	78,481	78,481

9 Property, Plant and Equipment

	Consolidated	
	2015	2014
	$	$
Plant and equipment – at cost	**5,534,812**	5,534,812
Less: accumulated depreciation	**(5,071,039)**	(3,843,363)
Less: accumulated impairment loss	**(463,774)**	(463,774)
Rounding	**1**	1
Net carrying amount	**-**	1,227,676

Movement in property, plant and equipment		
At 1 July, net of accumulated depreciation and impairment	**1,227,676**	1,948,338
Additions	**-**	129,876
Disposals	**-**	-
Depreciation expense	**(102,904)**	(386,764)
Reclassification to assets held for sale (note 26)	**(1,124,772)**	-
Impairment (note 25)	**-**	(463,774)
At 30 June, net of accumulated depreciation and impairment	**-**	1,227,676

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

10 Investment in Controlled Entities

Name of Entity	Percentage Owned		Class of Share	Principal activity
	2015 **%**	2014 %		
Parent				
Fox Resources Limited				
Controlled Entities				
Fox Radio Hill Pty Ltd	**100**	100	Ordinary	Mining & Exploration
Newcity Corporation Pty Ltd	**100**	100	Ordinary	Mining & Exploration
Gascoyne Mines Pty Ltd	**100**	100	Ordinary	Mining & Exploration
Fox Energy Pty Ltd	**100**	100	Ordinary	Mining & Exploration
Waterford Coal Pty Ltd	**100**	100	Ordinary	Mining & Exploration

All companies are incorporated in Australia.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

11 Exploration and Evaluation Expenditure

	Consolidated	
	2015	2014
	$	$
Costs carried forward in respect of:		
Exploration and evaluation phase - at cost		
Balance at beginning of year	**17,636,662**	19,497,144
Acquisitions	**-**	725,000
Expenditure incurred	**1,067,845**	2,323,162
Expenditure written off	**(4,794,953)**	(247,332)
	13,909,554	22,297,974
Movement in provision for rehabilitation (note 14)	**(3,812,381)**	-
Provision for Impairment (note 25)	**(7,413,215)**	(1,150,211)
Reclassification to assets held for sale (note 26)	**(2,683,958)**	(3,511,101)
	-	17,636,662

12 Trade and other payables

	Consolidated	
	2015	2014
	$	$
Current		
Trade creditors	**965,508**	1,813,279
Other creditors	**1,443,539**	1,056,594
Total Trade and other payables	**2,409,047**	2,869,873
Aggregate amounts payable to related parties (included above)		
Other related parties. (Refer to Note 22)	**890,015**	774,691

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

13 Interest Bearing Liabilities

		Consolidated	
		2015	2014
		$	$
Current			
Related party loans	(a)	**1,748,369**	4,859,823
Insurance Premium Funding		-	28,130
Hire Purchase		-	10,822
Other loan		-	130,179
		1,748,369	5,028,954
Non-Current			
Non-Current Related Party Loan	(a)	**5,389,328**	-
		5,389,328	-

(a) Related and Third Party Loans
This relates to loans from Jungle Creek Gold Mines Pty Ltd, Zashvin Pty Ltd, R & D White & G East. Refer to full details at Note 22.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

14 Provisions

	Consolidated	
	2015	2014
Current	**$**	$
Employee entitlements	**20,139**	28,661
Movements in provisions		
At 1 July	**28,661**	170,155
Entitlements incurred / (paid out)	**(8,522)**	(141,494)
	20,139	28,661
Non-Current		
Employee entitlements	-	838
Rehabilitation	-	3,783,506
	-	3,784,344
Movements in provisions		
At 1 July	**3,784,344**	3,783,506
Additional Provision	**28,037**	838
Write Back Provision (note 11)	**(3,812,381)**	-
	-	3,784,344

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

15 Contributed Equity

	Consolidated	
	2015	2014
(a) Issued and paid up capital	**$**	$
Ordinary shares fully paid	**125,976,992**	125,892,624

(b) Movement in shares on issue	**2015**	
	Shares	$
Balance at beginning of year	**841,931,126**	125,892,624
Issue of ordinary shares	**5,873,767**	84,368
Total issued and paid up capital	**847,804,893**	125,976,992

(c) Share options

At the end of the year there were 282,351,520 (2014: 277,227,755) unissued ordinary shares in respect of which listed options were outstanding.

