# SIGNATURE GOLD LIMITED
## ACN 142 902 985

# FINANCIAL REPORT
## FOR THE YEAR ENDED 30 JUNE 2017

The Financial Report was authorised for issue by the directors on 19 October 2017.

The Company has the power to amend and reissue the financial report.

# CONTENTS

# CORPORATE DIRECTORY

### Directors

John Hewson
Non-Executive Chairman

Brett Boynton
Managing Director

Bruce Fulton
Non-Executive Director

Anthony McLellan
Non-Executive Director

Peter Prentice
Executive Director

### Registered Office and Principal Place of Business

Level 13, 20 Bridge Street
Sydney NSW 2000
T: +61 2 9241 7665
W: www.signaturegold.com.au

### Auditor

HLB Mann Judd
Level 19, 207 Kent Street
Sydney NSW 2000
T: +61 2 9020 4000
F: +61 2 9020 4191

# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The Directors of Signature Gold Limited (the "Company") present their report for the year ended 30 June 2017.

## Directors

The following persons held office as Directors of Signature Gold Limited during or since the end of the reporting period and up to the date of this report:

| | | |
|---|---|---|
| John Hewson | Non-Executive Chairman | (appointed 31 March 2010) |
| Brett Boynton | Managing Director | (appointed12 February 2011) |
| Bruce Fulton | Non-Executive Director | (appointed 18 January 2011) |
| Anthony McLellan | Non-Executive Director | (appointed 1 April 2013) |
| Peter Prentice | Executive Director | (appointed 31 March 2010) |

**Qualifications and experience:**

**Brett Boynton -** Undergraduate degree in Economics and Accounting from the University of Cape Town; MBA from Duke University. He is also a CFA Charter Holder. He is highly qualified in the field of finance and has an international investment banking background having worked with UBS in London and New York and Credit Suisse in Australia. He has raised capital for a number of energy and resources companies, both at IPO level and on the secondary markets.

**Bruce Fulton -** M.Sc. (Earth Sciences) from Waikato University; MBA from Deakin University. He is a member of: The Australian Institute of Company Directors (MAICD); The Australasian Institute of Mining and Metallurgy (MAusIMM); Canadian Institute of Mining, Metallurgy and Petroleum (MCIM); and Society of Economic Geologists (MSEG). Mr Fulton is an experienced geologist and previously held the position of Chief Geologist at Porgera Gold Mine, Papua New Guinea. Following his career in mining with companies such as Dominion Mining, Placer Dome and Plutonic Resources, Mr Fulton co-founded Ophir Partners, an executive search company specialising in the resources industry. He is currently Managing Director of Ophir Partners.

**John Hewson -** PhD in Political Economy from The Johns Hopkins University with undergraduate (Honours) from Sydney University; Masters qualifications from Johns Hopkins and University of Saskatchewan, Canada. Dr Hewson has had an extensive career as an academic and economist, a political advisor and politician, a businessman, and in the media as a columnist and commentator. He was the Member for Wentworth in the Federal Parliament, going on to become Leader of the Liberal Party and of the Federal Opposition. Previously he was a Founding Executive Director of Macquarie Bank. More recently he was appointed Chairman of ABN AMRO Australia and has held chairman and director positions for a large number of public and private companies (including GRD Limited – a gold mining company, and its subsidiary Minproc Engineers – a mining engineering company) and several charities.

**Anthony McLellan** – Mr McLellan is a highly regarded international business leader and an experienced gold and resources executive. He is the former President and CEO of the predecessor of Barrick Gold, now the world's largest gold mining company, headquartered in Toronto, Canada. During his three decades abroad Mr McLellan was the CEO of a number of international corporations and has transacted business in more than twenty countries.

Since returning to Australia, Mr McLellan has acted as Chairman of Norton Gold Fields Limited and negotiated the acquisition of the company's primary asset, the Paddington Gold Mine, from Barrick Gold. In 2012 Zijin Mining, China's largest gold producer took a majority interest in Norton for $225m. He also acted as the initial chairman of Felix Resources and was closely involved in building Felix Resources into a major coal company, which was sold for $3.4 billion to Yanzhou Coal, a major Chinese coal company. Mr McLellan also served as chairman of Bemax Resources, which he helped develop into Australia's second-largest mineral sands producer, and was instrumental in its sale at a substantial premium.

Mr McLellan served as chairman of Habitat for Humanity, for many years. During his tenure, the organisation grew considerably, winning the Prime Minister's National Award. Mr McLellan was also a director of Opportunity International Australia, a partnership that operates in over 30 countries, providing micro loans to poor people in the third-world. Other not-for-profit interests include his directorship of The Menzies Research Centre. He is also chairman of Australian Christian Lobby.

