PARKWAY MINERALS NL

A.C.N. 147 346 334

Annual Report

For the year ended
30 June 2018

Parkway Minerals NL

A.C.N. 147 346 334

Contents to Financial Report

Parkway Minerals NL
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Corporate directory

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Patrick McManus
Chew Wai Chuen
Natalia Streltsova

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Stock Exchange Listing
Parkway Minerals NL shares are listed on the Australian Securities Exchange (ASX code: PWN), OTC Pink (OTC Pink code: PWNNY) and Frankfurt Stock Exchange (Ticker: A1JH27).

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Parkway Minerals NL
A.C.N. 147 346 334

CHAIRMAN'S LETTER

Dear Shareholder

Parkway Minerals Ltd (Parkway) is a fertiliser developer that controls vast quantities of raw materials close to emerging and mature markets. Those raw materials comprise 'greensand'* deposits in the Dandaragan Trough, close to the coast of Western Australia and only 150 kilometres north of Perth, the state's capital. Indeed, the Dandaragan Trough hosts one of the largest known greensand deposits worldwide. Although greensand is an unconventional source of fertiliser products, appropriate processing technology has the potential to unlock vast resources.

The Dandaragan Trough boasts well-developed infrastructure networks, as well as access to fertiliser blending operations and the established agricultural industries of the nearby Wheatbelt region. Significantly, its greensand deposits contain abundant phosphate and potassium and, to date, Parkway is the only company to successfully recover both elements from this type of material. Parkway's proprietary KMax® process can extract potassium from the greensand to produce sulphate of potash (SOP) of high purity. SOP is a premium product that enjoys a significant, and increasing, margin over the more commonly traded potassium chloride (MOP), and demand for SOP is increasing. Meanwhile, phosphate can be recovered from the same greensand deposits by more conventional means.

The future of the fertiliser industry will be driven by population growth. Global population is forecast to increase by between 30 and 50 per cent in the next 35 years, reducing the proportion of arable land per person by around 40 per cent. Add to that the push to improve diets in the developing world and it is inevitable that more food will have to be produced from smaller areas. Thus, improvements in food production and the food supply chain as a whole are imperative if malnutrition is to be reduced and quality of life maintained worldwide. Fertilisers represent one of the most cost-effective means of achieving this.

Parkway is fortunate in that it controls strategically located resources capable of supplying two of the three most critical macro-fertilisers – phosphorous and potassium – and can meet the region's requirements for both for many decades. Moreover, the location of Parkway's project gives it a distinct advantage in terms of logistics, since Western Australia currently imports all of its phosphate and potash requirements, while our regional neighbours are also net importers of these products.

In line with its focus on fertiliser feed, Parkway holds 32% of ASX-listed Davenport Resources (ASX: DAV), which is enjoying considerable success in developing potash resources in Germany. More conventional in nature, the German resources comprise buried evaporite deposits (that is, various salts containing high concentrations of potassium).

Although depressed fertiliser prices have adversely affected Parkway's plans for commercialisation, the outlook for potash is improving, creating optimism for the future. I would like to thank all Parkway shareholders for their support over the past year, as well as the company's staff, who have helped Parkway achieve its objectives in such a difficult economic climate. Finally, I look forward to a future in which demand for potash grows and prices for it rise.

Adrian Griffin
Chairman

* *Greensand is widely distributed in marine environments and found in ancient strata on the continents; it owes its colour to the presence of glauconite, a potassium-bearing mineral*

Parkway Minerals NL
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Directors' Report

The Directors present their report on Parkway Minerals NL and its controlled entities ("Parkway", "the Company" or "PWN") for the year ended 30 June 2018.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below, directors were in office for the entire year unless otherwise stated.

Adrian Griffin (Non-executive Chairman)

Patrick McManus (Managing Director)

Chew Wai Chuen (Non-executive Director)

Natalia Streltsova (Non-executive Director)

Names, qualifications, experience and special responsibilities

Adrian Griffin *Non-Executive Chairman* (appointed 12 November 2010)

Adrian Griffin, an Australian-trained mining professional, has had exposure to metal mining and processing worldwide during a career spanning more than three decades. A pioneer of the lateritic nickel processing industry, he has helped develop extraction technologies for a range of minerals over the years. Today, Adrian specialises in mine management and production. He is a former Chief Executive Officer of Dwyka Diamonds Limited, an AIM- and ASX-listed diamond producer, was a founding director and executive of Washington Resources Limited and also a founding director of Empire Resources Limited, Ferrum Crescent Limited and Reedy Lagoon Corporation Limited. Moreover, Mr Griffin was a founding director of ASX-listed Northern Minerals, of which company he is currently a non-executive director. He is also managing director of ASX-listed Lithium Australia NL.

Other listed company directorships during the last 3 years:
Northern Minerals Ltd (Director June 2006 – present), Reedy Lagoon Corporation Ltd (Director June 2014 – present) and Lithium Australia NL (Director February 2011 – present).

Adrian Griffin is also a member of the Audit & Risk Committee, Remuneration Committee (Chairman) and the Nomination Committee.

Patrick McManus *Managing Director* (appointed 23 November 2010)

Patrick McManus has a degree in mineral processing from Leeds University and an MBA from Curtin University. A mining professional for more than 30 years, his work has taken him to many sites within Australia and overseas, including Eneabba and the Murray Basin in Australia, and Madagascar, Indonesia and the United States. During that time, Patrick has worked in operational, technical and corporate roles for RioTinto, RGC Limited and Bemax Resources Limited. He was a founding director and, from January 2007 to March 2010, managing director of ASX-listed Corvette Resources Limited.

Other listed company directorships during the last 3 years:
Tungsten Mining NL (Director December 2012 – January 2015)
Davenport Resources NL (Chairman January 2017 – present).

Chew Wai Chuen *Non-Executive Director* (appointed 26 November 2014)

Mr Chew was a financial advisor with more than 18 years of industry experience, specialising in the provision of corporate and wealth management for ultra-high net worth individuals. With experience in South East Asia capital market and extensive networks of clients based in Singapore and Malaysia, Mr Chew provides important contributions to the Board. He has successfully worked with a number of financial institutions in Singapore such as, Standard Chartered Bank, OCBC Bank and Credit Suisse Singapore.

Mr Chew is now a Managing Partner with a financial advisory firm, providing personal investing planning and wealth management for high net worth individuals and has a good track record of investment into junior mining companies in Australia and South East Asia.

Other listed company directorships during the last 3 years:
Tungsten Mining NL (Director April 2014 – present)

Chew Wai Chuen is also a member of the Audit & Risk Committee, Remuneration Committee and the Nomination Committee.

Natalia Streltsova *Non-Executive Director* (appointed 30 June 2015)

Dr Natalia Streltsova is a senior executive with over 27 years' experience in the minerals industry of which 15 years, prior to forming her own consulting business in 2014, was spent in various leadership and technical roles with major mining houses including Vale SA (formerly CVRD), BHP Billiton and WMC Resources Limited. In all of these roles, there was considerable interaction with operations to provide support as well as to identify and implement innovative projects leading to increased production and cost reduction.

Dr Streltsova has a strong background in mineral processing and metallurgy with broad international experience in project, technical and business development capacities. Dr Streltsova has previously been a director on a number of Vale subsidiary boards as well as on several collaborative industry boards. She is also a Non-Executive Director on ASX listed Neometals Limited.

Other listed company directorships during the last 3 years:
Neometals Limited (Director April 2016 – present)
CopperMoly Limited (Director September 2013 – March 2014)

Natalia Streltsova is also a member of the Audit & Risk Committee, Remuneration Committee and the Nomination Committee (Chairman).

Company secretary

Elizabeth Hunt (resigned 7 March 2018)

Elizabeth Hunt has over fifteen years' corporate and accounting experience with a particular interest in governance. Elizabeth Hunt has been involved in the IPO management, corporate advisory and company secretarial services, financial accounting and reporting and ASX and ASIC compliance management. Elizabeth Hunt holds a BSc degree in Sustainable Development and has completed a Master of Accounting. She is a Fellow of the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors. Elizabeth Hunt is currently also Company Secretary of a number of ASX-listed entities.

Amanda Wilton-Heald (appointed 7 March 2018)

Ms Wilton-Heald is a Chartered Accountant and has more than 20 years' experience within Australia and in the United Kingdom. That experience has included the auditing of the company financial statements of both ASX- and LSE-listed companies, an accounting role with an AIM-listed company in the UK specialising in the provision of collaboration technology, and involvement in the ASX listings of junior exploration companies, as well as the provision of corporate advisory and company secretarial services.

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors (including related parties) in the shares and options of the company were:

	Number of ordinary shares	Number of options over ordinary shares	Partly paid contributing shares
Adrian Griffin	11,557,179	-	4,950,217
Patrick McManus	19,209,979	-	3,445,273
Chew Wai Chuen	3,335,939	-	326,395
Natalia Streltsova	2,914,102	-	139,973

Dividends

No dividend has been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal activities

The principal activity of the entity during the financial year was the exploration for minerals, namely phosphate and potash.

Operating and financial review

Operating results for the year

The loss after income tax expense for the year ended 30 June 2018 was $4,817,991 (2017: $1,784,884).

Financial Performance

	2018 $	2017 $	% Increase/ (Decrease)
Total income	169,793	4,238,200	(95.99%)
Loss before tax	(5,637,365)	(1,399,013)	302.95%
Loss after income tax expense	(4,817,991)	(1,784,884)	169.93%
Loss per share (cents)	(0.81)	(0.43)	88.37%

The financial position of the Group is presented in the attached Consolidated Statement of Financial Position.

OPERATING AND FINANCIAL REVIEW

Introduction

During fiscal 2017-2018 Parkway Minerals NL ("**Parkway**" or "**the Company**") continued work to progress its fertiliser projects, drilling on Dandaragan Trough and Lake Barlee. Dandaragan Trough drilling has indicated a possible second project in at Dambadgee. Lake Barlee drilling was disappointing. As of the date of this report, Parkway owns 44 million shares in Davenport Resources, which has purchased potash mining licences in Central Germany.

Key 2017-18 achievements included:

- Identifying Dambadgee project within the Dandaragan Trough
- Process development improvements for beneficiation flowsheet, lifting the phosphate recovery
- Granted a further 17.88 M Davenport shares, through the conversion of milestone shares, based on exploration success.

Our business strategy:

Parkway remains focused on fertiliser projects that meet the criteria of:
- large-scale,
- in regions of the world dependent on importing fertiliser products, with
- existing and robust export infrastructure, and
- low sovereign risk.

Parkway's current projects, Dinner Hill within the Dandaragan Trough and its shareholding in Davenport, growing the South Harz project in central Germany, meet these criteria and have the potential to be major fertiliser suppliers for many decades.

PROJECT SUMMARY

DANDARAGAN TROUGH

The Company continues to advance the Dinner Hill potash and phosphate deposit, 175km north of Perth in Western Australia (Figure 1). Dinner Hill forms part of the larger Dandaragan Trough Fertiliser Project, which covers an area of more than 1,050 km^2 . Sedimentary deposits of greensands within the trough contain glauconite, a potash rich mica, and phosphate nodules. The project objective is to produce potash and phosphate fertilisers and a range of valuable by-products from the glauconite and phosphate present within the sediments of the Dandaragan Trough.

The Company also reviewed its tenement holding in the Dandaragan Trough. In order to reduce the significant holding costs associated with this extensive landholding, the Company has reduced some tenements size and withdrew from other tenements in the Dandaragan Trough. The areas affected were considered to be less prospective for mineralisation. These areas were also outside of the Dinner Hill resource area and the highly prospective Dambadgee project. The acquisition costs of the Dandaragan Trough were written off during the financial year (refer to note 11).

OPERATING AND FINANCIAL REVIEW (continued)

Figure 1: Dandaragan Trough location

The development strategy is to commence operations with a project producing phosphate fertiliser, from the phosphate nodules and mineralisation that occurs through the greensand sequences. This approach offers the advantage of using well established technology and requires a lower capital requirement to commence production and generate a positive cashflow. Stage 2 would follow and would use Parkways 100% owned K-Max technology to produce sulphate of potash ("SOP"), high magnesium SOP, phosphoric acid, alum, and iron oxide.

Scoping Study Strategy

The scoping study (ASX release 30 September 2015) examined the production of single superphosphate (SSP) at a site near the Dinner Hill deposit for 40 years. The ore will be processed through a beneficiation and acidulation plant, the flowsheet is shown in Figure 2. The pelletised product will be transported by road to Moora and dispatched by rail to Kwinana and/or Geraldton for local and international distribution. The study assumed using sulphur sourced internationally and delivered to site from Kwinana, Western Australia. The beneficiation plant may produce a glauconite concentrate, which will be stockpiled for later treatment.

OPERATING AND FINANCIAL REVIEW (continued)

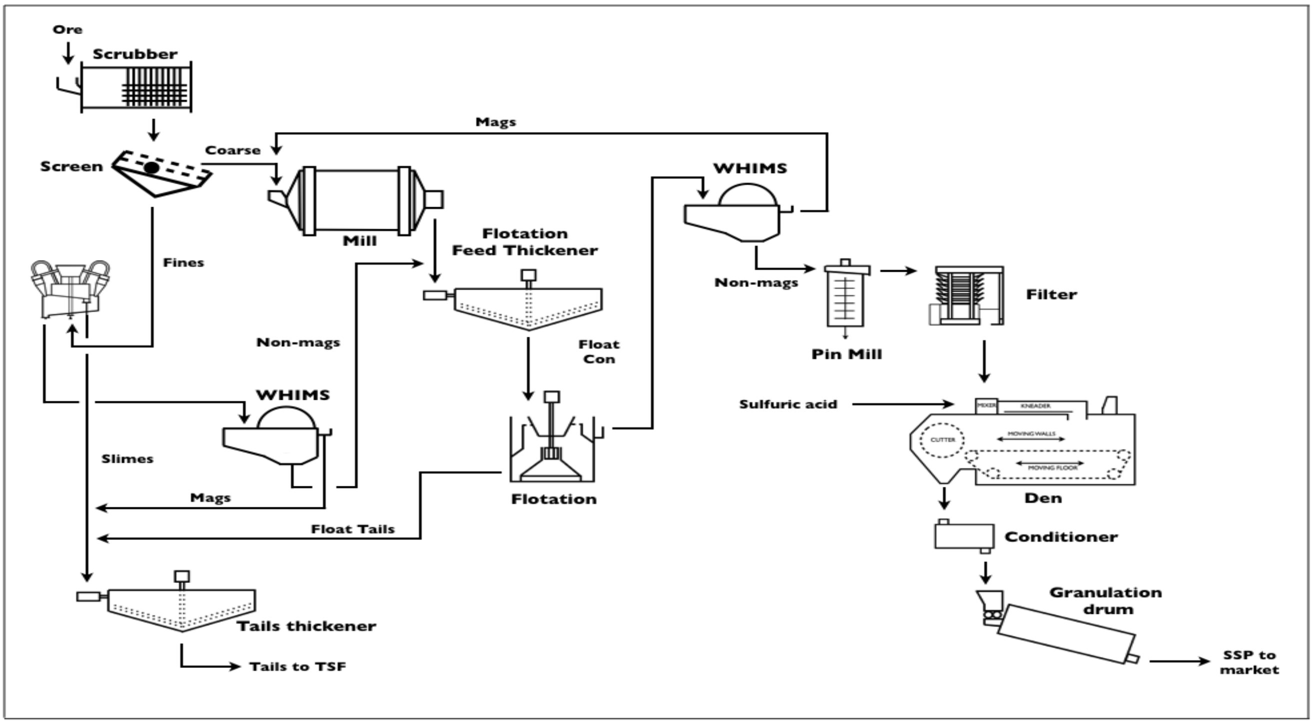

Figure 2: Phosphate Process Flowsheet

Stage 2, the Integrated K-Max® plant, will employ the Company's 100%-owned patented K-Max® process to produce potassium sulphate (SOP), potassium magnesium sulphate (KMS), phosphoric acid, iron oxide and aluminium sulphate, the flowsheet is shown in Figure 3.