At the end of the year there were 15,935,897 (2014: 15,935,897) unissued ordinary shares in respect of which unlisted options were outstanding.

Listed options to subscribe to ordinary shares

	2015	**2014**
	No.	**No.**
Balance at beginning of year	**277,227,755**	-
Issued	**5,123,765**	277,227,755
Balance at end of year	**282,351,520**	277,227,755

Unlisted options to subscribe to ordinary shares

	2015	**2014**
	No.	**No.**
Balance at beginning of year	**15,935,897**	2,720,000
Issued	-	15,935,897
Forfeited	-	(2,720,000)
Balance at end of year	**15,935,897**	15,935,897

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

(d) Detail of Share option issues

Number of Listed Options	Exercise Price	Expiry Date
277,227,755	0.04	30/06/2016
5,123,765	0.04	30/06/2016
282,351,520		

Number of Unlisted Options	Exercise Price	Expiry Date
4,000,000	0.0261	02/10/2015
769,231	0.0156	01/11/2015
833,333	0.0144	03/12/2015
833,333	0.0144	27/12/2015
4,000,000	0.0600	30/06/2017
833,333	0.0144	31/01/2016
1,666,667	0.0072	27/02/2016
3,000,000	0.0072	31/03/2016
15,935,897		

During the year ended 30 June 2015: nil (2014: 2,720,000) unlisted employee options exercisable at $0.15 each on or before 1 June 2014 expired.

All of the options on issue at 30 June 2015 are exercisable.

(e) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(f) Capital Management Policy

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 share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Groups 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 and share issues. As at 30 June 2015 working capital was $1,605,132 compared to a working capital deficit of $4,010,911 in 2014. This is mainly caused by the reclassification of some short-term interest bearing liabilities to non-current and the reclassification of non-current exploration and property, plant and equipment assets to assets classified as held for sale (current assets).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

16 Other Reserves and Accumulated Losses

	Consolidated	
	2015	2014
	$	$
Employee/Director equity benefit reserve (a)	**150,346**	150,346
Other reserves	**150,346**	150,346
Accumulated losses (b)	**(130,884,333)**	(114,895,406)

(a) Employee/Director equity benefits reserve

Balance at beginning of year	**150,346**	36,180
Share-based payment expense	**-**	114,166
Balance at end of year	**150,346**	150,346

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration under the Company's Employee Share Option Plan. Further information about the share based payments is made in Note 27.

(b) Accumulated losses

	Consolidated	
	2015	2014
	$	$
Balance at beginning of year	**(114,895,406)**	(110,596,160)
Net loss for the period	**(15,988,927)**	(4,299,246)
Balance at end of year	**(130,884,333)**	(114,895,406)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

17 Segment Reporting

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating decision makers) in assessing performance and determining the allocation of resources. The Company is managed on the basis it is a mineral exploration company operating in the geographical region of Australia, mainly in Western Australia with additional tenements held in Queensland. The mineral assets held via outright ownership or joint venture are considered one business. Decisions are made on a prospectivity basis, not a geographical or commodity basis.

18 Interests in Joint Operations

The parent entity has entered into the following unincorporated joint operations:

Joint Operations Project	Percentage Interest	Principal Exploration Activities
Mt Marie Joint Venture	69.15% (2014: 60%) (Artemis Resources NL)	Nickel and Copper Sulphides
Mt Oscar Joint Venture	100% (2014: 100%) (Magnetic South Pty Ltd)	Magnetite, Gold and base metals
Pilbara Minerals Joint Venture	55% (2014: 40%) (Pilbara Minerals NL)	Nickel Sulphides and VMS style copper and zinc systems

The joint operations are not separate legal entities but are contractual arrangements between the participants for sharing costs and output and do not in themselves generate revenue and profit. Exploration expenditure is the only asset of the joint operations.

The Consolidated Entity's interest in exploration expenditure in the above mentioned joint operations is as follows:

	Mt Marie Joint Operations 69.15%	Mt Oscar Joint Operations 100%	Pilbara Minerals Joint Operations 55%
Non-current assets			
Exploration and evaluation assets	112,379	753,433	567,451
Impairment	(66,073)	(134,688)	(163,325)
Carrying amount	**46,306**	**618,745**	**404,126**

The recoverability of the carrying amount of the mineral assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

19 Going Concern

This financial report has been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As 30 June 2015 the Group has reported a loss after tax for the period of $15,988,927, net cash outflows from operations of $895,310 and a net deficit position of $4,756,995.