**Peter Prentice** - B.Sc. in Mathematics and a B.Sc in Engineering (Mining) from the University of New South Wales. Mr Prentice has had extensive management experience in developing resource projects in Australia and internationally, including gold, uranium, copper, tungsten, base metals and industrial minerals. Mr Prentice has also had international banking experience, based in London for one of the world's largest project financing banking groups. Mr Prentice is Managing Director of the Agripower Australia Limited group of companies that are involved in environmental science and agriculture.

## Principal Activities

The principal activity of the Company during the reporting period was gold exploration.

## Dividends

No dividends were either paid or proposed for the year.

## Review of Operations and Financial Results

**Financial Results**

The Company incurred a loss from operations before tax for the reporting period of $521,524 (2016: loss of $162,616).

**Corporate activities**

During the reporting period, the Company has executed a binding Heads of Agreement (HoA) with London Stock Exchange listed shell company, StratMin Global Resources Plc (StratMin), for the reverse takeover (RTO) of StratMin by Signature. The RTO was to be executed by a Scheme of Arrangement, however since the end of the reporting period, the time frame in which the RTO was to be completed expired and as such StratMin was de-listed from Alternative Investment Market (AIM). Under the AIM Rules, a qualifying asset had to be reversed into StratMin within 6 months of the Company being suspended on 3 February 2017.

Signature Gold is still pursuing the merger with StratMin as an unlisted entity and anticipates lodging a listing application on AIM within the first half of 2018.

**Exploration activities**

At the date of this report Signature Gold Limited held four major projects (Biloela, Clermont, Rockhampton and Sarina Projects) consisting of seven tenements, including a Mineral Development License. The total area of the Exploration Portfolio is ~858km$^2$. At 30 June 2016, the Company held eleven tenements and has worked in collaboration with the Department of Natural Resources and Mines to consolidate these licence areas without losing any critical land within the Portfolio, the Management Team consider this a technical success.

For the six months ending 31 December 2016, the Company had spent a considerable amount of time completing geological field mapping and advanced geochemical exercises on all of the four major projects. An independent expert review of the projects, their prospectivity and associated 24-month operating budgets was also completed during this time frame. Leading up to the Financial Year End – 30 June 2017, the Technical Team had also had commenced the field preparation for a Sub-Audio Magnetics (SAM) geophysical survey to be flown over a prospect (Specimen Hill – Mount Rainbow) within the Biloela Project.

The Company is focused on progressing feasibility studies on the two lead projects, Specimen Hill (EPM19506 and MDL313) and Last Chance (EPM18350).

# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Summary table of assets - minerals and ore as at the date of the report are as follows:

| No. | Asset [(1)] | Holder | Interest (%) | Status [(2)] | Licence Expiry Date | Licence Area | Comments |
|---|---|---|---|---|---|---|---|
| 1 | Australia QLD - Biloela Project **EPM18350** | Signature Gold Limited | 100% | Exploration | 25 Mar 2019 | 168 km2 | Drilling, Geochemistry, Geophysics and Geological Mapping completed and ongoing |
| 2 | Australia QLD - Biloela Project **EPM19506** | Signature Gold Limited | 100% | Exploration | 1 Jul 2018 | 101 km2 | Drilling, Geochemistry, Geophysics and Geological Mapping completed and ongoing |
| 3 | Australia QLD - Biloela Project **EPM25298** | Signature Gold Limited | 100% | Exploration | 26 Apr 2017 [(3)] | 126 km2 | Drilling, Geochemistry, Geophysics and Geological Mapping completed and ongoing |
| 4 | Australia QLD - Biloela Project **MDL313** | Signature Gold Limited | 100% | Development | 30 Sep 2019 | 133 Hectares | Drilling, Geochemistry, Geophysics and Geological Mapping completed and ongoing |
| 5 | Australia QLD - Rockhampton Project **EPM26247** | Signature Gold Limited | 100% | Exploration | 19 Dec 2019 | 210 km2 | Drilling, Geochemistry, Geophysics and Geological Mapping completed and ongoing |
| 6 | Australia QLD - Clermont Project **EPM26137** | Signature Gold Limited | 100% | Exploration | 10 Oct 2019 | 210 km2 | Drilling, Geochemistry, Geophysics and Geological Mapping completed and ongoing |
| 7 | Australia QLD - Sarina Project **EPM19440** | Signature Gold Limited | 100% | Exploration | 19 Aug 2018 | 42 km2 | Drilling, Geochemistry, Geophysics and Geological Mapping completed and ongoing |

1. Asset - Country and asset / project name
2. Status - Exploration, Development and Production Only
3. Renewal Documentation Lodged with Department of Natural Resources and Mines (event subsequent – renewal approved until 7 March 2020)

## Significant Changes in State of Affairs

There were no significant changes in the state of affairs for the financial year.