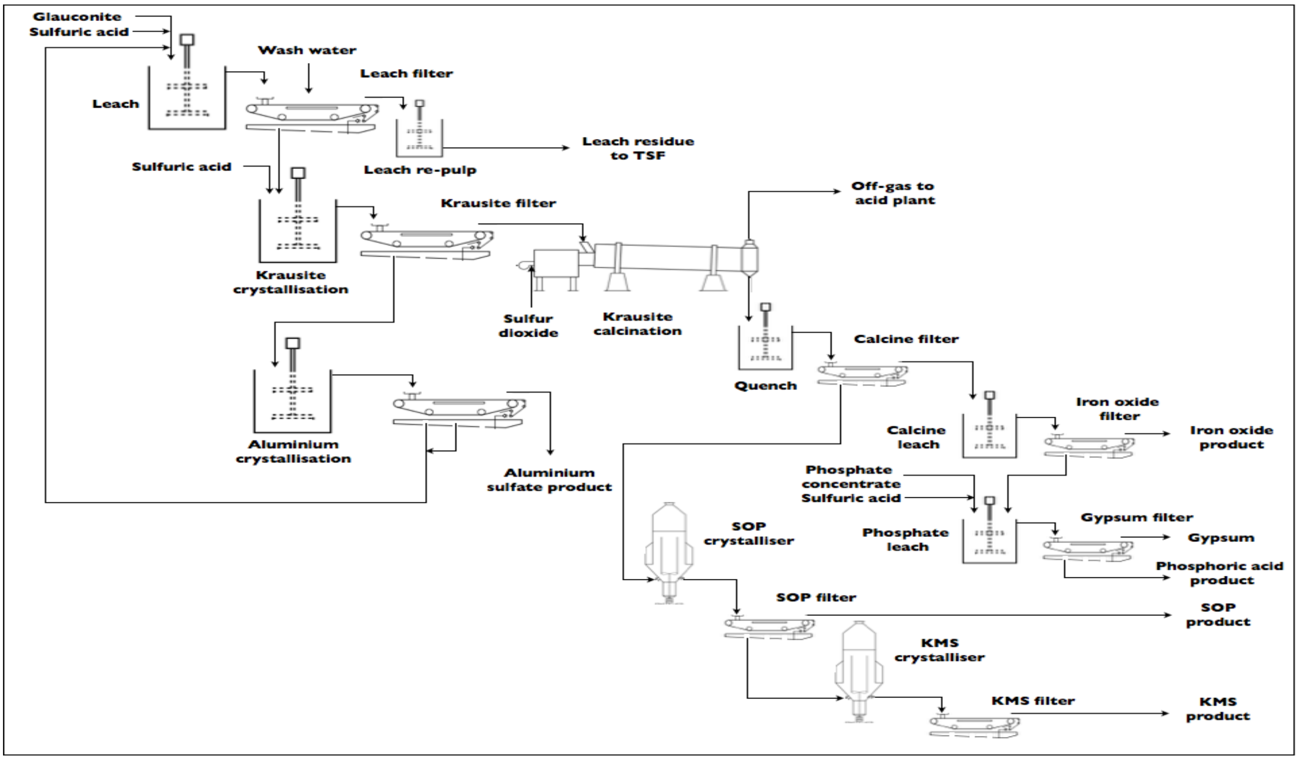

Figure 3: K-Max Process Flowsheet

OPERATING AND FINANCIAL REVIEW (continued)

Testwork carried out by Kemworks Technology Inc, specialists in phosphate process technology, highlighted the ability to use specialised process technology to increase the phosphate separation, from the raw ore. A simpler, lower energy, flowsheet is likely to produce similar metallurgical results. Further work is required to confirm this and to quantify the effects.

The Company worked with FTI Consulting during the year, targeting Joint Venture partners to develop Dinner Hill. No parties have advanced to exclusivity agreements.

Exploration drilling

Drilling was carried out over Dambadgee, within the two Dambadgee Exploration Targets (refer table 3 and Figure 7). This has increased that regions prospectivity to host a large, thick, resource of greensand. One "fence-line" of aircore drilling over a distance of approximately 10 km showed thickness's up to 57metres, and averaged +30 metres of Molecap greensands, substantially thicker than the Dinner Hill resource (refer ASX release 21 August 2018). Further drilling will establish the size, grade and mining parameters of this target.

Annual Mineral Resource Statement as at 30 June 2018

The September 2017 resource update used drilling carried out in between 2011 and 2016 comprising a 222 aircore drill holes for 8,143m and 93 SG samples taken from four PQ diamond drill holes completed in 2012. The resource covers an area of some 52 km^2 (Figure 4).

The Dinner Hill Deposit contains an Indicated Mineral Resource of phosphate mineralisation of 160Mt at 2.45% P_2O_5 and 4.2% K_2O and an Inferred Mineral Resource of 470Mt at 1.7% P_2O_5 and 4.4% K_2O.

Within the phosphate resource area there is a Potash Resource of 630Mt at 4.4 % K_2O (Indicated 160 Mt at 4.2% K_2O, Inferred 470Mt at 4.4% K_2O). An additional Indicated Mineral Resource of 50Mt at 2.65% K_2O and an additional Inferred Mineral Resource of 250Mt at 2.6% K_2O occur marginal to the phosphate resource.

Resource	Category	Tonnes (Mt)	P_2O_5 (%)	K_2O (%)
Phosphate	Indicated	160	2.45	4.2
	Inferred	470	1.7	4.4
	Total	**630**	**1.85**	**4.3**
Potash				
Potash resources included within the phosphate resource area	Indicated	160		4.2
	Inferred	470		4.4
	Totals	630		4.3
Potash resource outside the phosphate resource area	Indicated	50		2.65
	Inferred	230		2.6
	Totals	280		2.6
Total Potash Resources	Indicated	210		3.8
	Inferred	700		3.8
	Totals	**910**		**3.8**

NB: Totals may differ from sum of individual items due to rounding

Table 1: Dinner Hill Resource

OPERATING AND FINANCIAL REVIEW (continued)

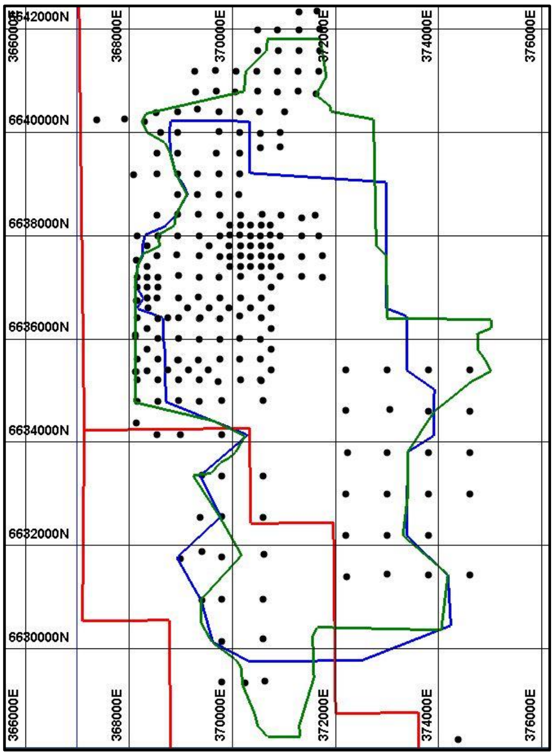

Figure 4: Dinner Hill Resource boundaries - phosphate resource (blue), potash resource (green), drill-hole locations and tenement boundaries (red)

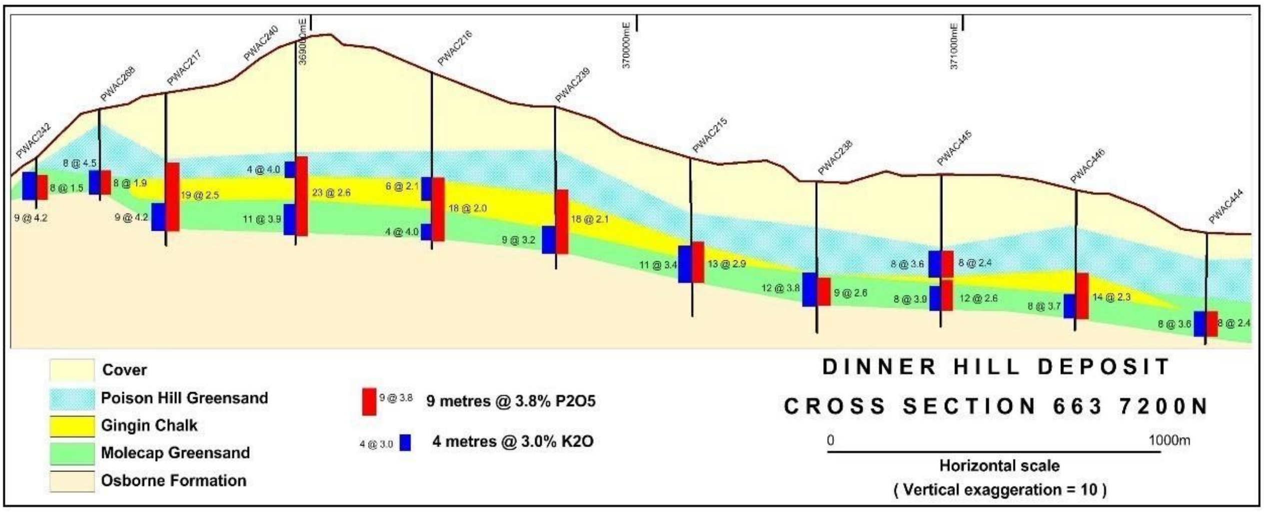

Figure 5: Dinner Hill Deposit - Cross-section 663 7200N - showing geological formations and intersection grades

OPERATING AND FINANCIAL REVIEW (continued)

Exploration Targets

As part of the resource update for Dinner Hill, Exploration Targets were updated. The Dinner Hill Exploration Target has been reduced, as displayed in Table 2:

	Phosphate		Potash, K-Max	
	Tonnes, Millions	**%P_2O_5**	**Tonnes, Millions**	**%K_2O**
Previous (22 July 2015)	550 to 800	2-2.8	1,200 to 1,800	3.5-4.0
Current (26 Sept 2017)	250 to 300	1.5-1.8	800 to 1,600	3.8-4.4

Table 2: Dinner Hill Deposit Exploration Target

Note: The potential quantity and grade of the targets are conceptual in nature, as there has been insufficient exploration to estimate Mineral Resources over their areas and as it is uncertain if further exploration will result in the estimation of Mineral Resources.

The reduction is a function of material being reclassified to Inferred Resource, and extending the Target area, based on recent drilling. Figure 6 shows the Dinner Hill Resource and Exploration Target areas.

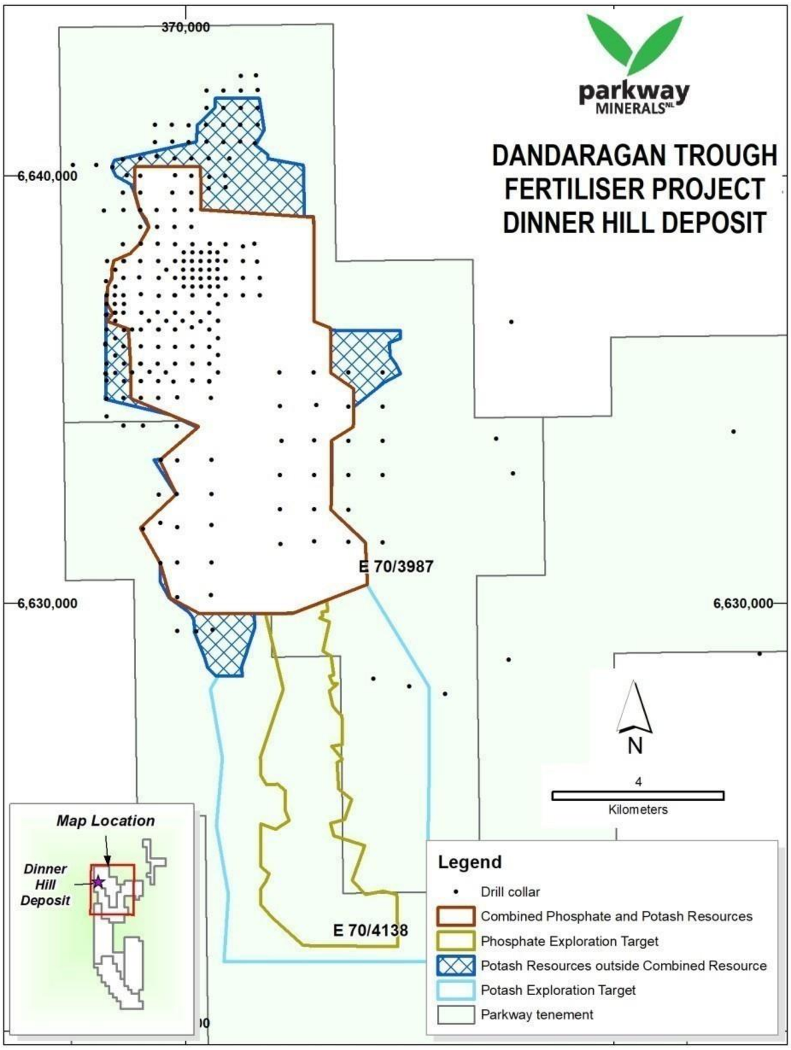

Figure 6: Dinner Hill Resources and Exploration Target Plan

OPERATING AND FINANCIAL REVIEW (continued)

Additional Exploration Targets have been identified on four advanced prospects within the Dandaragan Trough Project area to the south of the Dinner Hill Deposit, within the same geological sequence. The location of the Exploration Target areas is shown in Figure 7 and the target sizes and grades are summarised in Table 3:

Project Area	Phosphate Tonnage (Mt)	Phosphate Grade P_2O_5	Potash Tonnage (Mt)	Potash Grade K_2O%
Badgingarra Road	60 to 100	2 to 3	600 to 900	4 to 5
Dambadgee West	300 to 350	1.5 to 2	2000 to 2750	3 to 4
Dambadgee	200 to 250	1.5 to 2.5	1200 to 1500	3 to 3.5
Attunga	30 to 45	1.5 to 2	750 to 1000	3.5 to 4
Totals	**590 to 745**	**1.5 to 2.5**	**4550 to 6150**	**3.2 to 4**

Table 3: Dandaragan Trough Fertiliser Project Exploration Targets

Note: The potential quantity and grade of the targets are conceptual in nature, as there has been insufficient exploration to estimate Mineral Resources over their areas and as it is uncertain if further exploration will result in the estimation of Mineral Resources.

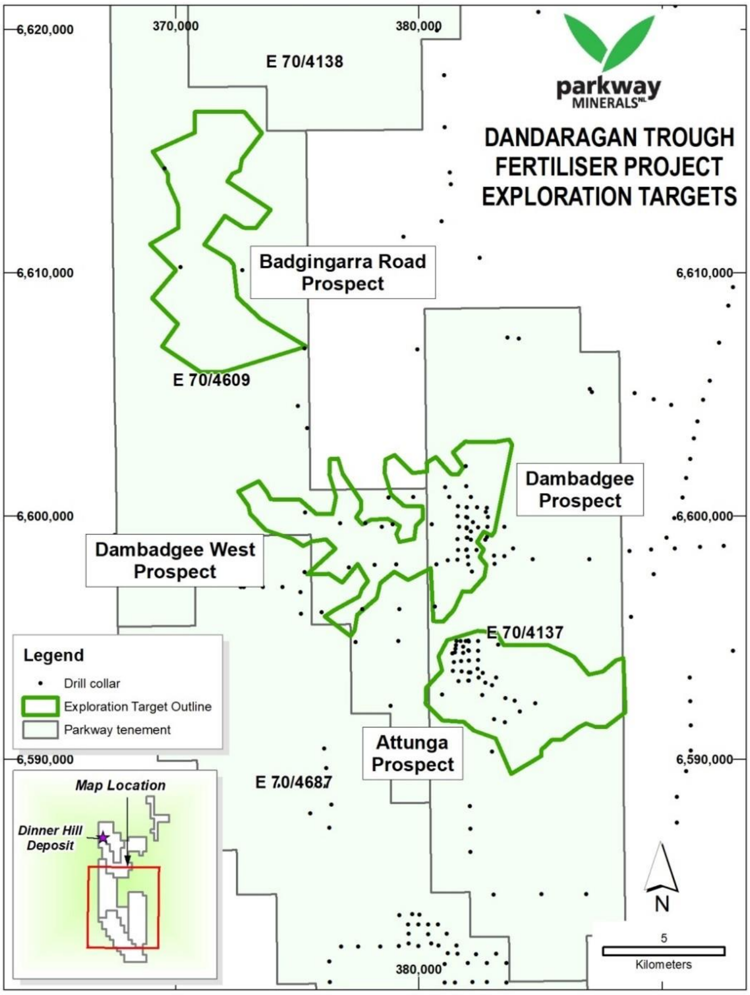

Figure 7: Dandaragan Trough Fertiliser Project Exploration Targets

These additional Exploration Targets indicate the potential of the Dandaragan Trough to be a long-term source of phosphate and potash fertilisers to local, regional and international agriculture.

OPERATING AND FINANCIAL REVIEW (continued)

PROJECT SUMMARY

LAKE BARLEE

The Lake Barlee project covered over 1800 km^2 of exploration tenure, covering the bulk of the large salt lake located between Southern Cross and Sandstone in Western Australia (Figure 8). The lake is essentially dry, and the lake body is filled with clay sediments. Seismic programmes confirmed the presence of deep palaeochannels beneath the lake floor (Figure 9), indicating potential for accumulations of sands and gravels. Those sands would provide a reservoir to allow rapid extraction of brines, using pumping, with replenishment taking place over a larger area of the lake.