Directors and any associated director-related entities have continued to financially support the Group from the reporting date until the date of signing this financial report. Fox's major director-related creditor is Jungle Creek Gold Mines Pty Ltd ("Jungle Creek"), which was owed $6,589,328 as at 30 June 2015. Jungle Creek was placed into administration early 2017, however Fox obtained a Deed of Forbearance ("DOF") from the administrators of Jungle Creek. Under the DOF the administrators have agreed to provide Fox a forbearance period of 12 months until 12 May 2018 in exchange for $1.2 million in Artemis shares from the Artemis sale agreement plus $250,000. This was subsequently settled in 2017 with the administrators of Jungle Creek, Jungle Creek was released from administration and Mr Streeter was re-elected Non-Executive Chairman of Fox Resources Ltd on 10 November 2017. Mr Streeter will continue to financially support the Group until the date of signing this financial report.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

As at 30 June 2015 the Group holds $nil cash on hand. The Group is committed to payments to maintain its rights over its exploration assets. As a result the Group has and expects further cash outflows from operating and investing activities in the next financial period. The ability of the Group to be able to continue as a going concern is thus dependent upon the Group being able to secure additional working capital as and when required. The Directors are satisfied that additional working capital has and will be secured as required and that it is appropriate to prepare the financial statements on a going concern basis based on the following:

- Fox has sold Fox Radio Hill Pty Ltd to Artemis Resources Ltd for 28m shares in Artemis Resources Ltd and $920,726 in cash to settle the creditors in Fox Radio Hill Pty Ltd that was settled on 12 May 2017;
- Fox has entered an agreement with Artemis Resources Ltd, which will provide $1,000,000 in service revenue:
  - $400,000 has already been received at the date of signing this report;
  - $200,000 payable in July 2017;
  - $100,000 per month thereafter from August 2017 until November 2017;
- Fox has sold 50% of its Bundaberg coking coal assets to Zimprops Pty Ltd for $1,000,000. This amount has been paid in full. Zimprops can sell their 50% of EPC 1523 back to Fox for $1.5m at the earlier of the following events – the inferred resources increases by 50mt, or by the 22 June 2018. A Joint Venture will be formed if no election is made by Zimprops.
- Fox signed a Share Sale Agreement ("SSA") on 28 November 2017 to sell all of the shares in a new subsidiary of Fox, which is to hold the remaining 50% interest in Bundaberg EPC 1523 coking coal tenements after the Zimprops sale, to Bundaberg Coal Pty Ltd. Fox will receive $1,775,000 in cash or 8,875,000 shares at 20 cents per share in a new listed entity (which effectively owns all of EPC 1523, amongst other tenements), or a combination of cash and shares at Fox's election;
- Fox has sold its remaining camp assets for $200,000. These funds were received 1 January 2017;
- Forecast cash flows through to 28 February 2019 support Fox being able to meet its debts as and when they fall due on the basis on the agreements outlined above; and
- The Group's historical track record of being able to secure additional working capital as and when required.

In the event that the Group is unable to raise additional working capital, if required, there is significant uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern. The financial statements do not include adjustments relating to the recoverability and classification of the recorded assets amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

20 Commitments for Expenditure

(a) Mineral Tenement Commitments

In accordance with the Western Australian Department of Mines and Petroleum, the consolidated entity has obligations to pay tenement rentals and to perform minimum work on mineral tenements held. These obligations vary from time to time in accordance with the tenements held and are expected to be fulfilled in the normal course of operations of the consolidated entity so as to avoid forfeiture of any tenement.

	Consolidated	
	2015	2014
	$	$
Minimum expenditure requirements		
Not later than one year	**3,486,067**	5,218,559
Later than one year but not later than five years	**5,771,189**	6,913,044
Later than five years	**3,145,976**	2,624,597
	12,403,232	14,756,200

Exploration commitments relate to Fox Radio Hill and Bundaberg exploration assets. The Fox Radio Hill and 50% of the Bundaberg exploration assets were sold subsequent to year end and therefore the majority of these mineral tenement commitments will not materialise.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

(b) Hire Purchase Commitments

	2015		2014	
	Minimum lease Payments	PV of lease Payments	Minimum lease Payments	PV of lease Payments
	$	$	$	$
Not later than one year	-	-	11,532	10,823
Later than one year but not later than five years	-	-	-	-
Total minimum lease payments	-	-	11,532	10,823
Less amounts representing finance charges	-	-	(709)	-
Present value of minimum lease payments	-	-	10,823	10,823

Leasing arrangements in 2014 include a hire purchase lease of a hydraulic excavator. The lease which commenced on 1 July 2013, is a 1 year lease at which upon satisfaction of all lease payments, ownership would pass to the company. The final lease payment was on the 8 July 2014.