## Likely Developments and Future Results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

## Events Subsequent to Reporting Date

Since the end of the reporting period:

The Company is in the process of submitting an application under the Federal Government's Research and Development Tax Incentive. Net of fees to consultants that assisted in preparing and submitting this application this is expected to generate a refund of approximately $440,000 in the next 60 days.

Other than as stated elsewhere in this report, Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Company in subsequent financial years.

## Environmental Regulation

The Company is subject to environmental regulations under the laws of the Commonwealth and States. The Company recognises the importance of adherence to the environmental guidelines in relation to its mining and exploration activities.

## Indemnification and Insurance of Officers

The Company has agreed to indemnify the directors of the Company against all liabilities to another person that may arise from their position as directors, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors of the Company against any liability incurred as such by a director or secretary to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included on page 4 of this financial report and forms part of this Directors' report.

Signed in accordance with a resolution of the Directors.

Brett Boynton

Managing Director

19 October 2017

**SIGNATURE GOLD LIMITED**

**ACN 142 902 985**

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Signature Gold for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

**Sydney, NSW**
**19 October 2017**

**M Muller**
**Partner**



**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**
Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190
Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

| | NOTE | 2017<br>$ | 2016<br>$ |
|---|---|---|---|
| Revenue from continuing operations | 5 | 366,443 | 63,871 |
| Expenses from continuing operations: | | | |
| Accounting and audit fees | | (105,529) | (45,400) |
| Administration and office costs | | (40,699) | (77,468) |
| Corporate costs | | (14,471) | (21,139) |
| Amortisation and depreciation | | (3,007) | (6,084) |
| Employee benefits, management fees and on costs | | (10,187) | 23,275 |
| Exploration and tenement costs | | (68,455) | (73,877) |
| Insurance | | (14,321) | (17,554) |
| Legal expenses | | (284,246) | (1,295) |
| Options fee and associated costs | | (341,629) | - |
| Other expenses | | (5,423) | (6,945) |
| **(Loss) from continuing operations before income tax** | | (521,524) | (162,616) |
| Income tax benefit | 6 | 291,384 | 507,435 |
| **Net (loss)/profit for the reporting period** | | **(230,140)** | **344,819** |
| Other comprehensive income, net of tax | | - | - |
| **Total comprehensive (loss)/income for the year** | | **(230,140)** | **344,819** |

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 2017

| | NOTE | 2017 $ | 2016 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Trade and other receivables | 8 | 159,326 | 159,326 |
| Plant and equipment | 9 | 3,496 | 2,862 |
| Exploration and evaluation expenditure | 10 | 4,370,681 | 3,858,112 |
| Intangible assets | 11 | - | 888 |
| **TOTAL NON-CURRENT ASSETS** | | **4,533,503** | **4,021,188** |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 7 | 711,819 | 53,100 |
| Trade and other receivables | 8 | 48,819 | 11,473 |
| **TOTAL CURRENT ASSETS** | | **760,638** | **64,573** |
| **TOTAL ASSETS** | | **5,294,141** | **4,085,761** |
| **EQUITY** | | | |
| Share capital | 15 | 4,908,209 | 4,908,209 |
| Accumulated losses | | (2,968,716) | (2,738,576) |
| **TOTAL EQUITY** | | **1,939,493** | **2,169,633** |
| **LIABILITIES** | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Trade and other payables | 12 | 160,833 | - |
| Borrowings | 13 | 934,394 | 884,044 |
| Employee benefits | 14 | 15,381 | 12,848 |
| **TOTAL NON-CURRENT LIABILITES** | | **1,110,608** | **896,892** |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 12 | 1,097,446 | 996,607 |
| Borrowings | 13 | 1,118,009 | - |
| Employee benefits | 14 | 28,585 | 22,629 |
| **TOTAL CURRENT LIABILITES** | | **2,244,040** | **1,019,236** |
| **TOTAL LIABILITIES** | | **3,354,648** | **1,916,128** |
| **TOTAL EQUITY AND LIBAILITIES** | | **5,294,141** | **4,085,761** |

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

| | ISSUED CAPITAL $ | ACCUMULATED LOSSES $ | TOTAL $ |
|---|---|---|---|
| Balance as at 1 July 2016 | 4,908,209 | (2,738,576) | 2,169,633 |
| Total comprehensive loss for the period | - | (230,140) | (230,140) |
| Transactions with owners, recorded directly in equity | | | |
| **Balance as at 30 June 2017** | **4,908,209** | **(2,968,716)** | **1,939,493** |

