emergent resources

Exploration: today's endeavour - tomorrow's success

ABN 68 125 323 622

ANNUAL REPORT
For The Year Ended 30 June 2015

Emergent Resources Limited
ABN 68 125 323 622

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Emergent Resources Limited
ABN 68 125 323 622

Corporate Directory

Directors

Jian-Hua Sang	Non-Executive Chairman
Sai Kit Wong	Non-Executive Director
Wolfgang Fischer	Non-Executive Director (resigned 11 August 2015)
Faldi Ismail	Non-Executive Director
Bevan Tarratt	Non-Executive Director (appointed 11 August 2015)

Company Secretary
Patrick Burke

Principal and Registered Office
108 Outram Street
West Perth WA 6005
Web www.emergentresources.com.au

Corporate Governance
The Company has adopted the 3rd Edition of the ASX Corporate Governance Recommendations. A summary statement which has been approved by the Board together with current policies and charters is available on the Company website on the following URL:
http://www.emergentresources.com.au/corporate-governance-statements

Auditor
Grant Thornton Audit Pty Ltd
Level 1, 10 Kings Park Road
West Perth, WA 6005

Share Registry
Automic Registry Services
Level 1, 7 Ventnor Ave
West Perth, Western Australia 6005

Stock Exchange Listing
The Company's shares are quoted on the Australian Securities Exchange. The home exchange is Perth, Western Australia.

ASX Code
EMG – Ordinary shares

Company Information
The Company was incorporated and registered under the Corporations Act 2001 in Western Australia on 9 May 2007 and became a public company on 4 August 2008.

The Company is domiciled in Australia.

CHAIRMAN'S LETTER

Dear Shareholders

On behalf of the Board of Emergent Resources Limited (Emergent or Company) I am pleased to present the Company's 2015 Annual Report.

During the financial year, building on the upgrade to the JORC Inferred Mineral Resource to 714Mt at 27.4% Fe achieved in early 2014, the Company finalised its technical review of the Beyondie Iron Ore Project comprising:

- Review of all project data;
- Review of drilling and recommendations (including detailed work proposals) targeting moving tonnes from exploration target into Measured/Indicated/Inferred Resources;
- Preparation of a scope of work for additional metallurgical test work on 'typical BMS' which previously returned 'saleable grades';
- Review of exploration and completion of regional targeting exercise, generating new targets; and
- Annual audit of the Inferred Resource and Exploration Target.

Whilst pleased with the progress on Beyondie, the Company is cognisant of the very difficult environment for junior resources companies, and iron ore junior resources companies in particular. Given this, a decision was made to impair the carrying value of the Beyondie project from $4,601,145 to $1,500,000. The basis for impairment was comparable peer transactions within the past 6 months together with comparable peer value based on enterprise value per resource tonne of iron ore.

The Company also allocated part of its working capital budget to the identification and evaluation of opportunities in the IT and Biotech sectors, with a particular, but not exclusive, focus on opportunities in Asia given the strong support for this new direction of the Company's cornerstone Chinese investors. In this regard the Company actively reviewed a number of IT and Biotech projects and is confident of securing a project that will add significant shareholder value.

In addition to the strength of its asset base and technical expertise, the Company's cash position remains very strong.

The Board considers this a very exciting time for the Company and is looking forward to both developing its existing Projects and growing the Company through investment and acquisition.

Thank you for your continued support.

Sincerely

Jian Hua Sang
Non-Executive Chairman

REVIEW OF OPERATIONS

During the financial year the Company continued to develop its core Beyondie Iron Ore and Extension Gold Projects, building on the previous upgrade to the JORC Inferred Mineral Resource at Beyondie to 714Mt grading 27.4% Fe at relatively shallow depth, with low deleterious impurities of P, S and Al_2O_3.

The Company also allocated part of its working capital budget to the identification and evaluation of opportunities in the IT and Biotech sectors, with a particular, but not exclusive, focus on opportunities in Asia given the strong support for this new direction of the Company's cornerstone Chinese investors. In this regard the Company actively reviewed a number of IT and Biotech projects and is confident of securing a project that will add significant shareholder value.

The Company considers that its combination of corporate and technical expertise and significant financial backing makes it ideally placed to grow through investment and acquisition and the development of its existing assets.

BEYONDIE IRON PROJECT
E52/1806 and E52/2215 (EMG: 80% Iron Ore, Vanadium and Manganese)

The Beyondie Iron Project is located adjacent to the Great Northern Highway and Goldfields Gas Pipeline in the northern part of WA's mid-west iron ore precinct.

Beyondie – Inferred Mineral Resource on E52/1806

Following an upgrade in early 2014, the Project has an Inferred Mineral Resource of 714Mt grading 27.4% Fe at a zero cut-off grade on at relatively shallow depth, with low deleterious impurities of P, S and Al_2O_3. The Inferred Mineral Resource at Beyondie in accordance with JORC Code 2012 is set out in Table 1 and Figure 1.

The Inferred Mineral Resource is reported without a Fe cut-off grade, however the drilling results were consistent within the wide Beyondie Magnetite Schist (BMS) units and a nominal 20% Fe was used to define the mineralised zones. Mineralisation occurs within magnetite schist in two main mineralised lodes (BMS1 and BMS2), and a third less substantial lode (BMS3), which all dip from between 40–55° to the north, with the average dip around 45° (Figure 2). The head grade chemistry of these lodes is generally consistent along the entire strike length.

The drillhole database included data from five drill campaigns, comprising a total of 91 reverse circulation (RC) drillholes and 30 diamond core (DD) drillholes. RC drill rigs were fitted with either a riffle splitter or cone splitter which produced a 3–5 kg sub-sample for every metre drilled for submission to the laboratory. DD was sampled by sawing in half lengthways, and then one half into quarter lengthways producing a 3–5 kg sub-sample for submission to the laboratory. Samples were sent to Spectrolab in Geraldton for analysis by X-Ray Fluorescence (XRF) for the elemental suite; Fe2O3, Al2O3, SiO2, TiO2, CaO, Mn, P, S, MgO, K2O, and Na2O.

Table 1 Statement of Inferred Mineral Resources – Head Grade Mineralisation (DOMAINS 1–3)

INFERRED RESOURCE ESTIMATE (Whole Rock Head Grades)										
Domain	**Million Tonnes**	**Fe (%)**	**SiO_2 (%)**	**P (%)**	**Al_2O_3 (%)**	**CaO (%)**	**S (%)**	**MnO (%)**	**LOI (%)**	**Density**
BMS 1	147	27.5	46.5	0.28	3.42	1.12	0.08	0.50	4.58	2.86
BMS 2	553	27.5	50.4	0.06	4.30	0.24	0.01	0.27	2.09	3.21
BMS 3	14	19.6	53.2	0.06	7.31	0.23	0.01	0.28	5.90	2.91
TOTAL	**714**	**27.4**	**49.65**	**0.11**	**4.18**	**0.42**	**0.02**	**0.32**	**2.68**	**3.13**

The database comprised 7,811 Fe% assay data and, new to the dataset, 558 Davis Tube Recovery (DTR) data with associated concentrate assays. Minimum drill spacing of 400 m x 100 m (between section and on section respectively) was required for material to be included as part of the Inferred Mineral Resource. A distance weighted method (ID^2) was used for the estimation.