(c) Operating Leases

	Consolidated	
	2015	2014
	$	$
Not later than one year	-	166,911
Later than one year but not later than five years	-	96,441
	-	263,352

Operating lease commitments include property and photocopiers. All operating leases were cancelled in the 2014 financial year.

21 Remuneration of Auditors

	Consolidated	
	2015	2014
	$	$
The auditor of Fox Resources Limited in 2014 is Grant Thornton Audit Pty Ltd		
Amounts received or due and receivable by Grant Thornton Audit Pty Ltd for:		
- an audit or review of the financial report of the entity and any other entity in the consolidated group	**36,217**	34,950
	36,217	34,950

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

22 Related Party Transactions

Details of Fox Resources Limited's wholly owned subsidiaries are included in Note 10.

Wholly-owned group transactions
Controlled entities made payments and received funds on behalf of Fox Resources Limited and other controlled entities by way of inter-company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand; however, demand for repayment is not expected in the next twelve months.

Transactions with related parties

All transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the year the following transactions were entered into with related parties:

As at 1 July 2014, the Company owed Jungle Creek Gold Mines Pty Ltd, of which TEJ Streeter is a Director of the Company, \$4,586,130. During the 30 June 2015 year, the Company had entered into various agreements with Jungle Creek Gold Mines Pty Ltd, pursuant to which Jungle Creek Gold Mines Pty Ltd loaned an additional total of \$2,003,198. Nil was repaid during the year either by cash or through issue of shares, leaving a total loan balances of \$6,589,328 inclusive of interest (2014: \$4,586,130). The terms of the loans are that interest is accrued at a rate of 8% per annum with the loan (including accrued interest) repayable as per the individual loan agreements. The total interest accrued to Jungle Creek Pty Ltd as at 30 June 2015 is \$377,598 (2014: \$867,495). Under the terms of the agreement, Jungle Creek Gold Mines Pty Ltd may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares. Jungle Creek Gold Mines Pty Ltd also has a security interest registered over the consolidated entity's Queensland coal tenements.

Subsequent to 30 June 2015, the Company had entered into various agreements with Jungle Creek Gold Mines Pty Ltd, to which Jungle Creek loaned a total of \$11,000 (June 2016) and \$27,000 (December 2016). The terms of the loans are that interest is accrued at a rate of 8% per annum. Under the terms of the agreement, Jungle Creek Gold Mines Pty Ltd may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares. Further to this, Jungle Creek Gold Mines Pty Ltd agreed to extend the loans outstanding at year end (\$6,589,328) and to continue to financially support the company until the earlier of the sale of the Queensland Coal tenements or 30 September 2015.

The company has entered into an agreement with Zashvin Pty Ltd in March 2013 to which Zashvin made advances totalling \$360,000 of which \$140,000 was repaid. The terms of the loans are that interest is accrued at a rate of 8% per annum with the loan (including any accrued interest) repayable within one month. The loans remain unpaid at the date of this report. Zashvin Pty Ltd is a major shareholder of Fox Resources Limited. The total balance at 30 June 2015 including interest is \$262,464.

The company entered into an agreement with R & D White & Associates Pty Ltd in July 2012 to which R & D White loaned a total of \$25,000. The term of the loan is that interest is accrued at a rate of 8% per annum with the loan (including any accrued interest) repayable within one month. The loans remain unpaid at the date of this report, with the total balance at 30 June 2015 including interest being \$30,830.

The company entered into an agreement with Garry East in August 2014 to which G East loaned a total of \$150,000. The company entered into various agreements with Mr East, pursuant to which G East loaned an additional total of \$93,146. The term of the loan is that interest is accrued at a rate of 8% per annum with the loan (including any accrued interest) repayable within one month. The loans remain unpaid at the date of this report, with the total balance at 30 June 2015 including interest being \$255,076.