FOR THE YEAR ENDED 30 JUNE 2016

| | ISSUED CAPITAL $ | ACCUMULATED LOSSES $ | TOTAL $ |
|---|---|---|---|
| Balance as at 1 July 2015 | 4,728,209 | (3,083,395) | 1,644,814 |
| Total comprehensive income for the period | - | 344,819 | 344,819 |
| Transactions with owners, recorded directly in equity | | | |
| Issue of share capital | 180,000 | - | 180,000 |
| **Balance as at 30 June 2016** | **4,908,209** | **(2,738,576)** | **2,169,633** |

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

SIGNATUREGOLD

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

| | NOTE | 2017<br>$ | 2016<br>$ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Cash receipts in the course of operations | | 28,875 | 65,923 |
| Cash payments in the course of operations | | (313,716) | (406,136) |
| Research and Development Tax Incentive Claim | 13 | 291,384 | 507,435 |
| Interest received | | 1,660 | 7 |
| **Net cash provided by operating activities** | 16 (b) | 8,203 | 167,229 |
| | | | |
| **CASH FLOWS USED IN INVESTING ACTIVITIES** | | | |
| Payments for property, plant and equipment | | (2,753) | - |
| Payments for exploration and evaluation expenditure | | (548,681) | (439,938) |
| **Net cash used in investing activities** | | (551,434) | (439,938) |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares | | - | 180,000 |
| Proceeds from borrowings | | 1,245,350 | - |
| Repayment of borrowings | | (43,400) | - |
| **Net cash provided by financing activities** | | 1,201,950 | 180,000 |
| | | | |
| Net increase/(decrease) in cash held and cash equivalents | | 658,719 | (92,709) |
| Cash and cash equivalents at the beginning of the period | | 53,100 | 145,809 |
| **Cash and cash equivalents at the end of the period** | **16 (a)** | **711,819** | **53,100** |

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of this financial report are set out below. These policies have been consistently applied unless otherwise stated.

The financial report is presented in the Australian currency.

Signature Gold Limited is an unlisted public company, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 13, 20 Bridge Street, Sydney NSW 2000.

## a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with International Financial Reporting Standards.

**Historical cost convention**

These financial statements have been prepared under the historical cost convention.

The financial statements have been approved and authorised for issue by the Board of Directors on 19 October 2017.

## b) Income Tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The research and development tax incentive claim is recognised as income tax revenue in the period in which it is received.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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 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 asset and liabilities are offset when 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.

## c) Revenue

**Consulting Services**

Revenue from consulting services is recognised in the accounting period in which the services are rendered.

**Other revenue**

Interest and other revenue are recognised on an accruals basis.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 1. Summary of Significant Accounting Policies (continued)

### d) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and 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.

### e) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade receivables are generally due for settlement within 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between an asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in profit or loss.

### f) Property, plant and equipment

Items of property, plant and equipment are recorded at cost and depreciated as outlined below:

Depreciation of Property, Plant and Equipment

Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment over its expected useful life for the entity. Estimates of remaining useful lives are made on a regular basis for all assets with annual reassessments for major items. The expected useful lives are as follows:

| | |
|---|---|
| Plant and equipment | 5 years |

### g) Exploration Expenditure

Exploration expenditure incurred is accumulated in respect of each identifiable area of interest, net of any related grant income received. These costs are only carried forward to the extent that they are expected to be recovered through the successful development or sale of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to the area of interest.

### h) Trade and Other Payables

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 1. Summary of Significant Accounting Policies (continued)

### i) Intangible Assets

**Software**

Costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation are capitalised to software. Amortisation is calculated on a straight-line basis over a period of 4 years.

### j) Employee Provisions

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

**Other long-term employee benefit obligations**

The liability for long service leave which is not expected to be settled within 12 months after the end of the year in which the employees render the related service 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 end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

### k) Goods and Services Tax (GST)

Revenues, expenses and assets 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 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 statement of financial position.

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

### l) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 1. Summary of Significant Accounting Policies (continued)

### m) Borrowings

Borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### n) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. The director's assessment is that these new standards and interpretations, to the extent relevant to Signature Gold Limited, will have no material impact on the financial report of the Company.