Beyondie – Exploration Target on E52/1806

A revised Exploration Target was also calculated in early 2014 adjacent to the Inferred Mineral Resource and is in the range 420-460 Mt at 26.5-28.0% Fe (Table 2 and Figure 1). The tonnage and grade ranges were estimated using the same data and method as for the Inferred Mineral Resource. While this drilling demonstrates the continued presence of the BMS units, and assay data confirms mineralisation, the holes are considered to be too widely spaced between section, or of insufficient depth on several sections to provide sufficient confidence in the geological interpretation to classify the mineralisation as Inferred Mineral Resource (khaki area in Figure 1). As such, the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

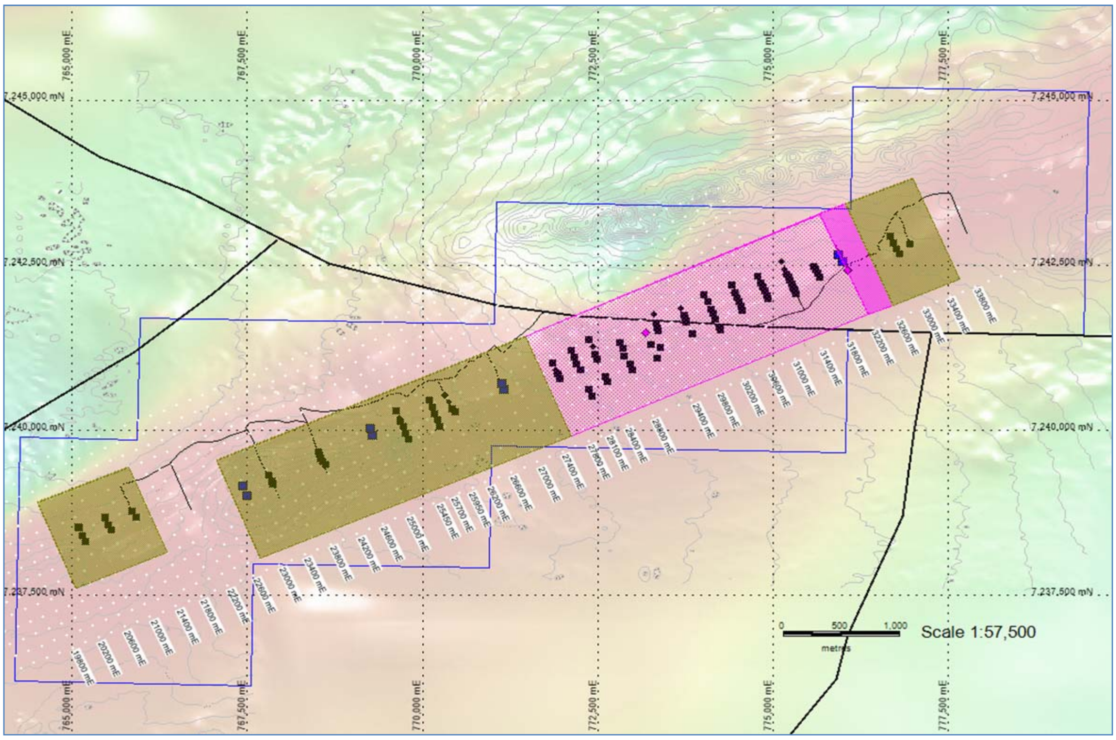

Figure 1: Beyondie drill plan of E52/1806. Inferred Mineral Resource area shown in pink and area of Exploration Target shown in khaki.

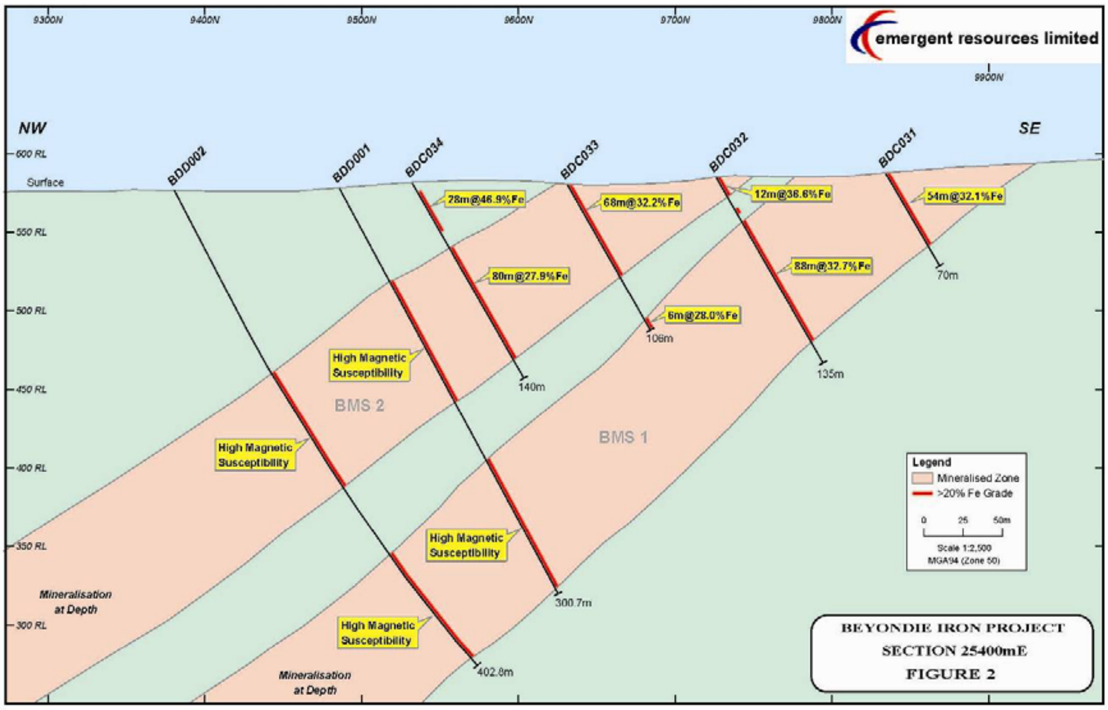

Figure 2: Beyondie local drill section 25,400 m E (located on Figure 1).

Table 2 Statement of Exploration Target on E52/1806 – Head Grade Mineralisation (DOMAINS 1–3)

EXPLORATION TARGET ESTIMATE (Whole Rock Head Grades)										
Domain	Million Tonnes	Fe (%)	SiO_2 (%)	P (%)	Al_2O_3 (%)	CaO (%)	S (%)	MnO (%)	LOI (%)	Density
BMS 1	142	30.1	46.2	0.17	2.69	0.76	0.07	0.28	3.70	3.17
BMS 2	250	26.5	51.2	0.05	4.55	0.29	0.01	0.23	2.90	3.11
BMS 3	48	23.6	48.6	0.18	6.83	0.52	0.01	0.12	6.24	2.91
TOTAL	**440**	**27.2**	**50.1**	**0.08**	**4.21**	**0.39**	**0.02**	**0.24**	**3.13**	**3.11**

2015 Technical Review

So as to build on the upgrade to the JORC Inferred Mineral Resource to 714Mt at 27.4% Fe, the Company carried out an extensive technical review of the Project comprising:

- Review of all project data;
- Review of drilling and recommendations (including detailed work proposals) targeting moving tonnes from exploration target into Measured/Indicated/Inferred Resources;
- Preparation of a scope of work for additional metallurgical test work on ‘typical BMS’ which previously returned ‘saleable grades’;
- Review of exploration and completion of regional targeting exercise, generating new targets; and
- Annual audit of the Inferred Resource and Exploration Target.

At the appropriate time, the Company intends to focus on increasing the 714 Mt Inferred Mineral Resource. Drilling clearly shows magnetite mineralisation continues along strike to the west. A RC drill program is proposed to extend the resource a minimum of 400m west. The proposed RC program will target section 27 400mE with holes designed to intersect both main mineralisation zones twice on the section.

Beyondie – Exploration Target on E52/2215

The Company previously delineated an Exploration Target of 3.7 to 4.2 billion tonnes grading 27.0 to 28.5% Fe on tenement E52/2215. The potential quantity and grade of the Exploration Targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

EXTENSION GOLD PROJECT
E52/2559 (100% EMG)

Emergent holds EL 52/2559 at the northern end of the Plutonic Well Greenstone Belt (Plutonic Belt). Unlike southern parts of the Plutonic Belt, this northern extension has not been subject to significantly systematic or modern exploration since the early 1990's, and lies under sand cover or shallow sediments associated with the Earaheedy and Collier Basins. Outcrop of the underlying greenstone is limited. Consequently, historic exploration in the area has been largely inadequate and has left gold targets untested with significant scope to explore using modern exploration techniques.

Emergent has previously completed Mobile Metal Ion (MMI) soil sampling and stream sediment sampling respectively on its Extension Prospect.

As part of the 2015 technical review referred to above, a review of work conducted on the Extension Gold Project. The Review comprised:

- Review and audit of gold project database;
- Review of exploration drilling, in particular small historic resource area in southern region of the tenement (non JORC compliant) with recommendations and detailed work proposals for future work; and
- regional targeting exercise with the aim of generating new targets.