Subsequent to 30 June 2015, the Company had entered into various agreements with Garry East to which Mr East loaned a total of \$261,739 (June 2016) and \$35,000 (December 2016). The terms of the loans are that interest is accrued at a rate of 8% per annum with the loan (including accrued interest) repayable within one year. Under the terms of the agreement, Mr East may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

Key management personnel remuneration

	2015	2014
	$	$
Short-term benefits	**398,306**	700,076
Post-employment benefits	-	75,131
Share based payments	-	11,176
Total remuneration	**398,306**	786,383

23 Cash Flow Information

(a) Reconciliation of net loss after tax to net cash flows from operations

	Consolidated	
	2015	2014
	$	$
Net loss	**(15,988,927)**	(4,299,246)
Non-Cash and investment Items		
Depreciation	**102,904**	386,764
Finance Costs	**389,526**	668,505
Exploration expenditure written off	**4,794,953**	247,332
Impairment of property, plant and equipment	-	463,774
Interest from deposits and bonds	-	(24,249)
Impairment of exploration and evaluation assets	**9,124,316**	1,150,211
Shares issued for nil consideration	**84,368**	-
Share based payments expense	-	114,166
Changes in Assets and Liabilities		
(Increase)/ Decrease in accounts receivable	**97,418**	432,754
(Increase)/Decrease in inventories	-	8,844
(Increase)/Decrease in prepayments	**20,713**	(12,041)
(Increase)/Decrease in other financial assets	-	22,584
Increase/(Decrease) in accounts payable	**459,904**	38,753
Increase/(Decrease) in provisions	**19,515**	(140,656)
Net cash flows used in operating activities	**(895,310)**	(942,505)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

(b) Non Cash Financing and Investing Activities

During the year, the Group acquired plant and equipment to the value of $nil (2014: $4,129,876) by means of hire purchase finance.

24 Financial Instruments

(a) Financial risk management policies and objectives

The Group's principal financial instruments comprise of related party loans and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is and has been throughout the period under review, the Group's policy that no trading in derivatives shall be undertaken. The main risks arising from the Group's financial instruments are cash flow, interest rate risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of market forecasts for interest rate and foreign exchange. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 of the financial statements.

(b) Interest rate risk exposure

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on classes of financial assets and financial liabilities is constantly analysed. Within this analysis consideration is given to potential renewals of existing positions and alternative financing. Financial assets and liabilities which are non-interest bearing have not been included in the analysis below. A sensitivity analysis table in relation to interest rate risk has been included at (f).

(c) Liquidity Risk

The responsibility of liquidity risk management rests with the Board of Directors. The Board manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The Group's liquidity needs can be met through a variety of sources including: cash generated from operations, short and long term borrowings and issue of equity instruments. The Group's committed standby facilities contain no financial undertakings relating to interest cover and are not affected by a reduction in the Group's credit rating. Details of the Group and Company's non-derivative financial instruments according to their contractual maturities are in the table below. The amounts below include the principal and interest components of the interest bearing liabilities which were determined based on the existing conditions at year end.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

30 June 15	Maturing						Total
CONSOLIDATED	< 1 year $	>1 to <2 Years $	>2 to <3 Years $	>3 to <4 Years $	>4 to <5 Years $	>5 Years $	$
Financial Assets							
Cash and cash Equivalents	-	-	-	-	-	-	-
Trade and other receivables	12,312	-	-	-	-	-	12,312
Other Financial Assets	31,095	-	78,481	-	-	-	109,576
Total Financial Assets	**43,407**	-	**78,481**	-	-	-	**121,888**
Financial Liabilities at amortised cost							
Fixed Rate							
Trade and other payables	2,409,047	-	-	-	-	-	2,409,047
Related party loan	1,748,369	5,389,328	-	-	-	-	7,137,697
Total Financial Liabilities	**4,157,416**	**5,389,328**	-	-	-	-	**9,546,744**