A drill programme conducted over the palaeochannels confirmed the existence of sand at the bottom of the channels. Unfortunately the brines showed low levels of potassium, which is unlikely to support a mining project, at current prices.

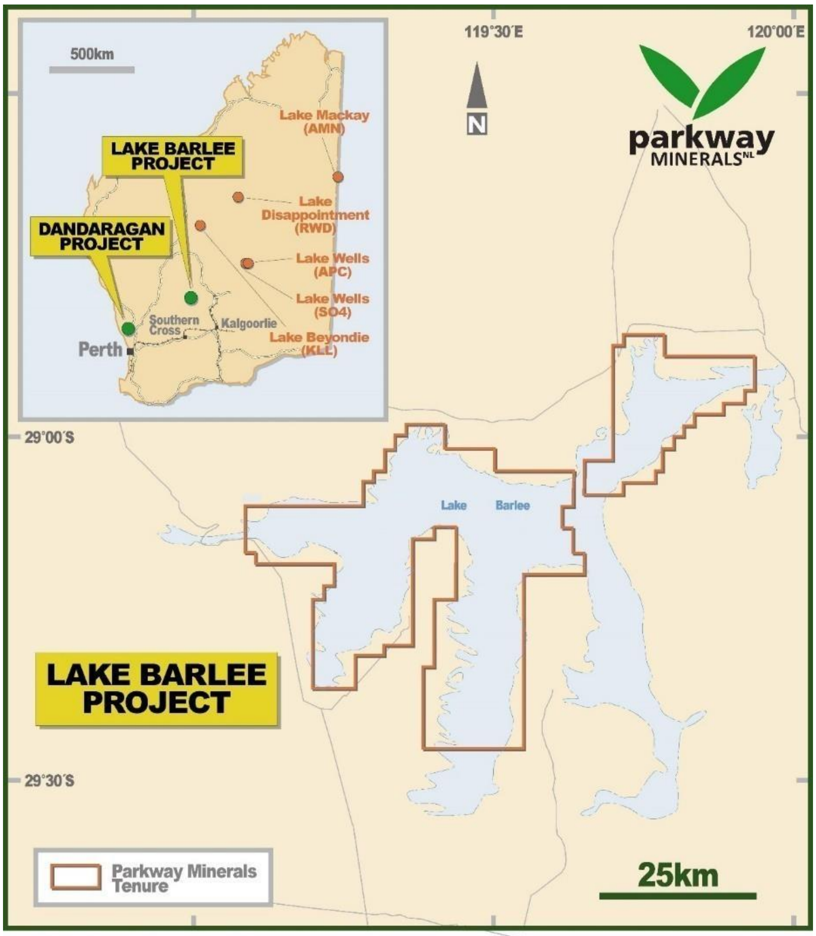

Figure 8: Lake Barlee Tenements

OPERATING AND FINANCIAL REVIEW (continued)

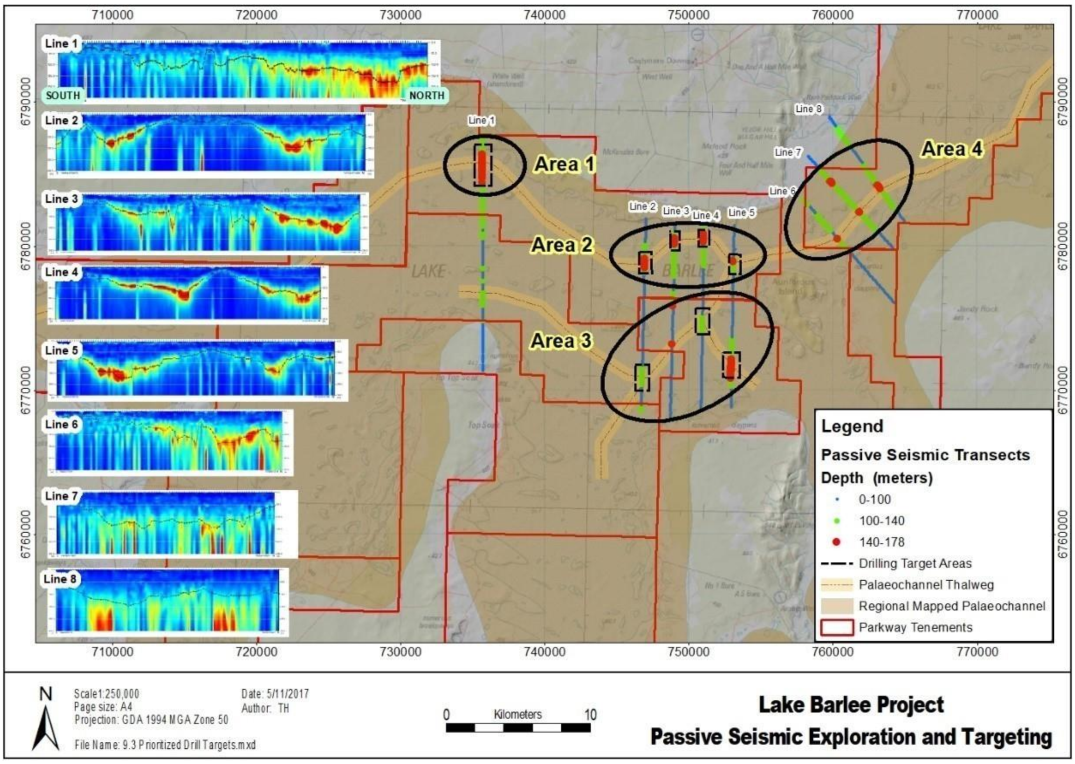

Figure 9: Lake Barlee Seismic results

GERMANY

South Harz Project (owned by Davenport Resources Limited, which Parkway has a 33% interest in at the date of this report)

Parkway now owns 44 M Davenport shares at the date of this report. During the year:

- Parkway was issued 17.88 M shares on the milestone of reaching a JORC Compliant Resource within the South Harz Project, and
- Subsequently purchased 7.1 M shares through a capital raising which closed on 5 July 2018

Davenport owns two exploration licences and three mining licences in the South Harz region of central Germany (Figure 10).

More than 500 million tonnes of potash ore were extracted from the South Harz region in the 22 year period between 1970 and 1992, producing more than 100 million tonnes of potash fertiliser.

OPERATING AND FINANCIAL REVIEW (continued)

Figure 10: South Harz Project location

Davenport has purchased 3 mining licences within the South Harz field from the German Government. Covering 216 km^2 . The Licences have been drilled extensively and a substantial amount of geological data is available. The licences are perpetual, have no expenditure commitment liabilities and appear to have been part of short term mining plans, prior to German Reunification.

Review of the data has already allowed establishment of a JORC Inferred Resource, including 324 M tonnes of Silvinite at a grade of 15.6% K_2O (refer ASX announcement 3 April 2018). Further data review is in progress and it is anticipated priority drill targets will be identified within 6 months.

OPERATING AND FINANCIAL REVIEW (continued)

K-Max technology

Parkway Minerals owns 100% of the intellectual property of the K-Max® process which unlocks the valuable elements that exist within the vast glauconite deposits of the Dandaragan Trough. We have been granted a patent for this technology. The K-Max® process uses hot sulphuric acid to leach glauconite at atmospheric pressure, extracting potassium and other elements to make a range of products, including sulphate of potash (SOP) high magnesium SOP, (KMS), phosphoric acid, aluminium sulphate (alum) and iron oxide. The process is also applicable to other mica-like minerals, such as phlogopite.

Parkway owns 7.3 million Lithium Australia (ASX: LIT) shares. Lithium is a commodity which is facing very strong demand growth. Lithium Australia has developed a business model focussed on lithium, both exploring for lithium ores and using new technology to unlock value from lithium ores, including unconventional hard-rock minerals. LIT is active in several parts of the world in exploration in its own name and joint ventures.

Corporate Activity

Parkway was issued a further 17.88 M Davenport shares in April 2018. These were performance shares to be granted on achieving a JORC Inferred Resource of a certain tonneage and grade. The Ebeleben resource announced in April 2018 met that objective.

The second tranche of performance shares was cancelled with the agreement of all shareholders. They were to be granted on a decision to mine being made within 5 years of January 2017. Davenports corporate advisors considered that performance shares were perceived as an overhang and that there was little likelihood of this milestone being triggered.

At the date of this report, Parkway owns 44 M Davenport Resources Limited shares, representing approx. 33% of the issued capital of Davenport.

Parkway raised $1.38 M in October 2017, via a Share Purchase Plan and issue to Sophisticated Investors. Proceeds were used to carry out exploration on Lake Barlee (Seismic and drilling) and Dandaragan Trough (process testwork and drilling). $0.50 M was raised in June 2018 and used to purchase Davenport shares in a capital raising.

On 19 January 2018 The Company announced that it had entered into a Controlled Placement Agreement (CPA) with Acuity Capital. The CPA will provide PWN with up to $3 million of standby equity capital over the coming 3 years.

PWN retains full control of all aspects of the placement process: having sole discretion as to whether or not to utilize the CPA, the quantum of issued shares the minimum issue price of shares and the timing of each placement tranche, if any. There are no requirements for PWN to utilize the CPA and PWN may terminate the CPA at any time, without cost or penalty.

Acuity Capital and the CPA do not place any restrictions, at any time, on PWN raising capital through other methods. If PWN utilizes the CPA, PWN is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price, set by PWN, and a 10% discount to a Volume Weighted Average Price (VWAP) over a period of PWN's choosing (at the sole discretion of PWN).

As collateral for the CPA, PWN has placed 24 million shares from its LR7.1 capacity at nil consideration to Acuity Capital (collateral shares). Acuity Capital will return the Collateral Shares to PWN, for nil consideration, at the end of the term of the CPA. Further, PWN may, at any time, cancel the CPA and buy back the Collateral Shares for nil consideration (subject to shareholder approval).

Parkway monitors activities and opportunities that maybe relevant to the company's objectives. This may include expanding or changing the scope of existing projects or engaging with third parties on other projects. If a proposal advances, details would be announced in accordance with the Company's continuous disclosure obligations.

OPERATING AND FINANCIAL REVIEW (continued)

Competent Person's Statements

Dandaragan Trough Project

The information in this report that relates to the estimation of the Mineral Resources is based on and fairly represents information and supporting documentation prepared by J.J.G. Doepel, who is a member of the Australasian Institute of Mining and Metallurgy. Mr. Doepel, Principal Geologist of the independent consultancy, Continental Resource Management Pty Ltd, has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". This report is issued with Mr. Doepel's consent as to the form and context in which the Mineral Resource appears.

Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by Parkway Minerals, are inherently subject to significant uncertainties and contingencies.
Parkway Minerals disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and other similar expressions identify forward-looking statements. All forward-looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs for the year.

Significant events after the balance date

On 5 July 2018, the Group was issued a further 7.1 million shares in Davenport Resources Limited, following the subscription paid in June 2018. Following this issue of shares, the group holds a 33% interest in Davenport Resources Limited.

On 21 August 2018, the Company issued 50,126,000 free-attaching options in respect of the placement which occurred on 29 June 2018. The company also issued 5,000,000 unlisted options to brokers. These options are exercisable at $0.02 each and expire on 17 August 2020.

There have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than disclosed elsewhere in this annual report.

Likely Developments and expected results

The Company will advance the Dinner Hill and Dambadgee projects, within the Dandaragan Trough, through exploring opportunities to progress both the phosphate and the K-Max projects.

Environmental regulation and performance

The Company's activities are subject to Australian legislation relating to the protection of the environment. The Company is subject to significant environmental legal regulations in respect to its exploration and evaluation activities. There have been no known breaches of these regulations and principles.

Indemnification and Insurance of directors and officers

The Company has entered into deeds of access and indemnity with the officers of the Company, indemnifying them against liability incurred, including costs and expenses in successfully defending legal proceedings. The indemnity applies to a liability for costs and expenses incurred by the director or officer acting in their capacity as a director or officer.

Except in the case of a liability for legal costs and expenses, it does not extend to a liability that is:

(a) owed to the Company or a related body corporate of the Company;

(b) for a pecuniary penalty order under section 1317G or a compensation order under section 1317H or section 1317HA of the *Corporations Act 2001*; or

Similarly, the indemnity does not extend to liability for legal costs and expense:

(c) owed to someone other than the Company or a related body corporate of the Company where the liability did not arise out of conduct in good faith. Similarly, the indemnity does not extend to liability for legal costs and expenses:

(d) in defending proceedings in which the officer is found to have a liability described in paragraph (a), (b) or (c);

(e) in proceedings successfully brought by the Australian Securities and Investments Commission or a liquidator; or

(f) in connection with proceedings for relief under the *Corporations Act 2001* in which the court denies the relief.

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the Directors and Officers. The terms of the contract prohibit the disclosure of the details of the insurance contract and premiums paid.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Share Options

As at the date of this report there were 85,930,503 (2017: 22,796,691) unissued ordinary shares under options.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate.

Non-audit services

The Company may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company are important. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for audits by the *Corporations Act 2001.* The nature and scope of each type of non-audit service provide means that auditor independence was not compromised.

Details of the amounts paid or payable to the auditor, Ernst & Young, for non-audit services provided during the year are set out below.

	2018 $	2017 $
Remuneration of Ernst & Young for:		
- research & development tax concession	6,979	15,169
- tax compliance	14,214	4,635
	21,193	**19,804**

Directors' meetings

Meetings of directors held and their attendance during the financial year were as follows:

Name of director:	Directors' meeting held whilst in office	Directors' meetings attended	Audit and Risk Committee meetings held	Audit and Risk Committee meetings attended	Remuneration Committee meetings held	Remuneration Committee meetings attended	Nomination committee meetings held	Nomination committee meetings attended
Adrian Griffin	6	6	2	2	1	1	1	1
Patrick McManus	6	6	-	-	-	-	-	-
Chew Wai Chu	6	5	2	2	1	1	1	1
Natalia Streltsova	6	6	2	2	1	1	1	1

Remuneration Report (audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, and includes executives of the Company. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The remuneration report for 2017 was adopted at the 2017 Annual General meeting. 9,051,697 votes were in favour of the report and 808,289 were against. No questions or comments were raised relating to the report.

No remuneration consultants were used during the year.

Remuneration Report (audited) (continued)

Details of Key Management Personnel

(i) Directors:

Adrian Griffin	Non-Executive Chairman
Patrick McManus	Managing Director
Chew Wai Chu	Non-Executive Director
Natalia Streltsova	Non-Executive Director

(ii) Executives:

James Guy	Exploration Manager
Robert Van Der Laan	Chief Financial Officer

<u>Remuneration Philosophy</u>

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value.

Shares and options issued under the incentive plans provide an incentive to stay with the Company. At this time, shares and options issued do not have performance criteria attached. This policy is considered to be appropriate for the Company, having regard to the current state of its development.

The Company does not have a policy which precludes directors and executives from entering into contracts to hedge their exposure to options or shares granted to them as remuneration.

The Company also recognises that, at this stage in its development, it is most economical to have only a few employees and to draw, as appropriate, upon a pool of consultants selected by the directors on the basis of their known management, geoscientific, and engineering and other professional and technical expertise and experience. The Company will nevertheless seek to apply the principles described above to its directors and executives, whether they are employees of/or consultants to the Company.

<u>Remuneration Committee Responsibilities</u>

The Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

<u>Remuneration Structure</u>

In accordance with best practice corporate governance, the structure of non-executive and executive director remuneration is separate and distinct.

Remuneration Report (audited) (continued)

<u>Non-executive director remuneration</u>

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors must be determined from time to time by shareholders of the Company in a general meeting. An amount not exceeding the amount determined is then divided between the non-executive directors. As at the date of the report, the aggregate directors' fees for non-executive Directors has been set at an amount not exceeding $200,000 per annum (2017: $200,000 per annum).

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst non-executive directors is reviewed annually. The Board may consider advice from external consultants (none were used during the current year), as well as the fees paid to non-executive directors of comparable companies, when undertaking the annual review process. The remuneration report has been approved by shareholders at the annual general meeting.

Each non-executive director receives a fee for being a director of the Company. No additional fee is paid for participating in the Audit, Remuneration and Nomination Committees.

Non-executive directors are encouraged by the Board to hold shares in the Company (purchased on-market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for directors of a company to have a stake in that company. The non-executive directors of the Company may also participate in the share and option plans as described in this report.

As an incentive to employees, Directors, executive officers and consultants, the Company has adopted a scheme called the Parkway Minerals Employee Incentive Scheme ('the Scheme'). The purpose of the Scheme is to give employees, Directors, executive officers and consultants of the Company an opportunity to subscribe for shares and/or options in the Company. The Directors consider that the Scheme will enable the Company to retain and attract skilled and experienced employees, Board members and executive officers and provide them with the motivation to participate in the future growth of the Company and, upon becoming shareholders in the Company, to participate in the Company's profits and development.