Summary of the Company's Tenement Information

Tenement	Registered Holder	Company's Interest	Area
E52/1806	De Grey Mining Ltd	80% (Iron Ore, Vanadium, Manganese)	59 km^2 19 blocks
E52/2215	De Grey Mining Ltd	80% (Iron Ore, Vanadium, Manganese)	142 km^2 46 blocks
E52/2559	Company	100%	87 km^2 28 blocks

Competent Persons Statement

The Information in this report that relates to Mineral Resources, Exploration Targets and Exploration Results on E52/1806 is extracted from ASX announcement "Addendum Substantial Increase to Inferred Magnetite Resource" released on 19 February 2015 and is available on www.emergentresources.com.au. The Company is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and content in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The Information in this report that relates to Exploration Targets and Exploration Results on E52/2215 is extracted from ASX announcement "3.7 to 4.2 Billion Tonne Exploration Target at Beyondie" released on 19 November 2009 and is available on www.emergentresources.com.au. The Company is not aware of any new information or data that materially affects the information included in the original market announcement. Emergent Resources continues to report exploration results as defined under the 2004 edition of the JORC Code where those results were initially reported prior to adoption of the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

Other information in this report that relates to Exploration Results has been prepared under the supervision of Mr Peter Sheehan, Principal Consultant with Newport Mining Services, and a member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Sheehan has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code), and consents to the inclusion in this report of the Information, in the form and context in which it appears.

MINERAL RESOURCES and ORE RESERVES (MROR) STATEMENT

Table 3 Mineral Resource Estimate for Beyondie Iron Project - E52/1806 (EMG 80%).

INFERRED RESOURCE ESTIMATE - E52/1806										
Domain	**Million Tonnes**	**Fe (%)**	**SiO_2 (%)**	**P (%)**	**Al_2O_3 (%)**	**CaO (%)**	**S (%)**	**MnO (%)**	**LOI (%)**	**Density**
BMS 1	147	27.5	46.5	0.28	3.42	1.12	0.08	0.50	4.58	2.86
BMS 2	553	27.5	50.4	0.06	4.30	0.24	0.01	0.27	2.09	3.21
BMS 3	14	19.6	53.2	0.06	7.31	0.23	0.01	0.28	5.90	2.91
TOTAL	**714**	**27.4**	**49.65**	**0.11**	**4.18**	**0.42**	**0.02**	**0.32**	**2.68**	**3.13**

Table 4 Year-on-Year comparison of Mineral Resource Estimate – E52/1806 (EMG 80%).

INFERRED RESOURCE ESTIMATE - E52/1806										
Year	**Million Tonnes**	**Fe (%)**	**SiO_2 (%)**	**P (%)**	**Al_2O_3 (%)**	**CaO (%)**	**S (%)**	**MnO (%)**	**LOI (%)**	**Density**
2014	714	27.4	49.6	0.11	4.18	0.42	0.02	0.32	2.68	3.13
2015	714	27.4	49.6	0.11	4.18	0.42	0.02	0.32	2.68	3.13
VARIANCE	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**

Competent Persons Statement

Information in this section of the report that relates to Mineral Resources was compiled by Ms Sharron Sylvester who is a Member of the Australasian Institute of Geoscientists (RPGeo 10125) and a full-time employee of OreWin Pty Ltd. The information is based on, and fairly represents, information and supporting documentation prepared by Ms Sylvester. Ms Sylvester has sufficient experience relevant to the styles of mineralisation and to the activities which are being reported to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code), and consents to the release of the information compiled in this report in the form and context in which it appears.

DIRECTORS' REPORT

The Directors present their report on Emergent Resources Limited for the year ended 30 June 2015.

Directors

The names and details of the Directors of Emergent Resources Limited during the financial year and until the date of this report are:

Jian-Hua Sang
Non-Executive Chairman
Mr Jian-Hua Sang trained in China and was the first Chinese postgraduate student studying Economic Geology in Western Australia. He has more than 25 years of international exploration, mining and corporate experience in Asia, Australia and Africa. He is a Director of International Natural Resources Limited, Emergent's strategic investment partner and largest shareholder.

Directorships of other listed companies in the last three years:

Vector Resources Limited (ASX:VEC): 13 September 2012 to 28 November 2013.
Chrysalis Resources Limited (ASX:CYS): 5 July 2013 to present.

Sai Kit Wong
Non-Executive Director
Mr Wong is a Hong Kong based lawyer. Mr Wong is admitted to practice law in Hong Kong and New York and also has Chinese legal qualifications. He has been involved in the restructuring, financing and listing of commercial enterprises in Hong Kong and mainland China as both a lawyer and executive and brings excellent legal and commercial contacts to the Company.

Mr Wong held no other directorships of other ASX listed companies in the last three years.

Mr Faldi Ismail B.Bus
Non-Executive Director – appointed 31 May 2014

Mr Ismail is an experienced corporate advisor who specialises in the restructure and recapitalisation of a wide range of ASX-listed companies. He has many years of investment banking experience and has advised on numerous cross border transactions including capital raisings, structuring of acquisitions and joint ventures overseas. Mr Ismail is also the founder and operator of Otsana Capital, a boutique advisory firm specialising in mergers & acquisitions, capital raisings and Initial Public Offerings.

Directorships of other listed companies in the last three years:

Advanced Engine Components (ASX: ACE): 5 June 2015 to present.
Galicia Energy Corporation Limited (ASX: GAL): 15 May 2015 to present.
BGD Corporation (ASX: BGD): 10 September 2014 to present.
WHL Energy Limited (ASX:WHN): 24 September 2013 to present.
Style Limited (ASX: SYP): 3 May 2013 to present.
Kalimantan Gold Corporation Limited (TSX.V: KLG): 12 September 2009 to present.
Coventry Resources Inc (ASX: CYY): 28 May 2009 to 8 January 2013.
Ascot Resources Limited (ASX: AZQ): 24 September 2010 to 27 March 2013.
Minbos Resources Limited (ASX: MNB): 17 December 2009 to 1 January 2012.

Mr Bevan Tarratt BCom
Non-executive Director – appointed 11 August 2015
Mr Tarratt has an extensive background in capital markets, accounting and corporate advisory with a specific focus on small cap Australian equities. Mr Tarratt was previously a client advisor at Patersons Securities and partner of a venture capital firm. He has been involved in the re-capitalisation, restructuring and acquisition of assets for numerous ASX listed companies.

Directorships in other ASX Listed companies in the last three years:

ZYL Limited (ASX:ZYL): 2 December 2009 to 14 November 2012
Minerals Corporation Limited (ASX:MSC): 17 December 2011 to 1 April 2013
Pura Vida Energy NL (ASX:PVD): 1 August 2011 to 13 January 2014
Stonehenge Metals Ltd (ASX:SHE): 12 June 2007 to current

Wolfgang Fischer BSc (Hons), FAICD, FausIMM
Non-Executive Director - resigned 11 August 2015
Mr Fischer has more than 40 years of top level experience in the Australian and international natural resources industry. He has held executive management and Board positions in a range of operational and corporate roles with several large and successful international petroleum, and exploration and development companies. Mr Fischer has a strong background on corporate governance standards, and has had considerable mineral and petroleum project management experience from project start-up to production and operating joint ventures.

Mr Fischer has had no directorships of other ASX listed companies in the last three years.

Company Secretary
Patrick Burke – appointed 1 August 2013
Mr Burke holds a Bachelor of Laws degree from the University of Western Australia. He has approximately twenty years' experience working in law firms and companies in Australia and Europe. His expertise is in corporate, commercial and securities law with an emphasis on capital raisings and mergers and acquisitions. He contributes general corporate and legal skills along with a strong knowledge of the ASX requirements.

Directors' Interests

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	***Directors' Interests in Ordinary Shares***	***Directors' Interests in Listed Options***	***Directors' Interests in Options that are Vested and Exercisable***
Jian-Hua Sang	40,244,609	-	-
Sai Kit Wong	-	-	-
Wolfgang Fischer (resigned 11 August 2015)	4,750,667	-	-
Faldi Ismail	6,117,936	-	-
Bevan Tarratt (appointed 11 August 2015)	-	-	-

Directors' Meetings

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 are as follows:

Director	***Board of Directors' Meetings***	
	Held during term of office	***Attended***
Jian-Hua Sang	4	4
Sai Kit Wong	4	4
Wolfgang Fischer (resigned 11 August 2015)	4	4
Faldi Ismail	4	4
Bevan Tarratt (appointed 11 August 2015)	0	0

Principal Activities

The principal activities of the Company during the financial year were exploration for iron, base metals and precious metals in Western Australia.