## 2. Going concern basis

The Financial Report has been prepared using the going concern basis. The Directors have determined that future capital raisings will be required in order to continue the exploration and development of the Company's mineral tenements to achieve a position where they can prove exploration resources. The ability of the Company to continue as a going concern is dependent upon the Company raising additonal capital sufficient to meet the Company's exploration commitments. Should there be no funding available exploration of the areas of interest may be put on hold. The recoverability of the exploration asset is dependent upon the continued exploration of each area of interest. The Directors have prepared a cash flow forecast for the forseeable future reflecting this expectation and the effect upon the Company. The achievement of the forecast is dependent upon the future capital raising, the outcome of which if unsuccessful may indicate there is a material uncertainty that may cast doubt on the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

## 3. Estimates

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

## 4. Dividends

There have been no dividends paid or declared in the period or in the previous reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 5. Revenue

| | 2017 $ | 2016 $ |
|---|---|---|
| **Sales revenue** | | |
| Consulting services | 28,875 | 63,864 |
| **Other revenue** | | |
| Option Fee | 335,908 | - |
| Interest | 1,660 | 7 |
| Total revenue from continuing operations | 366,443 | 63,871 |

## 6. Income tax

| | 2017 $ | 2016 $ |
|---|---|---|
| Numerical reconciliation of income tax expense to prima facie tax payable | | |
| The prima facie tax expense (benefit) from the loss is reconciled to the income tax provided in the accounts as follows: | | |
| Prima facie tax (benefit) from the loss calculated at 30% (2016: 30%) | (156,457) | (48,785) |
| Add/(Less) tax effect of: | | |
| - s. 40-880 'black hole' deductions | (34,123) | (26,735) |
| - Tax losses not recognised as benefits | 190,580 | 75,520 |
| - Research and Development Tax Incentive claim | 291,384 | 507,435 |
| Income tax benefit | 291,384 | 507,435 |
| **Tax losses** | | |
| Unused tax losses for which no deferred tax asset has been recognised | 3,462,879 | 3,995,012 |

## 7. Cash and cash equivalents

| | 2017 $ | 2016 $ |
|---|---|---|
| **Current** | | |
| Cash at bank | 711,819 | 53,100 |

## 8. Trade and other receivables

| | 2017 $ | 2016 $ |
|---|---|---|
| **Current** | | |
| GST receivable | 38,819 | 1,473 |
| Bonds and deposits | 10,000 | 10,000 |
| | 48,819 | 11,473 |
| **Non-Current** | | |
| Other debtors | 159,326 | 159,326 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 9. Plant and equipment

| | 2017 $ | 2016 $ |
|---|---|---|
| **Non-current** | | |
| **Plant and equipment** | | |
| - At cost | 17,989 | 15,226 |
| - less accumulated depreciation | (14,493) | (12,374) |
| | 3,496 | 2,862 |

| | Plant and Equipment $ |
|---|---|
| **Carrying amount at 1 July 2016** | 2,862 |
| Additions | 2,753 |
| Depreciation | (2,119) |
| **Carrying amount at 30 June 2017** | 3,496 |

## 10. Exploration and evaluation expenditure

| | 2017 $ | 2016 $ |
|---|---|---|
| **Non-producing properties** | | |
| Exploration and evaluation expenditure | 3,620,681 | 3,108,112 |
| Tenements at cost | 750,000 | 750,000 |
| Balance at the end of the reporting period | 4,370,681 | 3,858,112 |

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas.

## 11. Intangible assets

| | 2017 $ | 2016 $ |
|---|---|---|
| **Non-current** | | |
| **Software** | | |
| - At cost | 74,469 | 74,469 |
| - less accumulated depreciation | (74,469) | (73,881) |
| | - | 888 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 12. Trade and other payables

| | 2017 $ | 2016 $ |
|---|---|---|
| **Current** | | |
| Trade creditors and accruals | 1,097,446 | 996,607 |
| **Non-Current** | | |
| Trade creditors and accruals | 160,833 | - |

## 13. Borrowings

| | 2017 $ | 2016 $ |
|---|---|---|
| **Current** | | |
| Bridging Loan from StratMin(iv) | 500,000 | - |
| Loan payable to StratMin(iii) | 618,009 | - |
| | 1,118,009 | - |
| **Non-current** | | |
| Loan payable to director related entities(i) | 654,662 | 604,312 |
| Loan payable to Consolidated Minerals Pte Ltd(i)(ii) | 279,732 | 279,732 |
| | 934,394 | 884,044 |

(i) The loans outstanding at 30 June 2017 do not accrue interest and are not subject to be paid on or before 30 June 2018.

(ii) Signature Gold and shareholder Consolidated Minerals Pte Ltd, a resources and infrastructure investment fund based in Singapore, are evaluating international IRGS assets as cooperative opportunities. The parties expect to settle the loan as part of an agreement on one or more of these projects either in equity via an acquisition or merger or as a joint venture interest via a farm in. This is not expected to occur prior to 30 June 2018.

(iii) During the reporting period, StratMin advanced $987,317 to the Company and $369,308 was repaid leaving a balance of $618,009 as at 30 June 2017 (2016: Nil). This loan is interest free and is not required to be repaid on or before 30 June 2018.