<u>Executive director and senior management remuneration</u>

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for Company, business team and individual performance;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Remuneration Report (audited) (continued)

Structure

- At this time, the cash component of remuneration paid to the Executive directors, and other senior managers is not dependent upon the satisfaction of performance conditions.

- It is current policy that some executives be engaged by way of consultancy agreements with the Company, under which they receive a contract rate based upon the number of hours of service supplied to the Company. There is provision for yearly review and adjustment based on consumer price indices. Such remuneration is hence not dependent upon the achievement of specific performance conditions. This policy is considered to be appropriate for the Company, having regard to the current state of its development.

- Executive directors are encouraged by the Board to hold shares in the Company (purchased on-market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for directors of a company to have a stake in that company. The Executive directors of the Company may also participate in the share and option plans as described in this report.

Performance table

The following table details the loss of the Company from continuing operations after income tax, together with the basic loss per share since the incorporation of the company:

	2018 $	2017 $	2016 $	2015 $	2014 $	2013 $	2012 $
Net loss from continuing operations after income tax	(4,817,991)	(1,784,884)	(184,648)	(2,871,003)	(1,822,505)	(4,193,632)	(3,900,096)
Basic earnings/(loss) per share in cents	(0.81)	(0.43)	(0.07)	(1.33)	(1.72)	(5.85)	(5.76)
Share Price in Cents	1.0	1.0	3.2	4.9	3.60	12.0	23.0

The options on issue are not considered dilutive for the purpose of the calculation of diluted earnings/loss per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share. Consequently, diluted earnings/loss per share is the same as basic earnings per share.

Agreements with non-executive directors

The director's fees of $90,000 per annum inclusive of superannuation requirements were paid, or due and payable to Mr Adrian Griffin. In the event of termination, there is no notice period required.

The director's fees of $50,000 per annum inclusive of superannuation requirements were paid, or due and payable to Mr Chew Wai Chuen. In the event of termination, there is no notice period required.

The director's fees of $50,000 per annum inclusive of superannuation requirements were paid, or due and payable to Ms Natalia Streltsova. In the event of termination, there is no notice period required.

<u>Executive director and senior management remuneration</u>

Long-Term Incentive ("LTI") awards to executives are made under the Employee Share Plan ("ESP") and are delivered in the form of shares. There were no LTI awards issued during the current or prior year.

Remuneration Report (audited) (continued)

Agreement with Managing Director

On the 6 September 2012, the Remuneration Committee recommended to increase Mr Patrick McManus's annual remuneration inclusive of share based payments from $250,000 inclusive of superannuation requirements to $275,000 per annum inclusive of superannuation requirement, effective from 1 July 2012.

The agreement can be terminated by either party by giving three months' notice or payment of three months' salary in lieu of notice.

Agreement with Chief Financial Officer

Mr Robert Van Der Laan was appointed as Chief Financial Officer, effective on 13 May 2011. On 5 August 2011 the company entered into an agreement containing the terms and conditions under which the services of Chief Financial Officer are provided. In the event of termination, there is no notice period required.

The agreement involves the payment to the Company associated with Robert Van der Laan of an hourly fee of $120 and reimbursement of expenses. The hourly rate was revised up to $130 effective from 1 July 2013. Transaction is considered to be on normal commercial terms and conditions no more favourable than those available to other parties.

Agreement with Exploration Manager – James Guy

On 22 September 2016, the Company and a company associated with Mr James Guy entered into an agreement containing the terms and conditions under which the services of the Exploration Manager are provided to the Company. In the event of termination, there is no notice period required.

The agreement involves the payment to a company associated with Mr Guy of monthly fee of $4,000 and he will sacrifice 30% of additional consulting fees at a rate of $112 per hour in shares. Transaction is considered to be on normal commercial terms and conditions no more favourable than those available to other parties.

<u>Directors' Remuneration 2018</u>

	Short-term		Post-employment benefits		Share and Option Based Payments		
Director	Directors' Fees $	Salary and Consulting Fees $	Superannuation Contribution $	Termination Benefits $	Shares $	Options $	Total $
Adrian Griffin	57,534	-	7,808	-	24,658	-	90,000
Patrick McManus	-	205,055	23,858	-	75,343	-	304,256
Chew Wai Chuen	35,000	-	-	-	15,000	-	50,000
Natalia Streltsova	31,963	-	4,338	-	13,699	-	50,000
Total	**124,497**	**205,055**	**36,004**	**-**	**128,700**	**-**	**494,256**

Remuneration Report (audited) (continued)

Executives' Remuneration 2018

Executive	Short-term Salary $	Short-term Consulting Fees $	Post-employment benefits Superannuation Contribution $	Post-employment benefits Termination Benefits $	Share and Option Based Payments Shares $	Share and Option Based Payments Options $	Total $
James Guy	-	69,260	-	-	9,726	-	78,986
Robert Van der Laan	-	99,320	-	-	-	-	99,320
Total	**-**	**168,580**	**-**	**-**	**9,726**	**-**	**178,306**
Total Directors' and Executives' Remuneration	**124,497**	**373,635**	**36,004**	**-**	**138,426**	**-**	**672,562**

Directors' Remuneration 2017

Director	Short-term Directors' Fees $	Short-term Salary and Consulting Fees $	Post-employment benefits Superannuation Contribution $	Post-employment benefits Termination Benefits $	Share and Option Based Payments Shares $	Share and Option Based Payments Options $	Total $
Adrian Griffin	57,534	-	7,808	-	24,658	-	90,000
Patrick McManus	-	175,799	23,858	-	75,343	-	275,000
Chew Wai Chuen	35,000	-	-	-	15,000	-	50,000
Natalia Streltsova	31,963	-	4,338	-	13,699	-	50,000
Total	**124,497**	**175,799**	**36,004**	**-**	**128,700**	**-**	**465,000**

Executives' Remuneration 2017

Executive	Short-term Salary $	Short-term Consulting Fees $	Post-employment benefits Superannuation Contribution $	Post-employment benefits Termination Benefits $	Share and Option Based Payments Shares $	Share and Option Based Payments Options $	Total $
Lindsay Cahill*	-	4,490	-	-	-	-	4,490
James Guy**	-	50,102	-	-	4,751	-	54,853
Robert Van der Laan	-	119,035	-	-	-	-	119,035
Total	**-**	**173,627**	**-**	**-**	**4,751**	**-**	**178,378**
Total Directors' and Executives' Remuneration	**124,497**	**349,426**	**36,004**	**-**	**133,451**	**-**	**643,378**

*Resigned 22 September 2016
**Commenced 22 September 2016

Remuneration Report (audited) (continued)

<u>Incentive shares and options: Granted and vested during the year</u>

Shares

There were no shares issued to key management personnel as part of the incentive plan during the year ended 30 June 2018 (2017: nil). The shares issued to key management personnel as disclosed in the table above were in lieu of Directors' fees and consulting fees.

Options

There were no options granted to key management personnel as part of the incentive plan during the year ended 30 June 2018 (2017: nil).

Remuneration Report (audited) (continued)

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel, which including the directors and executives.

(a) Share holdings of Key Management Personnel

2018	Balance at 1 July 2017 Ordinary	Granted as remuneration Ordinary*	On Exercise of Options Ordinary	Net change other Ordinary	Balance at 30 June 2018 Ordinary
Directors					
Adrian Griffin	9,315,634	2,241,545	-	-	11,557,179
Patrick McManus	10,860,829	6,849,150	-	1,500,000	19,209,979
Chew Wai Chuen	1,972,335	1,363,604	-	-	3,335,939
Natalia Streltsova	1,168,805	1,245,297	-	500,000	2,914,102
Total	**23,317,603**	**11,699,596**	**-**	2,000,000	37,017,199
Executives					
James Guy	275,179	980,117	-	-	1,255,296
Robert Van der Laan	8,536,751	-	-	30,750,000**	39,286,751
Total	**8,811,930**	**980,117**	**-**	**30,750,000**	**40,542,047**
Total Directors' and Executives' Share holdings	**32,129,533**	**12,679,713**	**-**	**32,750,000**	**77,559,246**

Remuneration Report (audited) (continued)

*Shares granted as remuneration were as follows:

Adrian Griffin
- 1,103,106 shares at $0.0112 each issued on 19 January 2018
- 1,138,439 shares at $0.0108 each issued on 29 June 2018

Patrick McManus
- 3,370,594 shares at $0.0112 each issued on 19 January 2018
- 3,478,556 shares at $0.0108 each issued on 29 June 2018

Chew Wai Chuen
- 671,055 shares at $0.0112 each issued on 19 January 2018
- 692,549 shares at $0.0108 each issued on 29 June 2018

Natalie Streltsova
- 612,834 shares at $0.0112 each issued on 19 January 2018
- 632,463 shares at $0.0108 each issued on 29 June 2018

James Guy
- 397,337 shares at $0.0111 each issued on 19 January 2018
- 582,780 shares at $0.0107 each issued on 29 June 2018

** Robert Van der Laan is entitled to 25,250,000 free-attaching options as part of a placement, that were subsequently issued on 21 August 2018 after shareholders' approval.

(b) Partly Paid Contributing Shares of Key Management Personnel

2018	Balance at 1 July 2017 Partly Paid	Granted as remuneration Partly Paid	On Exercise of Options Partly Paid	Bonus issue received Partly Paid	Balance at 30 June 2018 Partly Paid
Directors					
Adrian Griffin	4,950,217	-	-	-	4,950,217
Patrick McManus	3,445,273	-	-	-	3,445,273
Chew Wai Chuen	326,395	-	-	-	326,395
Natalia Streltsova	139,973	-	-	-	139,973
Total	**8,861,858**	**-**	**-**	**-**	**8,861,858**
Executives					
James Guy	-	-	-	-	-
Robert Van der Laan	3,178,610	-	-	-	3,178,610
Total	**3,178,610**	**-**	**-**	**-**	**3,178,610**
Total Directors' and Executives' Share holdings	**12,040,468**	**-**	**-**	**-**	**12,040,468**

Remuneration Report (audited) (continued)

The partly paid contributing share are issued with outstanding calls of 4.9 cents each. The partly paid contributing share carry a right to a dividend on the same basis as holders of Ordinary Shares. Partly paid contributing shares carry the right to vote in proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). The company has the power to forfeit any shares where the call remains unpaid 14 days after the call was payable. The company must then offer the shares forfeited for public auction within six weeks of the call becoming payable.

(c) Option holdings of Key Management Personnel

2018: There were no Options granted to Key management personnel as part of the incentive plan during the year ended 30 June 2018. Refer to note (a) above regarding options that KMP were issued subsequent to year-end which were free-attaching to the placement completed on 29 June 2018.

2017: There were no Options granted to Key management personnel as part of the incentive plan during the year ended 30 June 2017.

(d) Other Transactions with Key Management Personnel

Other transactions with key management personnel are set out below:

	30-Jun-18 $	30-Jun-17 $
Corporate advisory were paid to Precious Capital Pte Ltd, a company of which Chew Wai Chuen is a director and shareholder	9,220	9,454
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder. Fees included investor relations, corporate advisory, office accommodation, accounting staff (excluding fees directly related to Robert Van der Laan), administrative staffs and exploration staffs. Service fees paid are considered to be on normal commercial terms and conditions.	165,041	148,526
	174,261	**157,980**

Trade and other payables to related party as at 30 June 2018 amounted to $23,549 (30 June 2017: $26,579).

All related party transactions are considered to be on an arms' length basis.

End of Remuneration Report (audited).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 31 and forms part of this report.

This report is made in accordance with a resolution of directors.

Patrick McManus
Managing Director
Perth
Dated: 27 September 2018

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Auditor's Independence Declaration to the Directors of Parkway Minerals NL

As lead auditor for the audit of Parkway Minerals NL for the financial year ended 30 June 2018, I declare 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.

This declaration is in respect of Parkway Minerals NL and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

V L Hoang
Partner
27 September 2018

MH:KG:PARKWAY:008

Parkway Minerals NL

A.C.N. 147 346 334

Corporate Governance Statement

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has considered the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations*.

In line with the above, the Board has set out the way forward for the Company in its implementation of its Principles of Good Corporate Governance and Recommendations. The approach taken by the Board was to set a blueprint for the Company to follow as it introduces elements of the governance process. Due to the current size of the Company and the scale of its operations it is neither practical nor economic for the adoption of all of the recommendations approved via the board charter. Where the Company has not adhered to the recommendations it has stated that fact in this Corporate Governance Statement however has set out a mandate for future compliance when the size of the Company and the scale of its operations warrants the introduction of those recommendations. Date of last review and Board approval: 29 August 2018.

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight			
Recommendation 1.1 A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	Yes	Board Charter Code of Conduct, Independent Professional Advice Policy Website	To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment. The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out those delegated duties. In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company. To assist the Board carry its functions, it has developed a Code of Conduct to guide the Directors.

			In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following. • Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board. • Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company. • Overseeing Planning Activities: the development of the Company's strategic plan. • Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company as well as ensuring timely and balanced disclosures of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the entity's securities. • Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.

			• Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting along with ensuring the integrity of the Company's financial and other reporting. • Human Resources: reviewing the performance of Executive Officers and monitoring the performance of senior management in their implementation of the Company's strategy. • Ensuring the health, safety and well-being of employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees. • Delegation of Authority: delegating appropriate powers to the Managing Director to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board. • Monitoring the effectiveness of the Company's corporate governance practices. Full details of the Board's and Company Secretary's roles and responsibilities are contained in the Board Charter. The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, (that limit is currently set at $2,000), to assist them to carry out their responsibilities.

<u>Recommendation 1.2</u> A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes, however the full information of new Directors for election was not included in all notices of meeting but will be included in future notices of meeting	Director Selection Procedure Website	Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's operations. The Company's current Directors all have relevant experience in the operations. In addition, Directors should have the relevant blend of personal experience in: • Accounting and financial management; and • Director-level business experience. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company. In determining candidates for the Board, the Nomination Committee follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee will identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting. Each Non-Executive Director has a written agreement with the Company that covers all aspects of their appointment including term, time commitment required, remuneration, disclosure of interests that may affect independence, guidance on complying with the Company's corporate governance policies and the right to seek independent advice, indemnity and insurance arrangements, rights of access to the Company's information and ongoing confidentiality obligations as well as roles on the Company's committees.