30 June 14	Maturing						Total
CONSOLIDATED	< 1 year $	>1 to <2 Years $	>2 to <3 Years $	>3 to <4 Years $	>4 to <5 Years $	>5 Years $	$
Financial Assets							
Cash and cash Equivalents	138,494	-	-	-	-	-	138,494
Trade and other receivables	215,174	-	-	-	-	-	215,174
Other Financial Assets	51,808	-	-	-	-	78,481	130,289
Total Financial Assets	**405,476**	-	-	-	-	**78,481**	**483,957**
Financial Liabilities at amortised cost							
Fixed Rate							
Hire purchase liabilities	10,822	-	-	-	-	-	10,822
Trade and other payables	2,869,873	-	-	-	-	-	2,869,873
Insurance Premium Funding	28,130	-	-	-	-	-	28,130
Related party loan	4,990,002	-	-	-	-	-	4,990,002
Total Financial Liabilities	**7,898,827**	-	-	-	-	-	**7,898,827**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

(d) Net Fair Values

The fair value of all the Group's financial instruments recognised in the financial statements approximates or equals their carrying amounts.

The net fair values of other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value.

For other assets and other liabilities the net fair value approximates their carrying value except for investments in controlled entities held at cost.

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

The business purpose of the financial assets is to provide working capital. The business purpose of the financial liabilities is to provide operational finance.

(e) Credit Risk

The consolidated entity's maximum exposure to credit risk at balance date is the carrying amount of the recognised financial assets net of any provision for doubtful debts.

Credit risk arises from potential failure of counterparties to meet their obligations under the respective contracts at maturity. The Group is exposed to credit risk from its operating activities, financing activities including deposits with banks and foreign exchange transactions.

At balance sheet date the consolidated entity has an exposure to loss in the event counterparties fail to settle on contracts which are favourable to the consolidated entity. This exposure to loss is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

Trade receivables are non-interest bearing and are settled within 14 - 30 days. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. There are no receivables that are considered impaired and therefore no impairment loss has been recognised by the Group in the current year (2014: nil).

(f) Sensitivity Analysis

The following tables summarise the sensitivity of the Group's financial assets and liabilities to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post-tax profit and equity including retained earnings would have been affected as shown. The analysis has been performed on the same basis for 2015 and 2014. The following assumptions in relation to market movements have been made in the sensitivity analysis.

Interest rate risk: +1% and -1%. Based on historical rates for the past 5 years, management considers that 100 basis points is a "reasonably possible" estimate for movements in interest rates for the next 12 months.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

Consolidated 30-Jun-15	Carrying Amount	Interest Rate Risk -1%		Interest Rate Risk 1%	
Financial Assets		Profit $	Equity $	Profit $	Equity $
Cash & cash equivalents	-	-	-	-	-
Trade & other receivables	12,312	-	-	-	-
Other Financial assets	109,576	-	-	-	-
Financial Liabilities					
Trade and other payables	2,409,047	-	-	-	-
Total increase/(decrease)		-	-	-	-

Consolidated 30-Jun-14	Carrying Amount	Interest Rate Risk -1%		Interest Rate Risk 1%	
Financial Assets		Profit $	Equity $	Profit $	Equity $
Cash & cash equivalents	138,494	(1,385)	(1,385)	1,385	1,385
Trade & other receivables	215,174	-	-	-	-
Other Financial assets	130,289	-	-	-	-
Financial Liabilities					
Trade and other payables	2,869,873	-	-	-	-
Total increase/(decrease)		(1,385)	(1,385)	1,385	1,385

Foreign exchange risk is not applicable to the Group as all financial assets and liabilities are held in AUD.

(i) Capital Risk Management

The Group's total capital is defined as equity attributable to equity holders of the parent (deficit $4,696,995), cash and cash equivalents of $nil and borrowings of $7,137,697.

The Group's capital management objectives are:
- To safeguard the business as a going concern; and
- To maximise returns to shareholders.

The Group may issue new shares or sell assets to reduce debts in order to maintain the optimal capital structure.

The Group also monitors balance sheet strength and flexibility using cash flow forecast analysis and detailed budgeting processes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

25 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Where there is a change in an accounting estimate, the change shall be recognised prospectively by including it in profit or loss in the period of the change and in future periods, if the change affects both.

The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Determination of mineral resources and ore reserves

Fox Resource Limited estimates its mineral resources and ore reserves in accordance with the Fox Resources Limited Policy for the Reporting of Mineral Resources and Ore Reserves. This policy requires that the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC code') be used as a minimum standard. The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The grades and tonnes reported are based on the mineral resources and ore reserves as defined by the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly over time or when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values, deferred stripping costs and provisions for decommissioning and restoration.