There were no significant changes in these activities during the financial year.

Results of Operations

The net loss after income tax for the financial year was $3,351,113 (2014: $368,078). Included in the loss for the year was an impairment charge in respect of the Company's exploration assets of $3,162,730 (2014: 123,014).

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Review of Activities

Exploration

The exploration activity highlights include an extensive technical review of the Project comprising:

- Review of all project data;
- Review of drilling and recommendations (including detailed work proposals) targeting moving tonnes from exploration target into Measured/Indicated/Inferred Resources;
- Preparation of a scope of work for additional metallurgical test work on 'typical BMS' which previously returned 'saleable grades';
- Review of exploration and completion of regional targeting exercise, generating new targets; and
- Annual audit of the Inferred Resource and Exploration Target.

A detailed review of activities is available in the section of this Annual Report titled Review of Operations.

Financial Position

At the end of the financial year the Company had $2,191,839 (2014: $2,517,454) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is $1,500,000 (2014: $4,480,333). Mineral exploration and evaluation expenditure during the year for the Company was $182,397 (2014: $286,194). Impairment of Capitalised mineral exploration and evaluation expenditure during the year for the Company was $3,162,730 (2014: $123,014).

Expenditure was principally focused on the exploration for and evaluation of iron mineralisation, precious metals and base metals in Western Australia.

Significant Changes in the State of Affairs

Other than disclosed elsewhere in this report, there have been no significant changes in the state of affairs of the Company during or since the end of the financial year.

Options Over Unissued Capital

Unlisted Options

The Company did not issue any ordinary shares during the financial year on the exercise of unlisted options.

As at the date of this report there are no options over unissued shares in the Company.

Since the end of the financial year, no unlisted options have been exercised.

As at the date of this report there are no unlisted options over unissued shares in the Company.

Matters Subsequent to the End of the Financial Year

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Likely Developments and Expected Results of Operations

The Company intends to continue to undertake appropriate exploration and evaluation expenditure thereby enabling it to maintain good title to all its prospective mineral properties until proper decisions can be made to successfully develop and exploit, sell or abandon such properties.

Environmental Regulation and Performance

The Company holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

Remuneration Report (Audited)

The following persons were Key management personnel for Emergent Resources Limited during the financial year:

<u>Directors</u>	
Jian-Hua Sang	Non-Executive Chairman
Wolfgang Fischer	Non-Executive Director
Sai Kit Wong	Non-Executive Director
Faldi Ismail	Non-Executive Director
<u>Company Secretary</u>	
Patrick Burke	Company Secretary

Remuneration Policy

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. Remuneration packages include fixed remuneration with bonuses or equity based remuneration entirely at the discretion of the Board based on the performance of the Company and Shareholder approval where required.

The Remuneration Report outlines Directors' and executive remuneration arrangements of the Company. For the purposes of this report, Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, including any Directors of the Company and the five executives receiving the highest remuneration.

During the period the Board performed the role of the Remuneration Committee. The Board is responsible for determining and reviewing the remuneration of the Directors and executives. The Board assesses the appropriateness of the nature and amount of the remuneration on a periodic basis by reference to market and industry conditions.

Fees and payment to Non-Executive Directors reflects the demands that are made on and the responsibilities of, the Directors from time to time. Total remuneration for all Non-Executive Directors was last voted on by shareholders on 30 November 2010, whereby it is not to exceed $300,000 per annum. Non-Executive Directors do not receive bonuses. Directors' fees cover all normal Board activities.

At the date of this report the Company has not entered into any agreements with Directors or senior executives which include performance based components.

A Director may also be paid fees or other amounts as the Directors determine, if a Director performs special duties or otherwise performs duties outside the scope of the normal duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Executive Employment Agreements
The Company has not entered into any executive employment agreement during the year.

Share Based Remuneration
The Company has not issue any share based remuneration during the year.

Remuneration Report (Audited) (continued)

Details of Remuneration for Key Management Personnel
During the year the Company identified the Company Directors and Company Secretary as Key Management Personnel for which disclosure is required.

Details of the remuneration of each Key Management Personnel of the Company are as follows:

2015 Key Management Personnel	*Base Emolument $*	*Superannuation Contributions $*	*Other* Benefits $*	*Equity based remuneration $*	*Total $*	*Percentage of remuneration paid in Equity (%)*
Directors						
J H Sang	**54,000**	**5,130**	**600**	**-**	**59,730**	**-**
S K Wong	**18,000**	**-**	**6,600**	**-**	**24,600**	**-**
W Fischer	**18,000**	**1,710**	**600**	**-**	**20,310**	**-**
F Ismail	**36,000**	**3,420**	**650**	**-**	**40,070**	**-**
Company Secretary						
P Burke	**24,000**	**-**	**-**	**-**	**24,000**	**-**
	150,000	**10,260**	**8,450**	**-**	**168,710**	**-**

2014 Key Management Personnel	*Base Emolument $*	*Superannuation Contributions $*	*Other Benefits $*	*Equity based remuneration $*	*Total $*	*Percentage of remuneration paid in Equity (%)*
Directors						
J H Sang	**36,000**	**3,330**	**-**	**-**	**39,330**	**-**
S K Wong	**36,000**	**-**	**-**	**-**	**36,000**	**-**
W Fischer	**36,000**	**3,330**	**-**	**-**	**39,330**	**-**
F Ismail (1)	**3,000**	**278**	**-**	**-**	**3,278**	**-**
Former Director						
A Tunks (3)	**55,014**	**5,089**	**-**	**-**	**60,103**	**-**
Company Secretary						
P Burke (2)	**58,000**	**3,053**	**500**	**-**	**61,553**	**-**
Total	**224,014**	**15,080**	**500**	**-**	**239,594**	

* Remuneration during the year was received for reimbursements of expenses incurred by Directors relating to telephone bills and consultation fees.

(1) Non-executive Director appointed on 31 May 2014.

(2) Resigned as Non-executive Director on 31 May 2014, Company Secretary for entire year.

(3) resigned as Executive Director on 26 November 2013.

Remuneration Report (Audited) (continued)

Remuneration of Company Executives

Company secretarial services are provided to the Company by Mr Patrick Burke. Company Secretary fees paid during the year to Mr Burke were $24,000 (2014:$22,000) and form part of the Remuneration table of Key Management Personnel for the year ended 30 June 2015.

Option holdings by Key Management Personnel

Key Management Personnel have the following interests in options over unissued shares of the Company.

2015 **Name**	**Balance at start of the year**	**Received during the year as remuneration**	**Options expired during the year**	**Options exercised during the year**	**Balance at the end of the year**	**Vested during the year**	**Vested and exercisable**
Current Directors							
J H Sang	-	-	-	-	-	-	-
S K Wong	-	-	-	-	-	-	-
F Ismail	-	-	-	-	-	-	-
W Fischer	-	-	-	-	-	-	-

2014 *Name*	*Balance at start of the year*	*Received during the year as remuneration*	*Options expired during the year*	*Options exercised during the year*	*Balance at the end of the year*	*Vested during the year*	*Vested and exercisable*
Current Directors							
W. Fischer [1]	125,000	-	(125,000)	-	-	-	-
Previous Directors							
A. Tunks [2]	10,000,000	-	(10,000,000)	-	-	-	-

1. W Fischer options expired during the period.
2. A Tunks options expired upon his resignation from the Company on 26 November 2013.