			Each Executive Director's agreement with the Company includes the same details as the non-executive directors' agreements but also includes a position description, reporting hierarchy and termination clauses. The Nomination Committee is responsible for implementing a program to identify, assess and enhance Director competencies. In addition, the Nomination Committee puts in place succession plans to ensure an appropriate mix of skills, experience, expertise and diversity are maintained on the Board.
<u>Recommendation 1.3</u> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Kept at registered office, Independent Professional Advice Policy	The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, (that limit is currently set at $2,000), to assist them to carry out their responsibilities.
<u>Recommendation 1.4</u> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	Board Charter Website	Full details of the Board's and Company Secretary's roles and responsibilities are contained in the Board Charter.
<u>Recommendation 1.5</u> A listed entity should: a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:	Yes	Diversity Policy Website	The Company recognises and respects the value of diversity at all levels of the organisation. The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation. The Diversity Policy was re-adopted during the year and the Company set the following objectives for the employment of women: • to the Board – 25% by 2019 • to senior management – no target set • to the organisation as a whole – 20% by 2019 As at the date of this report, the Company has the following proportion of women appointed: • to the Board – 25% • to senior management (including Company Secretary) – 20% • to the organisation as a whole – 20%

1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.			The Company recognises that the mining and exploration industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills will be limited in some instances. The Company recognises that diversity extends to matters of age, disability, ethnicity, marital/family status, religious/cultural background and sexual orientation. Where possible, the Company will seek to identify suitable candidates for positions from a diverse pool. The presence of Chew Wai Chuen on the Board provides a different cultural view to the operations of the Company.
<u>Recommendation 1.6:</u> A listed entity should: a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Board , Committee & Individuals Performance Evaluation Procedure Website	It is the policy of the Board to conduct evaluation of its performance. The objective of this evaluation is to provide best practice corporate governance to the Company. During the financial year an evaluation of the performance of the Board and its members was formally carried out. From this evaluation, a few areas for improvement were noted but the important conclusion drawn was that there was no overlapping skillset in the Board.
<u>Recommendation 1.7:</u> A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Board , Committee & Individuals Performance Evaluation Procedure Website	It is the policy of the Board to conduct evaluation of individuals' performance. The objective of this evaluation is to provide best practice corporate governance to the Company. During the financial year an evaluation of the performance of the individuals was formally carried out. From this evaluation, a few areas for improvement were noted.
Principle 2: Structure the board to add value			
<u>Recommendation 2.1</u> The board of a listed entity should: a) have a nomination committee which: 1) has at least three members, a majority of whom are independent directors; and	Yes	Nomination Committee Charter, Independent Professional Advice Policy Website	The role of the Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times. The Nomination Committee consists of three Non-Executive directors, being Natalia Streltsova, Adrian Griffin and Chew

2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.			Wai Chuen and the Company Secretary. The Chair of the Nomination Committee is Natalia Streltsova, an independent director. The Nomination Committee met once during the year and all members at the time were present. The responsibilities of the Nomination Committee include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee also oversees management succession plans including the Managing Director and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Matters such as remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice are clearly understood by all Directors, who are experienced public company Directors. The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, (that limit is currently set at $2,000), to assist them to carry out their responsibilities.
<u>Recommendation 2.2</u> A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	Internal management document	The Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages. The Company is working towards filling these gaps through professional development initiatives as well as seeking to identify suitable Board candidates for positions from a diverse pool.
<u>Recommendation 2.3</u> A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the	Yes	Board Charter, Independence of Directors Assessment Website	The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. An Independent Director: 1. is a Non-Executive Director and; 2. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;

director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.			3. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment; 4. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided; 5. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; 6. has no material contractual relationship with the Company or other group member other than as a Director of the Company; 7. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and 8. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company. Materiality for the purposes of points 1 to 8 above is determined on the basis of both quantitative and qualitative aspects with regard to the independence of Directors. An amount over 5% of the Company's expenditure or 10% of the particular directors annual gross income is considered to be material. A period of more than six years as a Director would be considered material when assessing independence. Adrian Griffin (appointed 12 November 2010) is a Non-Executive Director and Chairman of the

			Company and meets the Company's criteria for independence. Although Adrian Griffin has entered into a profit á prendre re mineral interest rights with the Company, he is still considered to be independent as the agreement is not considered to be material as the proportion vended in is insignificant to both parties. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board and in his position as Chairman. Chew Wai Chuen (appointed 26 November 2014) is a Non-Executive Director of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board and in his position as a Non-Executive Director. Natalia Streltsova (appointed 30 June 2015) is a Non-Executive Director of the Company and meets the Company's criteria for independence. Her experience and knowledge of the Company makes her contribution to the Board such that it is appropriate for her to remain on the Board and in her position as a Non-Executive Director. Patrick McManus (appointed 23 November 2010) is an Executive Director of the Company and does not meet the Company's criteria for independence. However, his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.
<u>Recommendation 2.4</u> A majority of the board of a listed entity should be independent directors.	Yes	Independence of Directors Assessment Website	The Board has a majority of Directors who are independent.
<u>Recommendation 2.5</u> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	Independence of Directors Assessment Website	The Chairperson is an independent Director who is not the CEO / Managing Director.

Recommendation 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Director Induction Program, Ongoing Education Framework Website	It is the policy of the Company that each new Director undergoes an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include: • details of the roles and responsibilities of a Director; • formal policies on Director appointment as well as conduct and contribution expectations; • a copy of the Corporate Governance Statement, Charters, Policies and Memos and • a copy of the Constitution of the Company. In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. The Board has implemented an Ongoing Education Framework.
Principle 3: Act ethically and responsibly			
Recommendation 3.1 A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.	Yes	Code of Conduct Website	As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole.
Principle 4: Safeguard integrity in corporate reporting			
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: a) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 1) is chaired by an independent director, who is not the chair of the board, and disclose:	Yes	Audit and Risk Committee Charter Website	The Audit and Risk Committee consists of Barry Woodhouse (Chair of the Audit and Risk Committee), Adrian Griffin, Natalia Streltsova and Chew Wai Chuen who are independent Non-Executive Directors with experience relevant to being a member of the Audit and Risk Committee. Natalia Streltsova is a graduate of AICD. She has had experience with audit and financial compliance as part of her responsibilities with various companies.

2) the charter of the committee; 3) the relevant qualifications and 4) experience of the members of the committee; and 5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.			Adrian Griffin's financial experience is limited to practical application as a director of a number of private and public companies over a period of 30 years. Chew Wai Chuen is a Qualified Chartered Financial Planner, holding BBA and MBA qualifications. He has had experience with financial compliance as part of his engagement with various companies. The Audit and Risk Committee met three times during the year and one member at the time wasn't present for one meeting.
<u>Recommendation 4.2</u> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	Kept at registered office	The Managing Director and the Chief Financial Officer provide a declaration to the Board in accordance with section 295A of the Corporations Act for each financial report and assure the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
<u>Recommendation 4.3</u> A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	AGM	The external auditor is invited to attend every AGM for the purpose of answering questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure			
<u>Recommendation 5.1</u> A listed entity should: a) have a written policy for complying with its	Yes	Continuous Disclosure Policy Website	The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information

continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it.			to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information: 1. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and 2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.
Principle 6: Respect the rights of security holders			
<u>Recommendation 6.1</u> A listed entity should provide information about itself and its governance to investors via its website.	Yes	Website Disclosure Policy Website	The Company's website includes the following: • Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks • Names and biographical details of each of its directors and senior executives • Constitution • Copies of annual, half yearly and quarterly reports • ASX announcements • Copies of notices of meetings of security holders • Media releases • Overview of the Company's current business, structure and history • Summary of the terms of the securities on issue • Historical market price information of the securities on issue • Contact details for the share registry and media enquiries • Share registry key security holder forms
<u>Recommendation 6.2</u> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	Shareholder Communication Policy, Social Media Policy Website	The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to: • communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;

			• giving shareholders ready access to balanced and understandable information about the Company and corporate proposals; • requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report of future Annual Reports. The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Shareholder Communication Policy Website	The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to making it easy for shareholders to participate in shareholder meetings of the Company. The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.	Yes	Shareholder Communication Policy Website	Shareholders are regularly given the opportunity to receive communications electronically.
Principle 7: Recognise and manage risk			
Recommendation 7.1 The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of eash reporting period, the number of times the committee met throughout the period and the individual attendances of	No	Risk Management Policy Website	The Board has not established a separate Risk Committee, rather, risk is addressed through the combined Audit and Risk Committee, and therefore it is not structured in accordance with Recommendation 7.1. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. Items that are usually required to be discussed by a Risk Committee are discussed at a separate meeting when required. When the Board convenes as the Audit and Risk Committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Risk Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.

the members at those meetings; or b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.			The Audit and Risk Committee met three times during the year. Risk identification and risk management discussions occurred at several Board meetings throughout the year. To assist the Board to fulfil its function as the Risk Committee, the Company has adopted a Risk Management Policy.
<u>Recommendation 7.2</u> The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Risk Management Policy Website	The Company's Risk Management Policy states that the Board as a whole is responsible for the oversight of the Company's risk management and control framework. The objectives of the Company's Risk Management Strategy are to: • identify risks to the Company; • balance risk to reward; • ensure regulatory compliance is achieved; and • ensure senior executives, the Board and investors understand the risk profile of the Company. The Board monitors risk through various arrangements including: • regular Board meetings; • share price monitoring; • market monitoring; and • regular review of financial position and operations. The Company has developed a Risk Register in order to assist with the risk management of the Company. The Company's Risk Management Policy is considered a sound strategy for addressing and managing risk. During the year, management regularly reported to the Board on the following categories of risks affecting the Company as part of the Company's systems and processes for managing material business risks: operational, financial reporting, sovereignty and market-related risks. The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director and Chief Financial Officer (or equivalent) having ultimate responsibility to the Board for the risk management and control framework. Arrangements put in place by the Board to monitor risk management include:

			• regular reporting to the Board in respect of operations and the financial position of the Company; • where appropriate the appointment of appropriately skilled consultants to provide independent assessment of operational results, proposals and activities; and • Use of a risk register to assist with risk management.
Recommendation 7.3 A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	No	Audit and Risk Committee Charter Website	When the Audit and Risk Committee convenes it carries out those functions which are delegated to it in the Company's Audit and Risk Committee Charter which include overseeing the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the Company, which includes the Company's internal compliance and control systems. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Corporate Governance Statement	The Company has considered its economic, environmental and social sustainability risks by way of internal review and has concluded that it is subject to material economic, environmental and social sustainability risks, and that is recognised and managed by the risk management register.
Principle 8: Remunerate fairly and responsibly			
Recommendation 8.1 The board of a listed entity should: a) have a remuneration committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the	Yes	Remuneration Committee Charter, Independent Professional Advice Policy Website	The role of the Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees. The Remuneration Committee consists of three Non-Executive Directors, being Natalia Streltsova, Adrian Griffin and Chew Wai Chuen and the Company Secretary. The Chair of the Remuneration Committee is Adrian Griffin, an independent director. The Remuneration Committee met once during the financial year ended and all members at the time were present. The responsibilities of the Remuneration Committee include setting policies for

Number of times the committee met throughout the period and the indivisudal attendances of the members at those meeting; or b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.			senior officers' remuneration, setting the terms and conditions of employment for the Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors, recommendations for remuneration by gender and making recommendations on any proposed changes and undertaking reviews of the Managing Director's performance, including, setting with the Managing Director goals and reviewing progress in achieving those goals. The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, (that limit is currently set at $2,000), to assist them to carry out their responsibilities.
<u>Recommendation 8.2</u> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Remuneration Policy Website	Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Managing Director remuneration is set by the Board with the executive director in question not present. Full details regarding the remuneration of Directors has been included in the Remuneration Report within the Annual Report.
<u>Recommendation 8.3</u> A listed entity which has an equity-based remuneration scheme should: a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) disclose that policy or a summary of it.	Yes	Remuneration Policy Website	Executives and Non-Executive Directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

Parkway Minerals NL

A.C.N. 147 346 334

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	For the year ended 30 June 2018 $	For the year ended 30 June 2017 $
INCOME FROM CONTINUING ACTIVITIES			
Fee income		58,818	6,197
Stamp Duty Refund		88,453	-
Gain on disposal of Subsidiary	12	-	3,780,837
Option Fee received		-	151,367
Interest		22,522	15,077
Government Grant		-	284,722
TOTAL INCOME		169,793	4,238,200
EXPENSES			
Write-off of exploration expenditure	11	2,855,000	-
Impairment of financial assets	13	-	1,064,921
Impairment of investment in associate	12	107,754	1,453,305
Loss in sale of financial assets	13	-	333,017
Administration		659,111	712,921
Depreciation		11,431	14,931
Equity based payments	19	234,424	209,200
Exploration		841,684	597,602
Legal		59,123	71,451
Occupancy		63,452	65,299
Remuneration (excluding share based payments)		393,699	354,130
Share of net losses of associate		581,480	760,436
LOSS BEFORE INCOME TAX		**(5,637,365)**	**(1,399,013)**
Income Tax Benefit/(Expense)	4	819,374	(385,871)
NET LOSS FOR THE YEAR		**(4,817,991)**	**(1,784,884)**
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss:			
Available for sale financial assets			
- Current year gain/(losses)		1,576,375	(1,064,921)
- Reclassified to profit or loss		-	1,064,921
- Income tax on items that may be reclassified to profit or loss		(433,503)	-
Equity accounted investments - share of comprehensive income	12	36,112	-
TOTAL OTHER COMPREHENSIVE INCOME		1,178,984	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(3,639,007)**	**(1,784,884)**
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Members of the controlling entity		(4,817,991)	(1,832,994)
Non controlling interest		-	48,110
		(4,817,991)	(1,784,884)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Members of the controlling entity		(3,639,007)	(1,832,994)
Non controlling interest		-	48,110
		(3,639,007)	(1,784,884)
Basic and diluted loss per share (cents per share)	7	(0.81)	(0.43)

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Parkway Minerals NL

A.C.N. 147 346 334

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	As at 30 June 2018 $	As at 30 June 2017 $
CURRENT ASSETS			
Cash and cash equivalents	8	1,145,018	1,881,039
Trade and other receivables	9	136,681	23,898
Other assets	10	35,918	12,310
Total Current Assets		**1,317,617**	**1,917,247**
NON CURRENT ASSETS			
Trade and other receivables	9	500,000	-
Exploration and evaluation	11	-	2,590,000
Investment in associate	12	2,413,115	1,636,243
Available-for-sale financial assets	13	687,990	541,609
Plant and equipment	14	45,827	44,045
Total Non Current Assets		**3,646,932**	**4,811,897**
TOTAL ASSETS		**4,964,549**	**6,729,144**
CURRENT LIABILITIES			
Trade and other payables	15	402,071	186,294
Provisions	16	114,982	63,107
Total Current Liabilities		**517,053**	**249,401**
NON CURRENT LIABILITIES			
Provisions	16	-	22,619
Deferred tax liabilities	4	-	385,871
Total Non Current Liabilities		**-**	**408,490**
TOTAL LIABILITIES		**517,053**	**657,891**
NET ASSETS		**4,447,496**	**6,071,253**
EQUITY			
Contributed Equity	17	22,974,071	20,981,821
Reserves	18	1,890,627	688,643
Accumulated losses		(20,417,202)	(15,599,211)
TOTAL EQUITY		**4,447,496**	**6,071,253**

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

Parkway Minerals NL
A.C.N. 147 346 334

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

	Contributed equity $	Accum-ulated Losses $	Share Based Payment Reserve $	AFS Reserve $	Non-controlling interest $	Total $
Balance at 1 July 2016	**17,634,147**	**(13,766,217)**	**648,934**	**-**	**(14,390)**	**4,502,474**
Loss for the year	-	(1,832,994)	-	-	48,110	(1,784,884)
Other comprehensive income:						
Available for sale financial asset losses	-	-	-	(1,064,921)		(1,064,921)
Reclassification to profit or loss	-	-	-	1,064,921	-	1,064,921
Total comprehensive loss for the year	**-**	**(1,832,994)**	**-**	**-**	**48,110**	**(1,784,884)**
Transactions with owners in their capacity as owners:						
Shares issued	3,305,239	-	-	-	-	3,305,239
Share issued transaction costs	(236,515)	-	-	-	-	(236,515)
Share based payments	278,950	-	39,709	-	-	318,659
Deconsolidation of subsidiary	-	-	-	-	(33,720)	(33,720)
Balance as at 30 June 2017	**20,981,821**	**(15,599,211)**	**688,643**	**-**	**-**	**6,071,253**

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

Parkway Minerals NL
A.C.N. 147 346 334

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

	Contributed equity	Accumulated Losses	Share and Option Based Payment Reserve	AFS Reserve	Foreign Currency translation reserve	Total
	$	$	$	$	$	$
Balance at 1 July 2017	**20,981,821**	**(15,599,211)**	**688,643**	**-**	**-**	**6,071,253**
Loss for the year	-	(4,817,991)	-	-	-	(4,817,991)
Other comprehensive income (net of tax)						
Available for sale financial asset gains	-	-	-	1,142,872	-	1,142,872
Equity accounted investments - share of other comprehensive income	-	-	-	-	36,112	36,112
Total comprehensive loss for the year	-	(4,817,991)	-	1,142,872	36,112	(3,639,007)
Transactions with owners in their capcity as owners:						
Shares issued	1,878,260	-	-	-	-	1,878,260
Share issue transaction costs	(146,834)	-	23,000	-	-	(123,834)
Share and option based payments	260,824	-	-	-	-	260,824
Balance at 30 June 2018	**22,974,071**	**(20,417,202)**	**711,643**	**1,142,872**	**36,112**	**4,447,496**

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

Parkway Minerals NL
A.C.N. 147 346 334
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	For the year ended 30 June 2018 $	For the year ended 30 June 2017 $
OPERATING ACTIVITIES			
Other Receipts		13,461	6,197
Payments to suppliers and employees		(1,974,966)	(1,982,623)
Stamp duty refunded		88,453	-
R&D tax rebate		-	284,722
Interest received		22,522	15,077
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**23**	**(1,850,530)**	**(1,676,627)**
INVESTING ACTIVITIES			
Deposit paid		(20,000)	-
Payment for shares in associate not yet issued		(500,000)	-
Investment in associate		-	(102,865)
Purchase of plant and equipment		(13,213)	(17,702)
Payment for exploration expenditure		(85,000)	(75,000)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(618,213)**	**(195,567)**
FINANCING ACTIVITIES			
Proceeds from issue of shares		1,808,260	3,305,239
Share issue costs		(75,538)	(190,907)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**1,732,722**	**3,114,332**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(736,021)	1,242,138
Cash and cash equivalents at the beginning of the year		1,881,039	638,901
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**8**	**1,145,018**	**1,881,039**

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

Note 1: Corporate information

The financial report of Parkway Minerals NL (the "Company" or "Parkway") and its controlled entity (the "consolidated entity" or the "Group") for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of directors on 21 September 2018.

Parkway Minerals NL is a company limited by shares incorporated in Australia whose share are publicly traded on the Australian Securities Exchange (ASX), OTC Pink and the Frankfurt Stock Exchange.

The nature of operations and principal activities of the Consolidated Entity are described in the directors' report.