Impairment of capitalised exploration and evaluation expenditure and related project costs

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

For the period ended 30 June 2015, exploration and evaluation expenditure have been impaired by $7,413,216 (2014: $1,150,211). The basis of the impairment was a fair value less cost to sell calculation based on current market data and costs of the tenements either surrendered during the year or approved and surrendered post the end of the financial year.

The post-impairment carrying value of capitalised exploration and evaluation expenditure is $nil (2014: $17,636,662) after the transfer of all remaining exploration assets to assets held for sale in the current financial year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs to sell'.

In determining value in use, future cash flows are based on:

- Estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- Future production levels;
- Future commodity prices; and
- Future cash costs of production and capital expenditure.

Variations to the expected future cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results. The carrying value of the Radio Hill Accommodation camp was impaired in 2014 ($463,774) and is based on fair value basis. The value used was based the advertised current sales prices of similar buildings and camps.

As at 30 June 2015, the carrying value of property, plant and equipment is nil (2014: $1,227,676) after the transfer of all remaining property, plant and equipment assets to assets held for sale in the current financial year.

Provisions for decommissioning and restoration costs

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates. Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

As at 31 December 2014 the Group had determined that its Fox Resources Radio Hill assets, at a carrying value of $4,400,000 were expected to be recovered principally through a sales transaction rather than continuing use. As such the provision for rehabilitation was written back in the current financial year.

As at 30 June 2015, the carrying value of rehabilitation provision is $nil (2014: $3,783,506).

Share-based payment transactions

The Group measures the cost of equity-settled transactions with management and other parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the Board of Directors using the Black & Scholes valuation method, taking into account the terms and conditions upon which the equity instruments were granted. The assumptions in relation to the valuation of the equity instruments are detailed in Note 27: Share Based Payments. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Loans receivable from controlled entities

The carrying value of loans receivable from controlled entities is assessed on an annual basis. In the event that the carrying amount of loans exceeds the net assets of the controlled entities an impairment loss is to write down the carrying amount to equal the net assets of the controlled entities.

26 Assets classified as held for sale

As at 31 December 2014 the Group had determined that its Fox Resources Radio Hill assets, at a carrying value of $2,688,000 (net of $920,731 liabilities directly associated with assets classified as held for resale, recognised in current liabilities) were expected to be recovered principally through a sales transaction rather than continuing use. As such they have been reclassified to current and classified as an asset held for sale. The remaining $200,000 additions of assets classified as held for sale relate to fixed assets available for sale.

As at 31 December 2014 the Group had determined that its Bundaberg Coking Coal Project assets has a reduced carrying value of $1,800,000 (30 June 2014: $3,511,101) due to changes in market sentiment. This write down of $1,711,101 has been expensed as an impairment loss on exploration and evaluation. These assets were expected to be recovered principally through a sales transaction rather than continuing use. As such they continue to be classified to current and classified as an asset held for sale.

Refer Note 28 for further details.

	Consolidated	
	2015	2014
	$	$
Movement in assets classified as held for sale		
Balance at beginning of year	**3,511,101**	-
Revaluation of Bundaberg Coking Coal assets	**(1,711,101)**	-
Additions	**3,808,731**	3,511,101
	5,608,731	3,511,101

27 Share-based payment transactions

Options

An employee share option plan has been established where the Company may grant options over ordinary shares of the Company to staff. The options are issued for nil consideration and are granted at the discretion of the Directors. The options cannot be transferred, are not quoted on the ASX and carry no dividend and voting rights. During the year there were nil options issued under the plan.

The fair value of all options issued has been determined using a Black & Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the non-tradeable nature of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk-free interest rate for the term of the options.

As at the end of the financial year the Company had 15,935,897 unlisted options on issue with a weighted average remaining life of 0.87 years and a weighted average exercise price of $0.027.

28 Events occurring after balance sheet date

On the 16 December 2016 Fox Resources Limited signed an agreement with Artemis Resources Ltd to purchase Fox Radio Hill Pty Ltd for $3.5m in cash to be settled on the 31 March 2017. Subsequently Fox Resources Limited signed a revised agreement with Artemis Resources Ltd on the 12 May 2017 to sell Fox Radio Hill Pty Ltd for the issue of 28 million shares in Artemis Resources Ltd and Artemis to assume creditors in the amount of $920,731, to be settled within eight weeks. In addition, Fox Resources Ltd has signed a service contract with Artemis Resources Ltd to provide ongoing services at Fox Radio Hill Pty Ltd.