Remuneration Report (Audited) (continued)

Share holdings by Key Management Personnel

The number of shares in the Company held during the financial year by key management personnel of the Company, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

2015 **Name**	**Balance at start of the year**	**Received during the year on exercise of options**	**Other changes during the year**	**Balance at the end of the year**[1]
Current Directors				
W. Fischer	4,750,667	-	-	4,750,667
J H Sang	40,244,609	-	-	40,244,609
F Ismail	5,999,462	-	118,474[1]	6,117,936
S K Wong	-	-	-	-
Previous Directors				
P Burke	1,673,602	-	-	1,673,602

Note 1. On market purchase

2014 ***Name***	***Balance at start of the year***	***Received during the year on exercise of options***	***Other changes during the year***	***Balance at the end of the year***
Current Directors				
W. Fischer	4,750,667	-	-	4,750,667
J H Sang	40,244,609	-	-	40,244,609
F Ismail	5,999,462	-	-	5,999,462
S K Wong	-	-	-	-
Previous Directors				
P Burke	1,673,602	-	-	1,673,602

Note: Shareholding information for Key Management Personnel who were not Key Management Personnel for the whole year is only for that portion of the year during which they held a key management position. For the purpose of this table, shares held at appointment are assumed to have been held at 1 July and shares held at termination are assumed to be held at 30 June, with any acquisitions or disposals prior to appointment or after termination, not shown.

Loans made to key management personnel
No loans were made to key personnel, including personally related entities during the reporting period.

Other transactions with key management personnel

Faldi Ismail is a Director of Adamantium Holdings Pty Ltd. This firm provided a registered office to the Company in the ordinary course of business. The value of the transactions in the financial year ended 30 June 2015 amounted to $3,250 (2014: nil)
There were no other transactions with key management personnel, other than as disclosed in the *Remuneration Report*.

END OF REMUNERATION REPORT

Officers' Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has entered into an agreement to indemnify all Directors and Officers against all indemnifiable losses or liabilities incurred by each Director or Officer in their capacities as Directors and Officers of the Company. The Company has not provided any indemnity or insurance for an auditor of the Company.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance. The Company's Corporate Governance Statement is available on the Company's website.

Non-audit Services

During the year Grant Thornton Audit Pty Ltd, the Company's auditor, has performed no other services in addition to their statutory audit duties.

Total remuneration paid to auditors during the financial year:	**2015**	2014
	$	$
Audit and review of the Company's financial statements	**20,000**	22,610
Total	**20,000**	22,610

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on Page 18.

This report is made in accordance with a resolution of the Directors.
Dated at Perth this 3rd day of September 2015.

Jian Hua Sang
Non-Executive Chairman

GrantThornton

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration
To the Directors of Emergent Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Emergent 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

C A Becker
Partner - Audit & Assurance

Perth, 3 September 2015

Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 30 June 2015

Continuing operations	Note	2015 $	2014 $
Revenue and other income	5	**69,862**	101,194
Total revenue		**69,862**	101,194
Administration expenses		**(120,583)**	(159,993)
Employee expenses	6	**(68,130)**	(87,692)
Corporate expenses		**(61,404)**	(64,449)
Occupancy expenses		**(3,497)**	(19,636)
Marketing expenses		**-**	(173)
Depreciation expenses	11	**(4,631)**	(5,959)
Impairment expense		**(3,162,730)**	(123,014)
Exploration expenses written off		**-**	(8,356)
Loss before income tax		**(3,351,113)**	(368,078)
Income tax benefit	7	**-**	-
Net loss for the year		**(3,351,113)**	(368,078)
Other comprehensive income, net of tax		**-**	-
Total comprehensive loss for the year		**(3,351,113)**	(368,078)
Earnings per share for loss attributable to the ordinary equity holders of the Company			
Basic (loss) per share (cents per share)	28	**(0.01)**	(0.16)
Diluted (loss) per share (cents per share)	28	**(0.01)**	(0.16)

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

Statement of Financial Position
As at 30 June 2015

	Note	2015 $	2014 $
Current assets			
Cash and cash equivalents	8	**2,191,839**	2,517,454
Trade and other receivables	9	**11,922**	14,174
Total current assets		**2,203,761**	2,531,628
Non-current assets			
Property, plant and equipment	11	**19,147**	23,778
Capitalised mineral exploration and evaluation expenditure	12	**1,500,000**	4,480,333
Other non-current assets	10	**-**	46,700
Total non-current assets		**1,519,417**	4,550,811
Total assets		**3,722,908**	7,082,439
Current liabilities			
Trade and other payables	13	**27,121**	35,539
Total current liabilities		**27,121**	35,539
Total liabilities		**27,121**	35,539
Net assets		**3,695,787**	7,046,900
Equity			
Issued capital	14	**19,375,907**	19,375,907
Share based payment reserve	16(a)	**-**	-
Accumulated losses	16(b)	**(15,680,120)**	(12,329,007)
Total equity		**3,695,787**	7,046,900

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

Statement of Changes in Equity
For the financial year ended 30 June 2015

	Note	Issued capital $	Share Based Payment Reserve $	Accumulated losses $	Total $
Balance at 30 June 2013		19,131,199	11,790	(11,972,719)	7,170,270
Total comprehensive income/(loss) for the financial year	16(b)	-	-	(368,078)	(368,078)
Shares issued during the financial year	14	260,000	-	-	260,000
Share issue costs	14	(15,292)	-	-	(15,292)
Options expired during year	16(a)	-	(11,790)	11,790	-
Balance at 30 June 2014		**19,375,907**	**-**	**(12,329,007)**	**7,046,900**
Total comprehensive income/(loss) for the financial year	**16(b)**	**-**	**-**	**(3,351,113)**	**(3,351,113)**
Shares issued during the financial year	**14**	**-**	**-**	**-**	**-**
Share issue costs	**14**	**-**	**-**	**-**	**-**
Balance at 30 June 2015		**19,375,907**	**-**	**(15,680,120)**	**3,695,787**

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

Statement of Cash Flows
For the financial year ended 30 June 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Interest received		**75,852**	91,957
Payments to suppliers and employees		**(262,374)**	(336,749)
Net cash used in operating activities	27	**(186,522)**	(244,792)
Cash flows from investing activities			
Payments for exploration and evaluation		**(182,093)**	(291,458)
Security bonds returned		**43,000**	11,652
Net cash used in investing activities		**(139,093)**	(279,806)
Cash flows from financing activities			
Received on the issue of shares		**-**	260,000
Payments for transaction costs relating to share issues		**-**	(15,292)
Net cash provided by financing activities		**-**	244,708
Net (decrease)/ increase in cash held		**(325,615)**	(279,890)
Cash and cash equivalents at the beginning of the financial year		**2,517,454**	2,797,344
Cash and cash equivalents at the end of the financial year	8	**2,191,839**	2,517,454

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

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements for Emergent Resources Limited as a single entity ("Company").

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001, as appropriate for for-profit oriented entities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The financial report of the Company was authorised for issue in accordance with a resolution of Directors on 3 September 2015.

Statement of Compliance
The financial report of Emergent Resources Limited complies with Australian Accounting Standards in their entirety. Compliance with Australian Accounting Standards ensures that the financial report also complies with International Financial Reporting Standards (IFRS) in their entirety.

Reporting basis and conventions
These financial statements have been prepared under the historical cost convention, and on an accrual basis.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(b) Segment reporting

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Company's Chief Operating Decision Maker, as defined by AASB 8.

(c) Revenue recognition and receivables

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and amounts collectable on behalf of third parties.

Interest income

Interest income is recognised on a time proportion basis and is recognised as it accrues.

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

(f) Impairment of financial assets

The Company assesses at each balance date whether a financial asset or group of financial assets is impaired.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed in subsequent periods.

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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

Depreciation of property, plant and equipment is calculated using the straight line and written down value methods to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Field equipment	5 - 33.3%
Office equipment	5 - 50%
Motor Vehicles	10 - 25%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)). Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(i) Mineral exploration and evaluation expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or

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

- In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

- Immediate restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure. Exploration activities resulting in future obligations in respect of restoration costs result in a provision to be made by capitalising the estimated costs, on a discounted cash basis, of restoration and depreciating over the useful life of the asset. The unwinding of the effect of the discounting on the provision is recorded as a finance cost in profit or loss.

(j) Joint Arrangements

A joint arrangement in which the Company has direct rights to the underlying assets and obligations for underlying liabilities is classified as a joint operation.

Interests in joint operations are accounted for by recognising the Company's assets (included its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly) and its share of the expenses (including its share of any expenses incurred jointly).

(k) Trade and other payables

These amounts represent liabilities, at amortised cost, for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within the payment terms negotiated with the creditor.

(l) Employee benefits

Wages, salaries and annual leave.

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salaries, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share based payments.

Share based compensation payments are made available to Directors and employees.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(m) Issued capital

Ordinary shares are classified as equity.