Note 2: Statement of significant accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. Parkway Minerals NL is a for-profit entity for the purpose of preparing the financial statements.

The accounting policies detailed below have been consistently throughout the year presented unless otherwise stated.

The financial report has also been prepared on a historical cost basis with the exception of available-for-sale financial assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activity is mineral exploration.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

(b) Adoption of new and revised standards

The Group applied all new and amended Australian Accounting Standards and Interpretations, which are effective for annual periods beginning on 1 July 2017. Although these new standards and amendments applied for the first time in 2018, they did not have a material impact on the annual consolidated financial statements of the Group.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2018 are outlined in the table below. The Company has decided not to early adopt any of the new and amended pronouncement.

Note 2: Statement of significant accounting policies (continued)

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
AASB 9, and relevant amending statndards	Financial Instruments	AASB 9 replaces AASB 139 Financial Instruments: Recognition and measurement. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs. Debt instruments are subsequently measured at FVTPL, amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.	1 January 2018	1 July 2018	The Group currently records the gains and losses of the available for sale financial assets through other comprehensive income (OCI). Based on the Group's AASB 9 impact assessment, the Group will likely continue to apply the option of presenting the fair value changes through OCI. Therefore the application of AASB 9 will not have a significant impact on the recognition and measurement of financial instruments.
AASB 15, and relevant amending standards	Revenue from Contracts with Customers	AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 Construction Contracts, AASB118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 Leases (or AASB 16 Leases, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for	1 January 2018	1 July 2018	As the Group does not generate any significant revenue, the standard is not expected to significantly impact revenue recognition.

Note 2: Statement of significant accounting policies (continued)

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
		those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: ► Step 1: Identify the contract(s) with a customer ► Step 2: Identify the performance obligations in the contract ► Step 3: Determine the transaction price ► Step 4: Allocate the transaction price to the performance obligations in the contract ► Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.			
AASE 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	This Standard amends AASB 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ► The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ► Share-based payment transactions with a net settlement feature for withholding tax obligations ► A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	1 January 2018	1 July 2018	The Group is in the process of evaluating the impact of the standard. The impact on the Group is not expected to be material.
AASB 16	Leases	AASB 16 requires lessees to account for all leases under a single on- balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.	1 January 2019	1 July 2019	The Group does not expect any material impact from this standard since there are no current operating lease commitments in place.

Note 2: Statement of significant accounting policies (continued)

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
AASB Interpretation 23, and relevant amending standards	Uncertainty over Income Tax Treatments	The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: ► Whether an entity considers uncertain tax treatments separately ► The assumptions an entity makes about the examination of tax treatments by taxation authorities ► How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates ► How an entity considers changes in facts and circumstances.	1January 2019	1 July 2019	The Group is in the process of evaluating the impact of the standard.
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. AASB 2015-10 deferred the mandatory effective date (application date) of AASB 2014-10 so that the amendments were required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. AASB 2017-5 further defers the effective date of the amendments made in AASB 2014-10 to periods beginning on or after 1 January 2022. In December 2015, the IASB postponed the effective date of the amendments indefinitely pending the outcome of its research project on the equity method of accounting.	1 January 2022	1 July 2022	The Group is in the process of evaluating the impact of the standard.

(c) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

Note 2: Statement of significant accounting policies (continued)

(d) Critical accounting estimates and judgements

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

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

Share-based payment transactions

The Company measures the share-based payment transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 19.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Refer to note 11.

Investment in an associate

The Group's investment in an an associate is accounted for using the equity method. Significant judgement is also used to determine if there is considered to be significant influence exerted over the investment. Impairment is reviewed by considering the higher of the value in use or fair value less cost of disposal of the investment. For the prior year it was determined that the fair value less cost of disposal (determined by the share price of the investment at 30 June 2017) was below the carrying value of the investment at 30 June 2017. Accordingly an impairment charge of $1,453,305 was recorded. For the current year it was determined that the fair value less cost of disposal (determined by the share price of the investment at 30 June 2018) continued to be below the carrying value of the investment at 30 June 2018. Accordingly an impairment charge of $107,754 was recorded.

(e) Share-based payment transactions

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Note 2: Statement of significant accounting policies (continued)

(e) Share-based payment transactions (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in equity based payments expense (Note 19).

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting are conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 7).

(f) Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Consolidated entity has incurred a net loss after tax for the year ended 30 June 2018 of $4,817,991 (2017: $1,784,884) and experienced net cash outflows from operating activities of $1,850,530 (2017: $1,676,627). As at 30 June 2018 the consolidated entity had cash and cash equivalents of $1,145,018 (2017: $1,881,039). At the end of the reporting year, the Directors recognise the need to raise additional funds via equity raising or sale of financial assets to fund future planned exploration activities.

The Directors have reviewed the Consolidated entity's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Consolidated entity will be successful in securing additional funds through equity issues or through the controlled placement agreement detailed in Note 17a.

Should the Consolidated entity not achieve the matters set out above, there is significant uncertainty whether the Consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Consolidated entity not be able to continue as a going concern.

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(g) Exploration and evaluation expenditure

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.
Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(h) Plant & equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment in value. Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset as follows:

Plant and equipment – over 2 to 15 years

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

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

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

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition
An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

(i) Income tax

Current tax assets and liabilities for the current year and prior periods are measured at amounts expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used for computations are enacted or substantively enacted by the balance date.

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

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Note 2: Statement of significant accounting policies (continued)

(i) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

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

i Tax Consolidation

During the year Parkway Minerals NL and its 100% owned subsidiaries have entered into tax consolidated group which takes effect from 1 July 2016. Parkway Minerals NL is the head entity of the tax consolidated group.

(j) GST

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

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

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

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

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

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

Note 2: Statement of significant accounting policies (continued)

(k) Provisions and employee benefits

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

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries including non-monetary benefits, annual leave and accumulating sick leave due to be settled within 12 months of the reporting date are recognised in provisions 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. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

ii. Long service leave

The liability for long service leave is recognised 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 the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(l) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

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

Note 2: Statement of significant accounting policies (continued)

(m) Receivables

Receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any uncollectible amounts.

Collectability or receivables are reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt.

(n) Prepayments

Prepayment for goods and services which are to be provided in future years are recognised as prepayments. Prepayments are recorded in the other assets in the statement of financial position.

(o) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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

Fee Income
Revenue from geological services provided is recognised as the services are rendered, the revenue and the costs incurred or to be incurred in respect of the transactions can be measured reliably and the economic benefits associated with the transaction will flow to the Company.

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

(p) Contributed equity

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

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Note 2: Statement of significant accounting policies (continued)

(q) Trade and other payables

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

(r) Earnings per share

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

Diluted earnings per share is calculated as net profit attributable to members of the Company adjusted for:

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

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

(s) Investments and other financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. 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.

(i) 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 intended 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 and loss when the investment are derecognised or impaired, as well as through the amortisation process.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Note 2: Statement of significant accounting policies (continued)

(s) Investments and other financial assets (continued)

(iii) Available for sale (AFS) financial assets
AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets relate to listed securities. AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Reversals of impairment losses for AFS debt securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in profit loss and any subsequent increase in fair value is recognised in other comprehensive income.

(t) Impairment of financial assets

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

Available-for-sale investments
If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in profit and loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit and loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(u) Leases

Operating Lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and the reduction of the liability.

(v) Investment in associate

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Note 2: Statement of significant accounting policies (continued)

(v) Investment in associate (continued)

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of comprehensive income.

(w) Comparative Figures

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

(x) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(y) Treasury shares

Own equity instruments that are issued (treasury shares) are recognised nil value on the date of issue and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Note 3: Segment information

The Group has based its operating segment on the internal reports that are reviewed and used by the executive management team ("Chief Operating Decision Makers") in assessing performance and in determining the allocation of resources.

The Group currently does not have production and is only involved in exploration. As a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis.

Based on these criteria the Group has only one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in Note 2 for the computation of the Group's results presented in this set of financial statements.

Note 4: Income tax

	2018 $	2017 $
(a) Income tax (benefit)/expense		
Current tax	-	-
Deferred tax	(819,374)	385,871
Total tax (benefit)/expense	(819,374)	385,871
(b) Income tax recognised in equity		
Deferred tax liability recognised	433,503	-
Total income tax recognised in equity	433,503	-
(c) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(5,637,365)	(1,399,013)
Prima facie tax benefit at the Australian tax rate of 27.5%	(1,550,275)	(384,729)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payment	64,467	59,868
Non-deductible expenses	2,020	2,517
Non-assessable income	-	(78,299)
Gain on sale of shares	-	155,891
Deferred tax assets not brought to account	664,414	630,623
Income tax (benefit)/expense	(819,374)	385,871

Note 4: Income tax (continued)

(c) Deferred tax assets	2018 $	2017 $
Capitalised Expenditure	64,728	65,580
Accrued expenses	23,566	27,808
Business related deduction	105,219	124,652
Employee entitlement provisions	31,620	24,419
Capital losses	98,071	-
Revenue losses	758,087	3,606,189
	1,081,291	3,848,648
Deferred tax asset not recognised	(345,364)	(3,032,830)
	735,927	815,818
Offset against deferred tax liabilities	(735,927)	(815,818)
Total deferred tax assets	-	-
(d) Deferred tax liabilities		
Investment in associate	567,355	385,871
Exploration tenement	-	687,500
Financial Assets	168,572	128,318
	735,927	1,201,689
Offset against deferred tax assets	(735,927)	(815,818)
Net deferred tax liabilities	-	385,871

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The taxation benefits of certain tax losses and temporary differences have not been brought to account since it is not probable whether future assessable income would be derived of a nature and of an amount sufficient to enable the benefits from the deductions to be realised. The tax losses not brought to account is $3,113,302 (2017: $13,113,414). During the year Parkway Minerals NL and its 100% owned subsidiaries elected to form an income tax consolidated group, which was effective from 1 July 2016.

Note 5: Key management personnel remuneration

	2018 $	2017 $
Short-term employee benefits	498,132	473,923
Post-employment benefits	36,004	36,004
Share-based payments	138,426	133,451
Total compensation	**672,562**	**643,378**

Note 6: Auditor's remuneration

The auditor of the Company is Ernst & Young Australia	2018 $	2017 $
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial report	37,338	32,315
- Non-audit services:		
- research & development tax concession	6,979	15,169
- tax compliance	14,214	4,635
	58,531	**52,119**

Note 7: Loss per share

	2018 $	2017 $
Basic loss per share (cents per share)	0.81	0.43
Diluted loss per share (cents per share)	0.81	0.43
Net loss	(4,817,991)	(1,832,994)
Loss used in calculating basic and diluted loss per share	(4,817,991)	(1,832,994)
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	591,335,306	431,254,790

During the year there were no listed or key management personnel options exercised.

The options issued under Employee Option Plan (EOP) are not considered dilutive for the purpose of the calculation of diluted earnings/loss per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share. Consequently, diluted earnings/loss per share is the same as basic loss per share. As of 30 June 2018, a total of 154,104,824 potential ordinary shares had been issued, this is including 30,804,503 (2017: 22,796,691) options and 123,300,321 (2017: 123,300,321) partly paid shares respectively.

In addition as part of the issue of 50,126,000 shares issued on 29 June 2018, there were 50,126,000 free-attaching options that were approved by shareholders on 15 August 2018 and subsequently issued. These options have also not been included in the calculation above due to them being anti-dilutive.

Note 8: Cash and cash equivalents

	30-Jun-18 $	30-Jun-17 $
Cash at bank and on hand	1,145,018	1,881,039
	1,145,018	1,881,039

Note 9: Trade and other receivables

	30-Jun-18 $	30-Jun-17 $
Current		
Trade debtors	46,211	1,618
GST Receivables	20,470	22,280
Other Receivables	70,000	-
	136,681	23,898
Non-Current		
Shares subscribed but not yet issued (a)	500,000	-
	500,000	-

Trade debtors are non-interest bearing and are generally on 30-90 days terms. The carrying amounts of all trade and other receivables represent fair value and are not considered to be impaired.

(a) On 25 June 2018, the consolidated entity had participated in Davenport Resources Limited's share purchase plan, and subscribed to 7,142,850 shares at $0.07 per share. These shares were subsequently issued on 5 July 2018. The consolidated entity was also eligible to receive 7,142,850 free-attaching options as part of this placement. These options will have an exercise price of $0.20 and expire on 31 July 2023. These options were approved by Davenport Resources' shareholders at a general meeting on 30 August 2018.

Note 10: Other assets

	30-Jun-18 $	30-Jun-17 $
Short term investment	20,000	-
Prepayments	15,918	12,310
	35,918	**12,310**

Note 11: Exploration expenditure

	30-Jun-18 $	30-Jun-17 $
Opening Balance	2,590,000	2,500,000
Option fees paid or payable – Dandaragan Trough tenements	265,000	75,000
Acquisition of mineral rights – Lake Barlee	-	15,000
Acquisition costs written-off	(2,855,000)	-
	-	**2,590,000**

During the financial year the Group continued its mineral exploration on the Dandaragan Trough and Lake Barlee areas of interest.

A total of $265,000 (2017: $90,000) of exploration expenditure was capitalised by Parkway during the year. The Directors have reviewed all exploration projects for indicators of impairment in light of approved budgets. Where substantive expenditure is neither budgeted nor planned the area of interest has been written down to its fair value less cost to dispose. In determining the fair value less cost of disposal, the Directors had regard to the best evidence of what a willing participant would pay in an arms length transaction (level 3 fair value hierarchy). Where no such evidence was available, areas of interest were written down to nil pending the outcome of any future farm-out arrangement. The Group will continue to look to attract farm-in partners and/or recommence exploration should circumstances change.

The ultimate recoupment of acquisition costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation.

Note 12: Investment in associate

On 19 January 2017, the Group disposed of its 55% interest in East Exploration Pty Ltd in exchange for 19,249,922 ordinary shares (being a 26% interest) in Davenport Resources Limited ("Davenport"), a potash exploration group incorporated in Australia and listed on ASX following its successful IPO on the same date. In addition to the ordinary shares, the Group was also issued:

- 17,874,928 "milestone one" shares which will be convertible into ordinary shares in Davenport Resources Limited if within four years after completion (or such lesser period as is satisfactory to ASX) of the first JORC code compliant inferred resources exceeds one of the following:
  a) 250 million tonnes of potash at or above 11% K2O by content, or
  b) 150 million tonnes of potash at or above 12% K2O by content, or
  c) 100 million tonnes of potash at or above 13% K2O by content, or
  d) 75 million tonnes of potash at or above 15% K2O by content, or
  e) 50 million tonnes of potash at or above 18% K2O by content.
- 17,874,928 "milestone two" shares which will be convertible into ordinary shares in Davenport Resources Limited if within six years after completion (or such lesser period as is satisfactory to ASX) of all mining approvals and utility contracts required to construct and operate a minimum 500,000 tonnes per annum potash mine on the South Harz Project (including all government approvals, water and energy contracts necessary to operate the mine).

Note 12: Investment in associate (continued)

During 2017 financial year, the fair value of the consideration was estimated to be $3,849,984 being the fair value of the 19,249,922 ordinary shares at their IPO price, a gain on deconsolidation of the subsidiary $3,780,837 was recognised after deducting the carrying value of net asset of $69,147. The fair value of milestone shares were estimated to be zero at the disposal date due to uncertainties surrounding the achievement of these milestones.

During the current financial year, the consolidated entity has been issued the "milestone one" shares, these have been converted into 17,874,928 ordinary shares in Davenport Resources Limited with a value of $1,429,994, which resulted in an increase in ownership from 26.0% to 34.2%. The increase in value of these shares has been recognised in other comprehensive income as part of the AFS reserve. On 10 April 2018, Davenport Resources Limited announced the cancellation of the "milestone two" shares.

The Group’s interest in Davenport is accounted for using the equity method in the consolidated financial statements on the basis that it was concluded Parkway has significant influence due to the 34.2% interest that it has in the entity as at 30 June 2018 (30 June 2017: 26.0%), and due to a Director of Parkway being the non-executive chairman of Davenport. The following table sets out the summarised financial information of the Group’s investment in Davenport:

	30-Jun-18 $	30-Jun-17 $
Balance at the beginning of the financial year	1,636,243	-
Carrying value of investment at initial recognition on 19 January 2017	-	3,849,984
Receipt of milestone shares	1,429,994	-
Share of other comprehensive income for the period	36,112	-
Share of losses for the period	(581,480)	(760,436)
Impairment	(107,754)	(1,453,305)
Balance at the end of the financial year	**2,413,115**	**1,636,243**

As at 30 June 2017 the consolidated entity undertook an assessment for impairment as the fair value of the investment was below its carrying value, an impairment charge of $1,453,305 was recorded to bring the carrying balue to its fair value of asset. This assessment was undertaken again at 30 June 2018, whereby it was determined that the fair value less cost of disposal was below the carrying value, and accordingly a further impairment was recorded of $107,754.