(iv) On 30 June 2017, Signature Gold obtained a loan to the amount of $500,000 from StratMin, repayable within 12 months of drawdown being 30 June 2018. The proceeds from the loan were to be used to fund working capital need and ongoing exploration activities. The terms and conditions of the loan are set out below.

| | |
|---|---|
| **Borrower:** | Signature Gold Limited. |
| **Lender:** | StratMin Global Resources plc. |
| **Facility Amount and Type:** | AUD$500,000 non-revolving term Facility. |
| **Interest:** | 3% per annum, payable at the Maturity Date. |
| **Maturity Date:** | 1 year |
| **Default:** | In the event that the Borrower defaults with respect to any of its obligations hereunder or a material adverse change occurs with respect to the financial affairs of the Borrower, or the contemplated RTO transaction aborts, all amounts owing (including interest) to the Lender shall become immediately due and payable upon written notice from the Lender. |
| **Principal Prepayment** | The Borrower may at any time repay the Facility prior to the Maturity Date without penalty. |
| **Principal Repayment:** | Principal repaid on the Maturity Date. |
| **Security:** | Unsecured. |
| **Governing Law:** | England. |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 14. Employee benefits

| | 2017 $ | 2016 $ |
|---|---|---|
| **Current** | | |
| Annual Leave | 28,585 | 22,629 |
| **Non-current** | | |
| Long Service Leave | 15,381 | 12,848 |

## 15. Issued capital

| | 2017 $ | 2016 $ |
|---|---|---|
| 86,485,409 fully paid ordinary shares (30 June 2016: 88,185,409) | 5,126,061 | 5,126,061 |
| Shares Issue costs | (217,852) | (217,852) |
| | **4,908,209** | **4,908,209** |

| FULLY PAID ORDINARY SHARES | 2017 NUMBER | 2017 $ | 2016 NUMBER | 2016 $ |
|---|---|---|---|---|
| Balance at the beginning of the period | 88,185,409 | 4,908,209 | 86,985,409 | 4,728,209 |
| August 2015: Shares issue at $0.15 per share | - | - | 1,200,000 | 180,000 |
| **Balance at the end of the period** | **88,185,409** | **4,908,209** | **88,185,409** | **4,908,209** |

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

**Capital Risk Management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 16. Notes to the statement of cash flows

| | 2017<br>$ | 2016<br>$ |
|---|---|---|
| **(a) Reconciliation of cash** | | |
| **Cash at bank** | 711,819 | 53,100 |

| | | |
|---|---|---|
| **(b) Reconciliation of cash** | | |
| (Loss)/Profit for the year | (230,140) | 344,819 |
| **Adjustments for:** | | |
| Non-cash flows in operating loss | | |
| Depreciation and amortisation | 3,007 | 6,084 |
| Decrease in other assets | (37,346) | - |
| Increase in prepayments | (33,591) | - |
| Increase in trade and other receivables | - | 67,659 |
| (Decrease)/Increase in trade creditors and accruals | 297,785 | (218,089) |
| Increase/(decrease) in provisions | 8,488 | (33,244) |
| Cash flows provided by operations | 8,203 | 167,229 |

## 17. Auditor's remuneration

| | 2017<br>$ | 2016<br>$ |
|---|---|---|
| Remuneration paid or payable by the Company for: | | |
| - Audit and review of the financial report | 32,173 | 19,500 |
| - Taxation and other services | 42,242 | 8,043 |
| | 74,415 | 27,543 |

## 18. Financial reporting by segment

Signature Gold Limited operates in one geographical and business segment, being the mining industry in Australia.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 19. Related party disclosures

**Key Management Personnel:**

The only key management personnel of the Company are the Directors.

The names of each person holding the position of Director during or since the year end are:

Brett Boynton, Bruce Fulton, John Hewson, Anthony McLellan, and Peter Prentice.

**Share Holdings**

The number of shares in the Company held during the financial year by each director of Signature Gold Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted to related parties during the reporting period as compensation for services rendered.

| Name | Balance at the start of the year | Changes during the year | Balance at the end of the year |
|---|---|---|---|
| Brett Boynton | 22,825,000 | 30,000 | 22,855,000 |
| Bruce Fulton | 833,333 | - | 833,333 |
| John Hewson | 700,000 | - | 700,000 |
| Anthony McLennan | - | - | - |
| Peter Prentice | 20,625,000 | - | 20,625,000 |

**Transactions with Related Parties:**

Director fees were:

| | 2017 | | 2016 | |
|---|---|---|---|---|
| | Charged during the year $ | Outstanding as at year end $ | Charged during the year $ | Outstanding as at year end $ |
| 33rd Degree Pty Ltd | - | 179,850 | - | 179,850 |
| MapleFern Pty Ltd | - | 45,833 | - | 45,833 |
| The John Hewson Group | - | 168,682 | - | 168,682 |
| P.F.T.J Pty Ltd | - | 359,700 | - | 359,700 |
| Anthony McLellan | - | 115,000 | - | 115,000 |

33rd Degree Pty Ltd is a related entity of Brett Boynton. MapleFern Pty Ltd is a related entity of Bruce Fulton. The John Hewson Group is a related entity of John Hewson. P.F.T.J. Pty Ltd is a related entity of Peter Prentice.