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

(n) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

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

(o) Goods and services tax (GST)

Revenues, expenses, assets commitments and contingencies are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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

(p) Comparative figures

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

(q) Financial instruments

Recognition

When financial assets are recognised initially, they are measured at fair value, plus in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(q) Financial instruments (continued)

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments included to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

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 stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(r) Fair value estimation

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss, held to maturity investments and available for sale financial assets is determined by reference to their quoted bid price at the reporting date. The fair value of held to maturity investments is determined for disclosure purposes only. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

Trade and other receivables

The fair value of trade and other receivables is measured at their fair value at the reporting date.

(s) Adoption of new and revised standards

In the year ended 30 June 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for the current annual reporting period.

A number of new or amended standards became applicable for the current reporting period, however, the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. Information on these new standards which are relevant to the Company 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 and has been adopted in this financial report. The adoption of these amendments has not had a material impact on the Company 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 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 in this financial report has not had a material impact on the Company as they are largely of the nature of clarification of existing requirements.

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)
- amend AASB 8 *Operating Segments* to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

(s) Adoption of new and revised standards (continued)

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

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 Company as they are largely of the nature of clarification of existing requirements.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015.

New and revised accounting standards and amendments that are currently issued for future reporting periods that are relevant to the Company include:

AASB 9 ***Financial Instruments***

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The effective date is for annual reporting periods beginning on or after 1 January 2018.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 15 ***Revenue from Contracts with Customers***

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. In summary, AASB 15:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time at a point in time;
- provides a new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return and warranties); and
- expands and improves disclosures about revenue.

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2018.

(s) Adoption of new and revised standards (continued)

AASB *2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*

This amendment impacts on the use of AASB 11 when acquiring an interest in a joint operation.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

Note 2 Financial risk management

The Company has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables

The Company has no investments and the nature of the business activity of the Company does not result in trading receivables. The receivables that the Company does experience through its normal course of business are short term and the risk of recovery of no recovery of receivables is considered to be negligible.

Cash deposits

The Company's bankers are ANZ Limited and Westpac Banking Corporation and, at balance date, all operating accounts and funds held on deposit are with these banks. The Directors believe any risk associated with the use of these banks is addressed through the use of an AA- rated bank as the primary banker. Except for this matter the Company currently has no significant concentrations of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment. If the Company does not raise capital, it can continue as a going concern by reducing planned but not committed expenditure until funding is available or joint venture arrangements can be entered into.

Note 2 Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Interest rate risk

The Company has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Company requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Company does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

Other market risks

The Company does not have any direct contact with foreign exchange or equity risks other than their effect on the general economy.

(d) Capital management

The Board of Directors monitors capital expenditure and cash flows as mentioned in (b). The Company's capital structure may be amended by the issue of equity securities or by entering in to other finance arrangements as necessary to fund the Company's operations and to continue as a going concern.

The Company's current capital structure has been comprised entirely of equity based securities since its incorporation, and has no externally imposed capital requirements to which it is subject to, other than the requirements of the Corporations Act and ASX Listing Rules. There has been no material change to the composition of the Company's capital in this or prior reporting periods.

Note 3 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 may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Accounting for capitalised exploration and evaluation expenditure

The Company's accounting policy is stated at Note 1(i). There is some subjectivity involved in the carrying forward as capitalised or writing off to the statement of profit or loss and other comprehensive income exploration and evaluation expenditure, however the Board and management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation. In the year ended 30 June 2015 an amount of $3,162,730 has been impaired (2014: $123,014).

Impairment

The future recoverability of capitalised exploration and evaluation expenditure is dependent upon 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 that could impact future recoverability include the level of reserves and resources, 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, profits and net assets will be reduced in the period in which the determination is made.

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

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined. Impairment in respect of exploration and evaluation expenditure is detailed in Note 12 to the financial statements.

Measurement of share-based payments

The Company's accounting policy is stated at 1(l). The fair value of options granted is measured using a valuation model taking into account the share price at the grant date, exercise price, expected option life and the expected volatility of the share price traded on the ASX.

Refer Note 17: Share based payments, for details of carrying amounts, estimates and assumptions used.

Note 4 Segment information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Company's only material reportable segment for the financial period has been identified as the Beyondie Project in the Mid-West region of Western Australia.

	2015	2014
	$	$
Capitalised exploration for the year:		
Beyondie Project	**182,397**	277,837
Reconciling	**-**	-
	182,397	277,837
Result for the year:		
Beyondie Project	**(3,162,730)**	**(123,014)**
Reconciling	**(188,383)**	**(245,053)**
	(3,351,113)	**(368,067)**
Total segment assets:		
Beyondie Project	**1,500,000**	4,480,332
Reconciling	**2,222,908**	2,602,107
	3,722,908	7,082,439

Notes to the Financial Statements
For the financial year ended 30 June 2015

Note 5 Revenue

Interest income	**69,862**	101,194
	69,862	101,194

Note 6 Loss for the year

Loss before income tax includes the following specific expenses:		
Depreciation:		
Office equipment	**2,896**	3,865
Plant and equipment	**1,735**	2,094
	4,631	5,959

	2015	2014
	$	$

Note 6 Loss for the year (continued)

Employee expenses		
Defined contribution superannuation expense	**10,260**	15,079
Salary costs capitalised to exploration	**(68,130)**	(126,461)
Directors' fees	**126,000**	199,014
Other employment expenses	**-**	60
	68,130	87,692
Impairment expense	**(3,162,730)**	123,014

Note 7 Income tax

a) Income tax expense

Current income tax:		
Current income tax charge (benefit)	**(1,005,333)**	(112,827)
Deferred income tax:		
Relating to origination and reversal of timing differences	**1,005,333**	112,827
Income tax expense reported in statement of profit or loss and other comprehensive income	-	-

b) Reconciliation of income tax expense to prima facie tax payable

Loss from continuing operations before income tax expense	**(3,351,113)**	(368,078)
Tax at the Australian rate of 30% (2014 – 30%)	**(1,005,333)**	(110,423)
Tax effect of permanent differences:		
Exploration costs written off	**-**	(1,788)
Impairment charge	**948,819**	36,904
Capital raising costs	**(34,968)**	(53,787)
Net deferred tax asset benefit not brought to account	**91,482**	125,519
Tax (benefit)/expense	**-**	-

Notes to the Financial Statements
For the financial year ended 30 June 2015

	2015 **$**	2014 $
Note 7 Income tax (continued)		
c) Deferred tax balances		
Recognised Deferred Tax Balances		
Deferred Tax Asset:		
Tax losses carried forward	**452,944**	1,347,737
Deferred Tax Liabilities:		
Exploration expenditure capitalised	**450,000**	1,344,100
Other deferred tax balances	**2,944**	3,637
Deferred Tax Liability	**452,944**	1,347,737
Net recognised deferred tax balances	**-**	-
d) Unrecognised Deferred Tax Balances:		
Deferred tax assets comprise:		
Tax losses carried forward	**4,965,553**	3,423,642
Other deferred tax balances	**13,763**	51,213
Net unrecognised deferred tax asset	**4,979,316**	3,474,854

Potential deferred tax assets attributable to tax losses and capital losses carried forward have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future tax benefit as probable.

e) Income tax benefit not recognised directly in equity during the year		
Capital raising costs	**19,680**	136,241

Note 8 Current assets - Cash and cash equivalents

(a) Reconciliation to cash at the end of the year

The figures below are reconciled to cash at the end of the financial year as shown in the statement of cash flow as follows:

Cash at bank	**86,489**	65,454
Deposits at call	**2,105,350**	2,450,000
Cash and cash equivalents per statement of cash flows	**2,191,839**	2,517,454

The above amount includes $nil (2014: $50,000) that is held in a restricted term deposit by ANZ as security against the Company's credit card liability.

(b) Deposits at call

The deposits are bearing fixed interest rates of 2.95% (2014: between 2.5% and 3.71%).

Notes to the Financial Statements
For the financial year ended 30 June 2015

	2015 $	2014 $
Note 9 Current assets – Trade and other receivables		
Prepayments	**2,865**	2,888
Accrued interest	**6,947**	9,237
GST recoverable	**2,110**	2,049
	11,922	14,174

Details of fair value and exposure to interest risk are included at Note 18.