The following is summarised financial information for the share of assets and liabilities held by Parkway in Davenport at 30 June 2018 based on its consolidated financial statements modified for differences in the Group’s accounting policies:

	30-Jun-18 $	30-Jun-17 $
Current assets	937,838	1,150,979
Non-current assets	3,787,166	2,037,516
Current liabilities	(750,830)	(98,947)
Non-current liabilities	-	-
	3,974,174	**3,089,548**
Less impairment recorded by Parkway	(1,561,059)	(1,453,305)
Share of net assets held	**2,413,115**	**1,636,243**

Note 12: Investment in associate (continued)

	For the year ended 30 June 2018	For the period 19 January 2017 to 30 June 2017
	$	$
Other income	42,176	14,409
Loss from continuing operations	**(581,480)**	**(760,436)**
Other comprehensive income	36,112	-
Total comprehensive loss for the period	**(545,368)**	**(760,436)**

Contingent liabilities
The associate has guaranteed a rental bond for the operating premises. At 30 June 2018 the extent of possible exposure is $104,212 (2017: $104,212). The lease expired on 31 July 2018 and was not renewed. On 27 August 2018, the associate settled with the landlord the associate's make good obligations for $56,419, with the guarantee for the rental bond subsequently released.

Commitments
The associate has the following commitments (100%). Operating lease commitments are a non-cancellable lease of office premises for a three year term entered into in August 2015 and a lease of a business centre for a one year term entered into in September 2016.

	2018	2017
Exploration expenditure	**$**	**$**
Payable within one year	89,650	217,022
	89,650	**217,022**
Operating leases		
Payable within one year	25,724	159,512
Payable in one to five years	-	15,796
	25,724	**175,308**

Operating lease commitments are the non-cancellable operating leases of office space.

Note 13: Financial assets

	30-Jun-18	30-Jun-17
	$	$
Investment - available for sale financial assets	687,990	541,609
	687,990	541,609
Reconciliation of movement for the period:		
Opening Balance	541,609	1,939,547
Loss on conversion of shares in Lepidico Ltd to shares in Lithium Austraila NL	-	(333,017)
Gain/(Loss) on increase/(decline) in fair value at the end of the period	146,381	(1,064,921)
	687,990	**541,609**

Note 13: Financial assets (continued)

On 28 March 2017 the Consolidated entity accepted Lithium Australia NL's offer of 1 Lithium Australia share for 13.25 Lepidico shares held. On 28 March 2017, the Consolidated entity has recognised an impairment loss on the Lepidico shares amounting to $581,864 and has received 7,319,044 Lithium Australia NL shares in consideration for the Lepidico Ltd shares held. The Consolidated entity has recognised a loss on disposal of Lepidico shares amounting to $333,017 on the transaction date. As at 30 June 2017, the Consolidated entity recognised a further impairment loss of $483,057 for the financial assets due to the significant decline in value between the acquisition and 30 June 2017.

For the year ended 30 June 2018, the Consolidated entity has recognised a gain of $146,381 resulting from the increase in the fair value of the financial assets. Fair value of the financial assets at 30 June 2018 and 30 June 2017 has been determined by reference to quoted bid prices in active markets at the reporting date and are categorised within Level 1 of the fair value hierarchy.

Note 14: Plant and equipment

	30-Jun-18 **$**	**30-Jun-17** **$**
Offfice equipment at cost	28,047	15,743
Less accumulated depreciation	(11,766)	(8,633)
	16,281	**7,110**
Plant and equipment at cost	70,275	69,366
Less accumulated depreciation	(53,430)	(49,349)
	16,845	**20,017**
Computer software at cost	40,340	40,340
Less accumulated depreciation	(33,995)	(31,888)
	6,345	**8,452**
Furniture fixtures at cost	8,644	8,644
Less accumulated depreciation	(2,288)	(178)
	6,356	**8,466**
Total plant and equipment	**45,827**	**44,045**

	Office Equipment **$**	**Plant & Equipment** **$**	**Computer Software** **$**	**Furniture Fixtures** **$**	**Total** **$**
Year ended 30 June 2017					
Opening net carrying value	5,074	24,372	11,826	-	41,272
Additions	6,654	2,406	-	8,644	17,704
Depreciation charge for the year	(4,618)	(6,761)	(3,374)	(178)	(14,931)
Closing net carrying value	**7,110**	**20,017**	**8,452**	**8,466**	**44,045**
Year ended 30 June 2018					
Opening net carrying value	7,110	20,017	8,452	8,466	44,045
Additions	12,304	909	-	-	13,213
Depreciation charge for the year	(3,133)	(4,081)	(2,107)	(2,110)	(11,431)
Closing net carrying value	**16,281**	**16,845**	**6,345**	**6,356**	**45,827**

Note 15: Trade and other payables

	30-Jun-18 $	30-Jun-17 $
Current		
Unsecured liabilities		
Option fees payable (a)	180,000	-
Trade payables	222,071	186,294
	402,071	**186,294**

Due to short term nature of these payables, their carrying value is assumed to approximate their fair value.

(a) Option fees payable relate to a settlement negotiated for the option fees for land at the Dandaragan Trough.

Note 16: Provisions

	30-Jun-18 $	30-Jun-17 $
Employee benefits – current liability	114,982	63,107
	114,982	**63,107**

	30-Jun-18 $	30-Jun-17 $
Employee benefits - non-current liability	-	22,619
	-	**22,619**

Note 17: Contributed equity

		30-Jun-18		30-Jun-17	
	NOTE	**No.**	**$**	**No.**	**$**
Ordinary shares - fully paid	17B	594,814,654	22,974,071	359,144,634	20,981,821
Contributing shares - partly paid	17C	123,300,321	-	123,300,321	-
Treasury shares	17A	(24,000,000)	-	-	-
		694,114,975	22,974,071	482,444,955	20,981,821

Effective 1 July 1998, the corporation legislation abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares. Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

When managing capital (which is defined as the Company's total equity amounting to $4,447,496 (2017: $6,071,253), the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available for future exploration and development activity. The Company is not subject to any externally imposed capital requirements.

17A: Movements in treasury shares are as follows:

	2018 Number	2018 $	2017 Number	2017 $
At the beginning of reporting year	-	-	-	-
Issued during the year	(24,000,000)	-	-	-
At the end of the year	(24,000,000)	-	-	-

In January 2018, the Company entered into a Controlled Placement Agreement ("CPA") with Acuity Capital Investment Management Pty Ltd as trustee for the Acuity Capital Holdings Trust ("Acuity"). The CPA grants an option to Acuity to issue Parkway shares at the discretion of Parkway, and which Acuity has the discretion to either accept or decline. The exercise price of each option is the greater of a 90% volume weighted average price of Parkway shares traded during the relevant valuation period and a floor price that is set by Parkway. The maximum option size is $3,000,000 and the option expires on 21 January 2021. During the year there were no options exercised. As part of the CPA, the Company have issued a total of 2,400,000 Parkway ordinary shares to Acuity which Acuity holds in the favour of Parkway. These shares are therefore deemed to be treasury shares. The shares are held by Acuity as collateral over the CPA arrangement and at the expiry date the shares may either be bought back by Parkway for nil consideration, issued to Acuity for a price that is to be agreed or transferred to a third party nominated by Parkway with no consideration being due or payable by Acuity. The shares had a value of $312,000 at the time of issue.

17B: Movements in fully paid ordinary shares on issue of the legal parent are:

	2018 Number	2017 Number	2018 $	2017 $
At the beginning of reporting year	359,237,974	235,575,005	21,316,846	17,969,172
Issue of 135,126,000 shares* (2017: 72,408,665 shares) via share placements	135,126,000	72,408,665	1,351,260	2,172,261
Issue of 52,700,000 (2017: 37,700,063 shares) via share purchse plan	52,700,000	37,700,063	527,000	1,130,982
Issue of 23,750,680 shares (2017: 13,420,122 shares) as share-based payments	23,750,680	13,420,122	260,824	278,044
Issue of nil shares (2017:40,779 shares) via conversion of partly paid shares	-	40,779	-	1,998
Issue of 24,000,000 treasury shares (2017: nil shares) pursuant to the Controlled Placement Facility (see note 17A)	24,000,000	-	-	-
Shares to be issued	-	93,340	-	905
Equity Raising Costs	-	-	(146,834)	(236,515)
	594,814,654	359,237,974	23,309,096	21,316,846
Reserved shares	(3,150,000)	(3,150,000)	(335,025)	(335,025)
At the end of the reporting year	591,664,654	256,087,974	22,974,071	20,981,821

*As part of the issue of 50,126,000 shares issued on 29 June 2018, there were 50,126,000 free-attaching options that were approved by shareholders on 15 August 2018 and subsequently issued.

17C: Movements in partly paid ordinary shares on issue of the legal parent are:

	2018 Number	2017 Number
At the beginning of reporting year	123,300,321	35,960,024
The converison of partly paid shares to fully paid	-	(40,779)
The issue of 87,381,076 bonus partly paid shares	-	87,381,076
At the end of the reporting year	123,300,321	123,300,321

Outstanding amount per partly paid contributing share at 30 June 2018 is $0.049 (2017: $0.049).

The partly paid contributing share are issued with outstanding calls of 4.9 cents each. The partly paid contributing share carry a right to a dividend on the same basis as holders of Ordinary Shares. Partly paid contributing shares carry the right to vote in proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). The company has the power to forfeit any shares where the call remains unpaid 14 days after the call was payable. The company must then offer the shares forfeited for public auction within six weeks of the call becoming payable.

During June 2018, the consolidated entity has raised capital via share placement, the consolidated entity has issued 50,126,000 shares for the total consideration of $501,260. These shares were issued on 29 June 2018, $70,000 of total funds were only received subsequent to 30 June 2018.

Note 18: Reserves

	Note	30-Jun-18 $	30-Jun-17 $
Share based payment reserve	18A	711,643	688,643
AFS reserve	18B	1,142,872	-
Foreign currency translation reserve	18C	36,112	-
		1,890,627	**688,643**

Note 18A: Share based payment reserve

Reconciliation of total options on issue:

	Options issued as share-based payments	Other options issued	Reserved shares issued	Total options on issue
As at 1 July 2016	**5,492,188**	**14,950,000**	**3,150,000**	**23,592,188**
Issued during the year	3,054,503	-	-	3,054,503
Expired during the year	-	(700,000)	-	(700,000)
As at 30 June 2017	**8,546,691**	**14,250,000**	**3,150,000**	**25,946,691**
Issued during the year	10,000,000	-	-	10,000,000
Expired during the year	(1,992,188)	-	-	(1,992,188)
As at 30 June 2018	**16,554,503**	**14,250,000**	**3,150,000**	**33,954,503**

Options	**2018**	**2018**	**2017**	**2017**
	Number	**WAEP**	**Number**	**WAEP**
Outstanding at 1 July	22,796,691	$0.0671	20,442,188	$0.0778
Granted during the year	10,000,000	$0.0300	3,054,503	$0.0375
Expired during the year	(1,992,188)	$0.0320	(700,000)	$0.2500
Outstanding at 30 June	30,804,503	$0.0538	22,796,691	$0.0671
Exercisable at 30 June	30,804,503	$0.0538	22,796,691	$0.0671

The weighted average remaining contractual life of share options outstanding as at 30 June 2018 was 2.66 years (2017: 1.26 years).

The average exercise price of options granted during the year was $0.03 (2017: $0.0375).

The range of exercise prices for options outstanding at the end of the year was $0.02 to $0.07 (2017: $0.0375 to $0.087).

Reconciliation of value of share-based payment reserve

	Note	**Jun-18 $**	**Jun-17 $**
At the beginning of reporting year		688,643	648,934
Amount expensed for options issued to consultant. 3,054,503 options with exercise price of $0.0375	18.1		39,709
Amount expensed for options issued to consultant. 5,000,000 options with exercise price of $0.02	18.2	16,000	-
Amount expensed for options issued to consultant. 5,000,000 options with exercise price of $0.04	18.3	7,000	-
At the end of the reporting year		711,643	688,643

Note 18A: Share based payment reserve (cont'd)

18.1 The issue of 3,054,503 $0.0375 options exercisable on or before 30 June 2019 to consultant. Please refer to Note 19 for further explanation.
18.2 The issue of 5,000,000 $0.02 options exercisable on or before 20 September 2019 to consultant. Please refer to Note 19 for further explanation.
18.3 The issue of 5,000,000 $0.04 options exercisable on or before 20 September 2019 to consultant. Please refer to Note 19 for further explanation.

Note 18B: AFS reserve

The AFS reserve represents the gains and losses of available-for-sale financial assets.

Note 18C: Foreign currency translation reserve

The foreign currency translation reserve comprises the share of foreign currency translation differences arising from the Group's equity accounted investment.

Note 19: Equity based payments

Expenses arising from share-based payment and option-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	Note	Jun-18 $	Jun-17 $
Shares issued under the director and senior management fee and remuneration sacrifice share plan.	19.1	128,699	128,699
Shares issued in consideration of services.	19.2	105,725	80,501
Total equity based payments expense		**234,424**	**209,200**
Shares issued to consultants recognised for capital raising services as share issue costs in equity	19.3	26,400	5,899
Options issued to Consultants recognised as share issue costs in equity. Refer note 18.2 and 18.3	19.4	23,000	39,709
Total equity based payments recorded in equity		**49,400**	**45,608**

19.1 During the year shares were issued to directors and senior management under the management fee and remuneration sacrifice share plan. The fair value of the services was considered to be equal to the fair value of the shares issued.

19.2 During the year shares were issued to settle a fee payable under a controlled placement deed.

19.3 On 24 October 2017, the Company issued 2,640,000 shares at $0.01 per share to a consultant for Capital raising services provided. This issue was approved by shareholders at 2017 general meeting.

19.4 During the 2018 financial year, the Company issued 5,000,000 class A options and 5,000,000 class B options to consultants for equity raising services, which was recognised as part of issued capital. These options had a fair value of $23,000 calculated using a black scholes model. The fair value of the services was considered to be equal to the fair value of the options issued. This issue was approved by shareholders at 2017 AGM.

Subsequent to 30 June 2018 a further 5,000,000 options were issued to brokers. The value of these options was not considered to be material.

Note 19: Equity based payments (cont'd)

The fair value of the options granted for the year ended 30 June 2018 and 30 June 2017 was estimated on the date of grant using the following assumptions and valuing using a black scholes model, the fair value of the services provided was consider to equal the fair value determined using the black scholes model:

	30-Jun-18	**30-Jun-17**
Number of options issued	Class A – 5,000,000 Class B – 5,000,000	3,054,503
Dividend yield (%)	Nil	Nil
Expected volatility* (%)	75	75
Risk-free interest rate (%)	1.5	1.5
Expected life (years)	2	3
Share price	$0.01	$0.03
Exercise price ($)	Class A - $0.02 Class B - $0.04	$0.0375
Value per option	Class A - $0.0032 Class B - $0.0014	$0.013

All shares issued as equity-based payments were issued for nil cash consideration and were valued at market fair value which was considered to approximate the fair value of the services provided.

Note 20: Commitments

(i) The Company has certain obligations with respect to tenements and minimum expenditure requirements on areas, as follows:

	30-Jun-18	**30-Jun-17**
	$	**$**
Within 1 year	1,038,667	618,000
1 to 2 years	1,038,667	618,000
Total	2,077,334	1,236,000

The commitments may vary depending upon additions or relinquishments of the tenements, as well as farm-out agreements. The above figures are based on the mines department Emits reports as at 30 June 2018. These figures are adjusted at the anniversary date of each tenement and therefore the total can change on a monthly basis.

Note 21: Contingent liabilities

There are no contingent liabilities as at 30 June 2018 (2017: Nil).

Note 22: Related party transactions

	30-Jun-18 $	30-Jun-17 $
Corporate advisory were paid to Precious Capital Pte Ltd, a company of which Chew Wai Chuen is a director and shareholder	9,220	9,454
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder. Fees included investor relations, corporate advisory, office accommodation, accounting staffs, administrative staffs and exploration staffs.	165,041	148,526
	174,261	**157,980**

Trade and other payables to related party as at 30 June 2018 amounted to $23,549 (30 June 2017: $26,579).

All related party transactions are considered to be on an arms' length basis.