**2017**

- During the reporting period, Mr Brett Boynton advanced $60,350 to the Company and $10,000 was repaid by the Company. As at 30 June 2017, Mr Boynton had advanced a total loan amount of $589,800 (2016: $539,450) to the Company. This loan is interest free and is not required to be repaid on or before 30 June 2018.
- As at 30 June 2017, Peter Prentice has advanced a total loan amount of $64,863 to the Company (30 June 2016: $64,863). This loan is interest free and is not required to be repaid on or before 30 June 2018.
- During the reporting period, Signature Gold provided Geological, Mine Planning and Engineering Support to Agripower Australia Limited (Agripower), a Company of which Peter Prentice is a Director. The cost of all these services has been billed to Agripower Australia Limited and this amounted to $31,762 inclusive of GST (2016: $70,250 inclusive of GST).
- During the reporting period, StratMin advanced $987,317 to the Company and $369,308 was repaid leaving a balance of $618,009 as at 30 June 2017 (2016: Nil). This loan is interest free, and is repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 19. Related party disclosures (continued)

**2017**

- On 30 June 2017, Signature Gold obtained a loan to the amount of $500,000 from StratMin, repayable within 12 months of drawdown being 30 June 2018. The proceeds from the loan were to be used to fund working capital and ongoing exploration activities. Refer to note 13 for terms and conditions of the loan.

**2016**

- As at 30 June 2016, Peter Prentice has advanced a total loan amount of $64,863 to the Company (2015: $64,863). This loan is interest free and is not required to be repaid on or before 30 June 2017.
- As at 30 June 2016, The John Hewson Group owed an amount of $59,326 to the Company (2015: $59,326). This amount was loaned to The John Hewson Group under the Employee Share Scheme.
- During the reporting period, Signature Gold provided Geological, Mine Planning and Engineering Support to Agripower Australia Limited (Agripower), a company of which both Brett Boynton and Peter Prentice are Directors. The cost of all these services has been billed to Agripower Australia Limited and this amounted to $70,250 inclusive of GST (2015: $267,140) for the reporting period. As at 30 June 2016, there were no amounts outstanding (2015: $63,943 remained outstanding).
- During the reporting period, Signature Gold paid Agripower $68,288 (2015: $44,617) for subleasing part of the Company's office and on-costs. This arrangement is based on normal terms and conditions.

## 20. Capital and lease commitments

**Exploration Lease Expenditure Commitments**

In order to maintain the Company's tenements in good standing with Queensland Mines and Energy, the Company will be required to incur exploration expenditure under the terms of each licence. It is likely that the granting of new licences and changes in the terms of each licence will change the expenditure commitment from time to time.

| | 2017<br>$ | 2016<br>$ |
|---|---|---|
| Payable: | | |
| - within one year | 711,923 | 100,190 |
| - later than one year but not later than five years | 2,663,379 | 1,930,750 |
| - after 5 years | 534,905 | - |
| | 3,910,207 | 2,030,940 |

## 21. Contingent liabilities

The Company is pursuing a merger with StratMin Global Resources Plc (StratMin) and its subsequent listing on AIM on the London Stock Exchange. It is anticipated that the new group will institute a long-term incentive program under the London listed company and Mr Alex Teluk, who has served as the Company's Senior advisor may be eligible to participate in this incentive program in due course.

In recognition of Mr Teluks's contribution to the development of the Company since 2011, the Board has agreed to offer shares to the value of seventy thousand dollars (A$70,000) to Mr Teluk at the price of the transaction with StratMin which is $0.17 per share, for a total of 411,765 shares, at the time of completion of the transaction.

As at the date of this report, the Company is unaware of any contingent assets or liabilities that may have a material impact on the Company's financial position.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 22. Financial risk management

The Company's activities ensure that it has limited financial risk. Signature Gold Limited's financial instruments consist mainly of short-term deposits and cash. The main purpose of these financial instruments is to invest surplus member funds in order to maximise returns while not exposing the Company to a high level of risk.

### a) Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company.

There is not considered to be any significant credit risk associated with cash and cash equivalents as all amounts are represented by deposits with Australian ADIs.

The Company's maximum exposure to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

### b) Impairment losses

No balances within trade and other receivables contain impaired assets and are not past due at year end. It is expected that these amounts will be received when due. The Company does not hold any collateral in relation to these receivables.