Note 10 Other assets

Other assets – Non-current

Deposits & Bonds	**-**	46,700
	-	46,700

Note 11 Non-current assets – Property, plant and equipment

Office equipment		
At cost	**40,909**	40,909
Accumulated depreciation	**(30,634)**	(27,738)
	10,275	13,171
Plant and equipment		
At cost	**21,254**	21,254
Accumulated depreciation	**(12,382)**	(10,647)
	8,872	10,607
	19,147	23,778

Notes to the Financial Statements
For the financial year ended 30 June 2015

Note 11 Non-current assets – Property, plant and equipment (continued)

	2015 $	2014 $
Reconciliation of movements:		
Office equipment		
Net book value at start of the year	**13,171**	17,037
Additions	**-**	-
Disposal	**-**	-
Depreciation	**(2,896)**	(3,866)
Net book value at end of the year	**10,275**	13,171
Plant and equipment		
Net book value at start of the year	**10,607**	12,700
Additions	**-**	-
Disposal	**-**	-
Depreciation	**(1,735)**	(2,093)
Net book value at end of the year	**8,872**	10,607
	19,147	23,778

No items of property, plant and equipment have been pledged as security by the Company.

Note 12 Non-current assets – Capitalised mineral exploration and evaluation expenditure

	2015 $	2014 $
In the exploration and evaluation phase:		
Capitalised exploration costs at the start of the year	**4,480,333**	4,325,509
Exploration costs capitalised during the year	**182,397**	286,194
Exploration costs written off during the year	**-**	(8,356)
Exploration costs impaired during the year	**(3,162,730)**	(123,014)
Capitalised exploration costs at the end of the year	**1,500,000**	4,480,333

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

During the 2015 financial year it was decided by the Board and management to provide impairment on all of its capitalised exploration projects. The basis for impairment was comparable peer transactions within the past 6 months together with comparable peer value based on enterprise value per resource tonne of iron ore. This resulted in an impairment charge totalling $3,162,730 (2014: $123,014).

	2015	2014
	$	$

Note 12 Non-current assets – Capitalised mineral exploration and evaluation expenditure (continued)

Fair Value of Exploration and Evaluation Assets

Non-financial instruments measured at fair value in the statement of financial position are grouped into three (3) levels of fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- **Level 3:** unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as 30 June 2015

30 June 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Exploration and evaluation	**$**	**$**	**$**	**$**
Beyondie	-	1,500,000	-	1,500,000

	2015	2014
	$	$

Note 13 Current liabilities

Trade and other payables

Trade payables	**922**	1,072
Sundry payables and accrued expenses	**26,199**	34,467
	27,121	35,539

Liabilities are not secured over the assets of the Company. Details of fair value and exposure to interest risk are included at note 18.

Note 14 Issued capital

a) Ordinary shares
The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Note 14 Issued capital (continued)

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

b) Share capital	**2015 No.**	2014 No.	**2015 $**	2014 $
Fully paid ordinary shares	*226,991,001*	*206,991,001*	*19,375,907*	*19,131,199*

c) Share movements during the year	*Issue price*				
At the beginning of the year		*226,991,001*	*206,991,001*	*19,375,907*	*19,131,199*
Placement	*$0.013*	-	*20,000,000*	-	*260,000*
Less: costs related to shares issued		-	-	-	*(15,292)*
At the end of the year		226,991,001	226,991,001	19,375,907	19,375,907

Information relating to options over unissued shares is set out in note 15.

Note 15 Options

a) Options on issue	**2015 No.**	2014 No.	**2015 $**	2014 $
Issued option capital	-	10,125,000	-	11,790

b) Unlisted Option movements during the year

	2015 No.	2014 No.	**2015 $**	2014 $
At the beginning of the year		**10,125,000**		**11,790**
Unlisted options issued (i)		**-**		**-**
Unlisted options expired / forfeited		**(10,125,000)**		**(11,790)**
Unlisted options issued (ii)	-		-	-
At the end of the year	-	-	-	-

(i) *Unlisted options issued as a part of a shareholder approved, Director remuneration package for Mr Wolfgang Fischer. The dollar value shown is the amount expensed in relation to the options remuneration under Australian Accounting Standards.*

(ii) *Unlisted options issued as a part of a Director remuneration package for Dr Andrew Tunks upon his appointment as Director. The dollar value shown is the amount expensed in relation to the options remuneration under Australian Accounting Standards.*

d) Options on issue at the balance date
The number of options outstanding as at 30 June 2015 is nil (2014: nil).

e) Subsequent to the balance date
No options were issued or exercised between the end of the financial year and the date of this report.

Note 15 Options (continued)

Reconciliation of movement of options over unissued shares during the period including weighted average exercise price (WAEP)

	2015		2014	
	No.	**WAEP (cents)**	No.	WAEP (cents)
Options outstanding at the start of the year	**-**	**-**	10,125,000	53.0
Unlisted options granted during the year	**-**	**-**	-	-
Options expiring unexercised during the year	**-**	**-**	(10,125,000)	53.0
Options outstanding at the end of the year	**-**	**-**	-	-

	2015 $	2014 $
Note 16 Reserves and accumulated losses		

(a) Share-based payment reserve

Balance at beginning of year	**-**	11,790
Options issued to directors	**-**	-
Options expired	**-**	(11,790)
Balance at the end of the year	**-**	-

The share-based payment reserve records items recognised as expenses on valuation of employee and consultant options.

(b) Accumulated losses

Accumulated losses:		
At the beginning of the year	**(12,329,007)**	(11,972,719)
Loss for the year	**(3,351,113)**	(368,078)
Options expired during the year	**-**	11,790
Balance at the end of the year	**(15,680,120)**	(12,329,007)

Note 17 Share based payments

a) On the 21 June 2013, the Company issued 10,000,000 unlisted options to Dr Andrew Tunks upon his appointment as director. The options consisted of 5,000,000 unlisted options exercisable at 2.5 cents on or before 21 June 2017 and 5,000,000 unlisted options exercisable at 5 cents on or before 21 June 2018. Dr Andrew Tunks resigned from the Company on 26 November 2013 and the options expired.

.	**2015** **$**	2014 $
Number of Options	-	5,000,000
Fair value at grant date[1]	-	$0.0054
Share price	-	$0.010
Exercise price	-	$0.025
Volatility factor	-	98.71%
Expiry date of the options	-	21 June 2017
Risk free interest rate[2]	-	3.14%

[1] The basis of measuring fair value of the options was the Black-Scholes Option Pricing Model

[2] Based on the prevailing Commonwealth Government Bond Rate at date of issue to expiry of option

Included under employee benefits expense in the statement of comprehensive income is $nil which relates to equity-settled share-based payment transactions (2014: $nil).

b) No shares were granted to key management personnel for share-based payments during the financial year ended 30 June 2015.

Note 18 Financial instruments

Credit risk
The Directors do not consider that the Company's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made, note 2(a).

Impairment losses
The Directors do not consider that any of the Company's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

Liquidity risk
The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, note 2(b):

2015	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5years**	**More than 5 years**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Trade payables	**922**	**922**	**922**	**-**	**-**	**-**	**-**
	922	**922**	**922**	**-**	**-**	**-**	**-**

2014	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5years	More than 5 years
	$	$	$	$	$	$	$
Trade payables	**1,072**	**1,072**	**1,072**	-	-	-	-
	1,072	**1,072**	**1,072**	-	-	-	-

Interest rate risk
At the reporting date the interest profile of the Company's interest-bearing financial instruments was:

	Carrying amount ($)	
	2015	2014
Variable rate instruments		
Financial assets	**2,191,839**	2,517,454

The weighted average effective interest rates for financial assets at 30 June 2015 is 1.22% (2014: 1.9%). The weighted average maturity period for these financial assets as at 30 June 2015 is nil months (2014: nil months).

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Note 18 Financial instruments (Continued)

2015	**Profit or loss**		**Equity**	
	0.5% increase	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Variable rate instruments	**28,094**	**(28,094)**	**28,904**	**(28,904)**

2014	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
Variable rate instruments	24,000	(24,000)	24,000	(24,000)

Fair values

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

	2015		2014	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	$	**$**	$	$
Cash and cash equivalents	**2,191,839**	**2,191,839**	2,517,454	2,517,454
Trade receivables	**-**	**-**	-	-
Trade payables – at amortised cost	**(922)**	**(922)**	(1,072)	(1,072)
	2,190,917	**2,190,917**	2,516,382	2,516,382

The Company's policy for recognition of fair values is disclosed at note 1(r).