Note 23: Cash flow information

Reconciliation of cash flow from operations with loss from ordinary activities after income tax

	30-Jun-18 $	30-Jun-17 $
Loss from ordinary activities after income tax	(4,817,991)	(1,784,884)
Share of net losses of associate	581,480	760,436
Depreciation and amortisation	11,431	14,931
Expenses settled via equity issues	234,424	209,200
Option and exclusivity fee received	-	(151,367)
Gain on deconsolidation of subsidiary	-	(3,780,837)
Loss on disposal of financial assets	-	333,017
Impairment of financial assets	-	1,064,921
Write-off of exploration and evaluation assets	2,675,000	-
Income tax recognised in other comprehensive income	(433,503)	-
Impairment of investment in associate	107,754	1,453,305
Changes in assets and liabilities		
Increase/(decrease) in deferred tax liabilities	(385,871)	385,871
(Increase)/decrease in receivables	(61,851)	7,920
(Increase)/decrease in other assets	15,462	38,155
Increase/(decrease) in payables	193,880	(75,628)
Increase/(decrease) in provisions	29,255	(151,667)
Cash flows used in operating activities	**(1,850,530)**	**(1,676,627)**

Note 24: Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to finance the Company's operations. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, credit risk and equity price risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The Group has not entered into any hedging activities to manage interest rate risk. In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total	Interest Rate Risk Sensitivity -10%		10%	
						Profit	Equity	Profit	Equity
	%	$	$	$	$	$	$	$	$
2018									
Financial Assets									
Cash	1.25	281,138	400,000	463,880	1,145,018	-1,002	-1,002	1,002	1,002
Other assets		-	20,000	-	20,000				
Receivables		-	-	636,681	636,681				
Total Financial Assets		281,138	420,000	1,100,561	1,801,699				
Financial Liabilities									
Trade creditors		-	-	402,071	402,071				
Total Financial Liabilities		-	-	402,071	402,071				

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total	Interest Rate Risk Sensitivity -10%		10%	
						Profit	Equity	Profit	Equity
	%	$	$	$	$	$	$	$	$
2017									
Financial Assets									
Cash	1.25	1,881,039	-	-	1,881,039	-1,975	-1,975	1,975	1,975
Receivables		-	-	23,898	23,898				
Total Financial Assets		1,881,039	-	23,898	1,904,937				
Financial Liabilities									
Trade creditors		-	-	186,294	186,294				
Total Financial Liabilities		-	-	186,294	186,294				

A sensitivity of 10% (2017: 10%) has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A -10% sensitivity would move short term interest rates at 30 June 2018 from around 1.25% to 1.13% (2017: 1.25% to 1.13%) representing a 12.0 basis points (2017: 12.0 basis points), which is 8.5 basis points (2017: 8.5 basis points) net of tax.

Note 24: Financial risk management objectives and policies(continued)

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

(a) Liquidity Risk
The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities required to meet the current exploration and administration commitments, through the continuous monitoring of actual cash flows.

All payables are due within 30 days, which is consistent with the prior year.

(b) Fair Values
For financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form except for available-for -sale financial assets which are valued at market value as traded on the ASX and are considered to be level 1 in the fair value heirarchy.

(c) Credit Risk
Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Consolidated entity is exposed to credit risk from its operating activities, financing activities including deposits with banks. The credit risk control procedures adopted by the Consolidated entity is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

The maximum exposure to credit risk on financial assets of the Consolidated entity which have been recognised on the statement of financial position is generally limited to the carrying amount.

Cash is maintained with National Australia Bank.

(d) Equity price risk
The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through the Group's Board of Directors reviewing and approving all equity investment decisions. At the reporting date, the exposure to listed equity securities recognised as available-for-sale financial assets was $687,990.

A decrease of 10% on the ASX market index could have an impact of approximately $68,799 on the income or equity attributable to the Group, depending on whether the decline is significant or prolonged. An increase of 10% in the value of the listed securities would only impact equity, but would not have an effect on profit or loss.

Note 25: Controlled entities

Parkway Minerals NL is the ultimate parent entity of the consolidated group.

The following are controlled entities at the reporting date and have been included in the consolidated financial statements. All shares held are ordinary shares.

Name	**Country of Incorporation**	**Percentage Interest Held %**		**Principal activities**
		2018	**2017**	
Dandaragan Trough Holdings Pty Ltd	Australia	100%	100%	Dormant
K-Max Pty Ltd	Australia	100%	100%	Dormant
East Exploration Holdings Pty Ltd	Australia	100%	100%	Dormant

As at 30 June 2018, there are no commitment or contingent liabilities in respect of the controlled entities.

Note 26: Parent entity disclosure

Assets	Parent 30-Jun-18	Parent 30-Jun-17
Current assets	1,317,617	1,917,247
Non current assets	1,233,817	3,175,654
Total Assets	2,551,434	5,092,901
Liabilities		
Current liabilities	517,053	249,401
Non current liabilities	-	22,619
Total Liabilties	517,053	272,020
Net Assets	2,034,381	4,820,881
Equity		
Contributed equity	22,974,071	20,981,821
Reserves	817,769	688,643
Accumulated losses	(21,757,459)	(16,849,583)
Total Equity	2,034,381	4,820,881

	Parent 30-Jun-18	Parent 30-Jun-17
Loss for the year	(4,907,876)	(3,068,037)
Other comprehensive income	106,126	-
Total comprehensive loss for the financial year	(4,801,750)	(3,068,037)

The commitments and contingencies and commitments of the parent entity are the same as those for the consolidated entity.

Note 27: Subsequent events

On 5 July 2018, the Group was issued a further 7.1 million shares in Davenport Resources Limited, following the subscription paid in June 2018. Following this issue of shares, the group holds a 33% interest in Davenport Resources Limited.

On 21 August 2018, the Company issued 50,126,000 free-attaching options in respect of the placement which occurred on 29 June 2018. The company also issued 5,000,000 unlisted options to brokers. These options are exercisable at $0.02 each and expire on 17 August 2020.

There have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than disclosed elsewhere in this annual report.

Parkway Minerals NL

A.C.N. 147 346 334

Directors' Declaration

In the opinion of the directors of Parkway Minerals NL:

(a) the financial statements and notes set out on pages 48 to 82 are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the financial position of the Company as at 30 June 2018 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

   (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(c); and

(c) subject to the matters discussed in Note 2(f), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2018.

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

Patrick McManus
Managing Director
Perth
Dated:27 September 2018

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Independent auditor's report to the members of Parkway Minerals NL

Report on the audit of the financial report

Opinion

We have audited the financial report of Parkway Minerals NL (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the 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 related to going concern

We draw attention to Note 2(f) of the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Investment in Davenport Resources Limited

Why significant	How our audit addressed the key audit matter
As at 30 June 2018, the Group had a 34% interest in Davenport Resources Limited, with a carrying value of $2,413,115 (2017: $1,636,243). The accounting treatment and disclosure of this investment involved significant judgements in determining the classification of the investment as an associate in accordance with *AASB 128: Investments in associates and joint ventures* and the assessment of whether the investment was impaired as at 30 June 2018. Refer to note 12 for further details of this investment.	We evaluated the Group's accounting for the investment in Davenport Resources Limited as follows: ▸ Considered the appropriateness of the Group's assessment that the investment in Davenport Resources Limited meets the criteria of an investment in an associate in accordance with *AASB 128: Investments in associates and joint ventures*. ▸ Evaluated the Group's assessment of impairment of the investment in Davenport Resources Limited as at 30 June 2018. This included comparing the carrying value of the investment to the market value of Davenport Resources Limited shares as at 30 June 2018, in order to assess whether the fair value less cost of disposal was higher than the carrying value of the investment as at that date. ▸ Evaluated the adequacy of the disclosures included in note 12 of the financial statements.

2. Carrying value of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
The assessment of the carrying value of exploration and evaluation assets for impairment is subjective, as it is based on the Group's ability and intention to continue to explore the asset. The carrying value may also be adversely affected by the results of exploration work indicating that the mineral reserves may not be commercially viable for extraction. This creates a risk that the amounts stated in the financial report may not be recoverable. For the year ended 30 June 2018 the exploration and evaluation assets were written off. Refer to Note 11 – Exploration expenditure to the financial report for the amounts held by the Group as at 30 June 2018 and related disclosure.	We evaluated the Group's assessment of the carrying value of exploration and evaluation assets. In obtaining sufficient audit evidence, we: ▸ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements. ▸ Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included assessment of the Group's cash-flow forecast models, enquiries with senior management and Directors as to the intentions and strategy of the Group. ▸ Evaluated the Group's assessment of the commercial viability of results relating to exploration and evaluation activities carried out in the relevant licensed area. ▸ Assessed the ability to finance any planned future exploration and evaluation activity. ▸ Assessed the adequacy of the disclosure included in the financial report.

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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 2018 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

EY Building a better working world

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Group's internal control.

- 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 Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 21 to 30 of the directors' report for the year ended 30 June 2018.

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

Responsibilities

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

Ernst & Young

Ernst & Young

V L Hoang
Partner
Perth
27 September 2018

Parkway Minerals NL

A.C.N. 147 346 334

Shareholder Information

Distribution schedules of shareholders and statements of voting rights are set out in Table 1, whilst the Company's top twenty shareholders and option holders are shown in Tables 2, 3 and 4. Substantial shareholder notices that have been received by the Company are set out in Table 5.

Table 1
Shareholder spread as at 20 September 2018

Ordinary shares, with right to attend meetings and vote personally or by proxy, through show of hands and, if required, by ballot (one vote for each share)

Spread of Holdings	No. Holders PWN	No. Holders PWNCA
1-1,000	114	221
1,001-5,000	182	428
5,001-10,000	139	220
10,001-100,000	664	611
100,001 - and over	486	170
Total number of holders of securities	1,585	1,650
Total number of securities	594,814,654	123,300,321

Table 2
Top twenty shareholders as at 20 September 2018

	Shareholder	No. Shares	Percentage
1	CITICORP NOMINEES PTY LIMITED	57,458,190	9.66
2	Acuity Capital Investment Management Pty Ltd	26,524,453	4.46
3	Horn Resources Pty Ltd	25,000,000	4.20
4	Mr Philip Anthony Feitelson	23,915,000	4.02
5	HSBC Custody Nominees (Australia) Limited	18,055,206	3.04
6	Mr Patrick Bernard Mc Manus & Mrs Vivienne Edwina Mc Manus <Mc Manus Super Fund <A/C>	17,341,507	2.92
7	WAH LEN ENTERPRISE SDN BHD	16,666,666	2.80
8	QUERION PTY LTD	13,000,000	2.19
9	YAP THAI CHOY	12,000,000	2.02
10	PAGONDAS PTY LTD <PAGONDAS A/C>	10,000,000	1.68
11	Mr Xuan Khoa Pham	9,000,000	1.51
12	Flourish Super Pty Ltd <Flourish S/F A/C>	7,450,636	1.25
13	Mr Adrian Christopher Griffin	7,027,991	1.18
14	Mr Mark Andrew Tkocz	7,000,000	1.18
15	JB Advisory Pty Limited <Callanan Family A/C>	7,000,000	1.18
16	Rymill Global Ventures Ltd	6,719,759	1.13
17	Philip Anthony Feitelson	6,585,000	1.11
18	MR ROBERT VANDERLAAN + MR ADRIAN GRIFFIN + MR RINIAN RUTHERFORD <THE GFR INDUSTRIES S/F A/C>	6,500,000	1.09
19	TINNIPLEX PTY LTD	6,000,000	1.01
20	Horn Nominees Pty Ltd <Horn Super Fund A/C>	5,250,000	0.88
		288,494,408	**48.50**

Shareholder Information (continued)

Table 3
Top twenty partly paid shareholders as at 20 September 2018

	Shareholder	No. Shares	Percentage
1	CITICORP NOMINEES PTY LIMITED	10,903,871	8.84
2	HSBC Custody Nominees (Australia) Limited	5,505,513	4.47
3	Wah Len Enterprise SDN BHD	4,166,667	3.38
4	MRS ANJANA NANDHA	3,500,000	2.84
5	QUERION PTY LTD	3,125,000	2.53
6	MR PHILIP ANTHONY FEITELSON	3,000,000	2.43
7	YAP THAI CHOY	3,000,000	2.43
8	MR ADRIAN CHRISTOPHER GRIFFIN	2,719,635	2.21
9	MR JOHN STEPHEN BLADON MILLWARD	2,665,861	2.16
10	TORBINUP RESOURCES PTY LTD	2,648,544	2.15
11	MR STEVEN VARGA	2,500,000	2.03
12	MR GREGORY JOHN MILLER	2,111,847	1.71
13	MR EDDIE BONZALIE	1,899,908	1.54
14	MR ROBERT PETER VAN DER LAAN	1,800,045	1.46
15	MR ADRIAN CHRISTOPHER GRIFFIN	1,767,998	1.43
16	ROBERIN PTY LTD <MCMANUS FAMILY A/C>	1,553,615	1.26
17	MR PATRICK BERNARD DAVID MCMANUS + MRS VIVIENNE EDWINA MCMANUS <MCMANUS SUPER FUND A/C>	1,410,831	1.14
18	SEPT ROGUES LTD	1,370,837	1.11
19	POTASH WEST NL <EMPLOYEE SHARE LOAN A/C>	1,362,500	1.11
20	SUPER MSJ PTY LTD <MSJ SUPER FUND A/C>	1,200,000	0.97
		58,212,672	**47.21**

Table 4
Top twenty option holders as at 20 September 2018

	Optionholder	No. Options	Percentage
1	M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	4,150,000	23.38
2	DAVID GREENBLATT	1,500,000	8.45
3	MS MERLE SMITH + MS KATHRYN SMITH <THE MINI PENSION FUND A/C>	750,000	4.23
4	NUTSVILLE PTY LTD <INDUST ELECTRIC CO S/F A/C>	750,000	4.23
5	MR ANDREW JOHN MEEK + MS SASKIA ELLE MEEK <ANDREW MEEK SUPERFUND A/C>	727,487	4.10
6	MR JAMES ROBERT DENNISON	650,000	3.66
7	BUZZ MONTY PTY LTD <BUZZ MONTY SUPER FUND A/C>	625,000	3.52
8	MR BRENDON MOSEL	625,000	3.52
9	BUZZ MONTY PTY LTD <THE SAVAGE A/C>	625,000	3.52
10	MR BRENDON MOSEL	521,036	2.94
11	DAVSMS INVESTMENTS PTY LTD <D & A KOUTSANTONIS S/F A/C>	517,834	2.92
12	MR BRETT JAMES RUDD	500,000	2.82
13	CITICORP NOMINEES PTY LTD	500,000	2.82
14	MR MARK RICHARD JONES + MS MARGARET TAI <TAI-JONES S/F A/C>	400,000	2.25
15	MAGNA EQUITIES II LLC	312,500	1.76
16	DEMASIADO PTY LTD <DEMASIADO FAMILY A/C>	290,240	1.64
17	MR GIOVANNI FORTE	262,500	1.48
18	DROPMILL PTY LTD <RUSSELL GLENN SUPER A/C>	250,000	1.41
19	JANAFIELD PTY LTD <SUPERANNUATION FUND A/C>	200,000	1.13
20	MR MARK KENWYN WALTERS + MS ELIZABETH JEAN GUNDESEN <MARK WALTERS SUPER FUND A/C>	187,500	1.06
		14,344,097	**80.81**

Shareholder Information (continued)

Table 5
Substantial shareholders as at 20 September 2018

Shareholder	No. of shares	Percentage
Citicorp Nominees Pty Limited	57,458,190	9.66%

Voting Rights

The voting rights attached to each class of equity securities are set out below.

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unlisted options as at 20 September 2018

Details of unlisted option holders are as follow:

Class of unlisted options	No. Options
Options exercisable at $0.0375 on or before 30 June 2019	3,054,503
Holders of more than 20% of this class	1
Options exercisable at $0.02 on or before 20 September 2019	5,000,000
Holders of more than 20% of this class	1
Options exercisable at $0.04 on or before 20 September 2019	5,000,000
Holders of more than 20% of this class	1
Options exercisable at $0.02 on or before 17 August 2020	5,000,000
Holders of more than 20% of this class	1
Options exercisable at $0.02 on or before 17 August 2020	50,126,000
Holders of more than 20% of this class	2

Parkway Minerals NL

A.C.N. 147 346 334

Tenement Register

Tenements (Australia) as at 21 September 2018

Tenements Name	Project	Holder	Details
Dinner Hill	E70/3987	Parkway Minerals NL	100% Mineral Rights for Potash
Jam Hill	E70/4137	Parkway Minerals NL	100% Mineral Rights for Potash
Bald Hill	E70/4138	Parkway Minerals NL	100% Mineral Rights for Potash
Watheroo	E70/4471	Parkway Minerals NL	100% Mineral Rights for Potash
Dandaragan	E70/4609	Parkway Minerals NL	100% Mineral Rights for Potash
Dandaragan	E70/4687	Parkway Minerals NL	100% Mineral Rights for Potash
Dandaragan	E70/5102	Parkway Minerals NL	100% Mineral Rights for Potash
Lake Seabrook	E77/2529	Parkway Minerals NL	Pending
Lake Seabrook	E77/2532	Parkway Minerals NL	Pending
Lake Seabrook	E77/2533	Parkway Minerals NL	Pending
Lake Seabrook	E77/2537	Parkway Minerals NL	Pending
Lake Seabrook	E77/2563	Parkway Minerals NL	Pending