### c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the organisation's short, medium and long-term funding and liquidity management. The organisation manages the liquidity risk by maintaining adequate cash reserves, and by monitoring forecast and actual cash flows.

### d) Maturities of financial liabilities

The table below analyses the Company's financial current liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows as at 30 June 2017 and 30 June 2016.

| **30 June 2017** | **6 months or less** | **6-12 months** | **Carrying Amount** |
|---|---|---|---|
| | **$** | **$** | **$** |
| **Non-derivative financial liabilities** | | | |
| Trade and other payables | 1,097,446 | - | 1,097,446 |
| Borrowings | 1,118,009 | - | 1,118,009 |

| **30 June 2016** | **6 months or less** | **6-12 months** | **Carrying Amount** |
|---|---|---|---|
| | **$** | **$** | **$** |
| **Non-derivative financial liabilities** | | | |
| Trade and other payables | 996,607 | - | 996,607 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 22. Financial risk management (continued)

**e) Market risk**

**Interest rate risk**

The Company does not have significant interest-bearing financial assets. Cash is held in an account earning interest with a floating interest rate of 0.5%. The Company has no overdraft facilities in place.

The table below summarises the Company's exposure to interest rate risks:

| 30 JUNE 2017 | FLOATING INTEREST RATE $ | FIXED INTEREST $ | NON-INTEREST BEARING $ | TOTAL $ |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | 711.819 | - | - | 711,819 |
| Trade and other receivables | - | - | 208,145 | 208,145 |
| **Financial liabilities** | | | | |
| Trade and other payables | - | - | (1,258,279) | (1,258,279) |
| Borrowings | - | - | (2,052,403) | (2,052,403) |
| Net exposure | **711,819** | **-** | **(3,102,537)** | **(2,390,718)** |

| 30 JUNE 2016 | FLOATING INTEREST RATE $ | FIXED INTEREST $ | NON-INTEREST BEARING $ | TOTAL $ |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | 53,100 | - | - | 53,100 |
| Trade and other receivables | - | - | 170,799 | 170,799 |
| **Financial liabilities** | | | | |
| Trade and other payables | - | - | (996,607) | (996,607) |
| Borrowings | - | - | (884,044) | (884,044) |
| Net exposure | **53,100** | **-** | **(1,709,852)** | **(1,656,752)** |

**Price risk**

The Company does not have any significant price risk.

**Currency risk**

The Company does not have any financial instruments denominated in a foreign currency and therefore any currency risk.

**f) Net Fair Value of Financial Assets and Liabilities**

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and liabilities approximates their carrying value.

**g) Other Unrecognised Financial Assets and Liabilities**

There are no unrecognised financial assets or liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 23. Events subsequent to reporting date

The Company is in the process of submitting an application under the Federal Government's Research and Development Tax Incentive. Net of fees to consultants that assisted in preparing and submitting this application this is expected to generate a refund of approximately $440,000 in the next 60 days.

Other than as stated elsewhere in this report, Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Company in subsequent financial years.

.

# DIRECTORS' DECLARATION

In the opinion of the directors of Signature Gold Limited:

a. The financial statements and notes of Signature Gold Limited are in accordance with the Corporations Act 2001, including

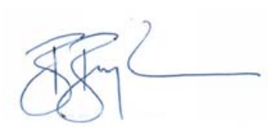
   (i) giving a true and fair view of its financial position as at 30 June 2017 and of its performance for the year ended on that date; and

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

b. There are reasonable grounds to believe that Signature Gold Limited will be able to pay its debts as and when they become due and payable.

c. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

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



Brett Boynton

Managing Director

19 October 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

**SIGNATURE GOLD LIMITED**

**ACN 142 902 985**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Signature Gold Limited

**Opinion**

We have audited the financial report of Signature Gold ("the Company") which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Material Uncertainty Regarding Going Concern**

Without modifying our opinion, we draw attention to Note 2: Going Concern in the financial report, which indicates that the company's ability to continue as a going concern is dependent on it generating further equity funding. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.



**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

**SIGNATURE GOLD LIMITED**

**ACN 142 902 985**

**INDEPENDENT AUDITOR'S REPORT**
**(continued)**

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

The directors are responsible for the other information. The other information comprises the information included in the Company's Directors Report for the year ended 30 June 2017.

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

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

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

**Responsibilities of the Directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.

HLB Mann Judd

**SIGNATURE GOLD LIMITED**

**ACN 142 902 985**

**INDEPENDENT AUDITOR'S REPORT**
**(continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLB Mann Judd

M. Muller

**HLB Mann Judd**
**Chartered Accountants**

**M Muller**
**Partner**

**Sydney, NSW**
**19 October 2017**