In May 2017 Fox also entered an agreement with Artemis Resources Ltd, which will provide $1,000,000 in service revenue:

- $400,000 has already been received at the date of signing this report;
- $200,000 payable in July;
- $100,000 per month thereafter from August 2017 until November 2017;

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015 (continued)

On the 20 December 2016 Fox Resources Limited signed an agreement to sell 50% of the coking coal tenement EPC 1523 to Zimprops Pty Ltd for $0.9m. Zimprops can sell their 50% of EPC 1523 back to Fox for $1.5m at the earlier of the following events – the inferred resources increases by 50mt, or by the 22 June 2018. A Joint Venture will be formed if no election is made by Zimprops.

Fox then signed a Share Sale Agreement ("SSA") on 28 November 2017 to sell all of the shares in a new subsidiary of Fox, which is to hold the remaining 50% interest in Bundaberg EPC 1523 coking coal tenements after the Zimprops sale, to Bundaberg Coal Pty Ltd. Fox will receive $1,775,000 in cash or 8,875,000 shares at 20 cents per share in a new listed entity (which effectively owns all of EPC 1523, amongst other tenements), or a combination of cash and shares at Fox's election. Fox's share of the consideration payable under the SSA, the entity which will own its interest in EPC 1523, will increase in proportion to the potential increase in the coking coal resource from the current drilling program. Assuming Fox's share increases by 25Mt of coking coal resource then Fox will receive $1,963,500 in cash or 9,817,500 shares at 20 cents per share in the new listed entity, or a combination of cash and shares at Fox's election.

Directors and any associated director-related entities have continued to financially support the company from the reporting date until the date of signing this financial report. This is reflected in the increase in interest bearing liabilities since the previous reporting period on the Statement of Financial Position. Fox's major director-related creditor is Jungle Creek Gold Mines Pty Ltd ("Jungle Creek"), which was owed $6,438,074 as at 31 December 2014. Jungle Creek was placed into administration early 2017, however Fox obtained a Deed of Forbearance ("DOF") from the administrators of Jungle Creek. Under the DOF the administrators have agreed to provide Fox a forbearance period of 12 months until 12 May 2018 in exchange for $1.2 million in Artemis shares from the Artemis sale agreement plus $250,000. This was subsequently settled in 2017 with the administrators of Jungle Creek, Jungle Creek was released from administration and Mr Streeter was re-elected Non-Executive Chairman of Fox Resources Ltd on 10 November 2017.

29 Parent Entity Information

Information relating to Fox Resources Ltd ("the parent entity")

	Consolidated	
	2015	2014
	$	$
Statement of Financial Position		
Current Assets	**5,652,138**	193,999
Total Assets	**5,730,619**	17,415,104
Current Liabilities	**5,098,286**	1,681,224
Total Liabilities	**10,487,614**	6,267540
Net Assets	**(4,756,995)**	11,147,564
Issued Capital	**125,976,992**	125,892,624
Other Reserves	**150,346**	150,346
Accumulated losses	**(130,884,333)**	(114,895,406)
Total Equity	**(4,756,995)**	11,147,564
Statement of profit or loss and other comprehensive income		
Loss for the year	**(1,621,103)**	(4,299,246)
Total comprehensive loss	**(1,621,103)**	(4,299,246)

DIRECTOR'S DECLARATION

In the Directors' opinion:

1. In the opinion of the Directors of Fox Resources Ltd:

   (a) The consolidated financial statements and notes of Fox Resources Ltd are in accordance with the Corporations Act 2001, including:
      a. Giving a true and fair view of its financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
      b. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   (b) There are reasonable grounds to believe that Fox Resources Ltd will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2015.

3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

TERRY STREETER
NON EXECUTIVE CHAIRMAN

Dated the 27th day of February 2018 at Perth, Western Australia.

Grant Thornton

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Auditor's Independence Declaration
to the Directors of Fox Resources Limited

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

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner – Audit & Assurance

Perth, 27 February 2018

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Independent Auditor's Report
to the Members of Fox Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Fox Resources Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 2015, 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.

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.

Responsibilities of the Directors' for the Financial Report

The Directors of the Group 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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner – Audit & Assurance

Perth, 27 February 2018