Note 19 Dividends

No dividends were paid or proposed during the financial year.

The Company has no franking credits available as at 30 June 2015 (2014: nil).

Note 20 Key management personnel disclosures

Key management personnel compensation

	2015 $	2014 $
Short-term employee benefits	**150,000**	224,014
Post-employment benefits	**10,260**	15,079
Other benefits	**8,450**	500
	168,710	239,593

Equity instrument disclosures relating to key management personnel

Unlisted Options provided as remuneration and shares issued on exercise of such options

No shares have been issued to key management personnel on exercise of options during the year.

No shares were granted to key management personnel for share-based payments during the financial year ended 30 June 2015.

Loans made to key management personnel

No loans were made to key personnel, including personally related entities during the reporting period.

Other transactions with key management personnel

There were no other transactions with key management personnel, other than as disclosed in the *Remuneration Report*.

Note 21 Remuneration of auditors

	2015 $	2014 $
Audit or review of the financial reports of the Company	**20,000**	26,610
Balance at the end of the year	**20,000**	26,610

Note 22 Contingencies

(i) Contingent liabilities

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2015 or 30 June 2014 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

(ii) Contingent assets

There were no material contingent assets as at 30 June 2015 or 30 June 2014.

Note 23 Commitments

(a) Exploration

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and which cover the following twelve month period amount to $204,000 (2014: $181,000). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements. This commitment does not include the expenditure commitments which are the responsibility of the joint venture partners.

	2015 **$**	**2014** **$**
Not later than one year	**204,000**	181,000
Later than one year but not later than five years	**134,000**	112,000
	338,000	293,000

(b) Contractual Commitment

There are no material contractual commitments as at 30 June 2015 (2014: nil) other than those disclosed above in the Financial Statements.

Note 24 Related party transactions

There were no related party transactions during the year, other than disclosed at Note 20.

Note 25 Interests in joint operations

Joint arrangement agreements have been entered into with third parties. Details of these agreements are disclosed below.

Assets employed by these joint operations and the Company's expenditure in respect of them is brought to account initially as capitalised exploration and evaluation expenditure until a formal joint venture agreement is entered into. Thereafter, investment in joint operations is recorded distinctly from capitalised exploration costs incurred on the Company's 100% owned projects.

The Company has the following joint ventures which are classed as joint operations:

Joint Venture Project	**Percentage Interest**	**Principal Exploration Activities**
Beyondie Iron	80% (2014: 80%) De Grey Mining Limited	Iron Ore, Vanadium, Manganese

Under an agreement entered into with De Grey Mining Limited on 1 May 2008, Emergent Resources Limited has rights to 80% of the iron ore, vanadium and manganese on EL52/1806 and EL52/2215. The Company will sole fund the tenements until it makes a decision to mine. De Grey Mining Limited may then contribute on its 20% interest basis or convert to a 2% net smelter royalty.

The Company's interest in exploration expenditure in the above mentioned Joint Operation is as follows:

	Beyondie 80%
Non-Current Assets	
Exploration and Evaluation Asset	4,662,730
Impairment	(3,162,730)
Carrying Amount	**1,500,000**

Note 26 Events occurring after the balance sheet date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Notes to the Financial Statements
For the financial year ended 30 June 2015

Note 27 Reconciliation of loss after tax to net cash outflow from operating activities

	Note	2015 $	2014 $
Loss after tax		**(3,351,113)**	(368,078)
Non-cash items:			
Depreciation expense		**4,631**	5,959
Exploration costs impaired/written off		**3,162,730**	131,467
Changes in net assets and liabilities:			
(Increase)/decrease in trade and other receivables		**2,252**	(2,888)
(Increase)/decrease in other assets		**-**	1,873
Increase/(decrease) in trade and other payables		**(8,418)**	(13,125)
		(186,522)	(244,792)

There were no non-cash financing and investing activities undertaken during the year.

Note 28 Earnings per share

	2015 cents	2014 cents
a) Basic (loss) per share		
Loss attributable to ordinary equity holders of the Company	**(0.01)**	(0.16)
b) Diluted (loss) per share		
Loss attributable to ordinary equity holders of the Company	**(0.01)**	(0.16)

	$	$
c) Loss used in calculation of basic and diluted loss per share		
Loss after tax from continuing operations	**(3,351,113)**	(368,078)

	No.	No.
d) Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic and dilutive loss per share	**226,991,001**	226,717,028

At 30 June 2015 the Company had on issue nil options (2014: nil) over ordinary shares that are not considered to be dilutive to its reported loss for the year.

Directors' Declaration

In the opinion of the Directors of Emergent Resources Limited ("the Company")

(a) the financial statements and notes set out on Pages 19-50 are in accordance with the Corporations Act 2001, including:

- (i) complying with Australian Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Company; and
- (iii) complying with International Financial Reporting standards as disclosed in Note 1.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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, or equivalent, for the financial year ended 30 June 2015.

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

Signed at Perth this 3rd day of September 2015

Jian Hua Sang
Non-Executive Chairman

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report
To the Members of Emergent Resources Limited

Report on the financial report

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

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

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

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

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

Auditor's opinion
In our opinion:

a the financial report of Emergent Resources Limited is in accordance with the Corporations Act 2001, including:

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

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in pages 13 to 17 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report
In our opinion, the remuneration report of Emergent Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 3 September 2015

ASX Additional Information

Pursuant to the Listing Rules of the Australian Securities Exchange Limited, the shareholder information set out below was applicable as at 7 October 2015.

a. Distribution of Equity Securities

Range	Listed Shares: Number of Holders	Listed Shares: Securities Held
1 – 1,000	52	21,053
1,001 – 5,000	101	326,335
5,001 – 10,000	141	1,235,572
10,001 – 100,000	424	18,109,053
100,001 and over	222	207,298,988
	940	226,991,001

There are 465 shareholders holding unmarketable parcels represented by 4,668,858 shares.

b. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Issued Ordinary Shares: Number	Issued Ordinary Shares: %
INTERNATIONAL NATURAL RESOURCES INC	21,650,000	18.46
ADVANCED ENDEAVOUR ENTERPRISES LIMITED	20,000,000	8.81

c. Twenty Largest Shareholders

Shareholder	Shares Held	% of Issued Capital
INTERNATIONAL NATURAL RESOURCES INC	21,650,000	9.54
INTERNATIONAL NATURAL RESOURCES INC	20,244,609	8.92
ADVANCED ENDEAVOUR ENTERPRISES LIMITED	20,000,000	8.81
BENFICO PTY LTD	6,117,936	2.70
AH SUPER FUND <THE AH SUPER FUND PTY LTD A/C>	5,170,000	2.28
MR IANAKI SEMERDZIEV	4,685,434	2.06
R & K BOYLAN NOMINEES PTY LTD <BOYLAN SUPER FUND A/C>	4,357,223	1.92
MR KEVIN BANKS SMITH	4,200,000	1.85
WABOC PTY LTD <FISCHER SUPER FUND A/C>	4,016,667	1.77
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	3,939,105	1.74
R & K BOYLAN NOMINEES PTY LTD <BOYLAN SUPER FUND A/C>	3,751,324	1.65
PHEAKES PTY LTS <SENATE A/C>	3,333,333	1.47
MS THERESE MERLE MCMASTER	2,706,270	1.19
AMBERGATE NOMINEES PTY LTD <AMBERGATE SUPERFUND A/C>	2,500,000	1.10
MR WAYNE DARYL KING & MR CRAIG ALLAN KING <W D SUPER FUND A/C>	2,440,000	1.07
MS MAREE TERESA HEMMING	2,093,234	0.92
BUZZ CAPITAL PTY LTD <THE BEELEAF A/C>	2,000,000	0.88
MR PETER LAURENCE JULIFF	2,000,000	0.88
WITTINGHAM SECURITIES PTY LTD	2,000,000	0.88
MR KEVIN BANKS-SMITH	1,969,700	0.87
TOTAL	**119,214,835**	**52.52**

d. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

e. Restricted Securities

There are no restricted securities.