PARKWAY MINERALS NL

ABN 62 147 346 334

Half-Year Financial Report

31 December 2017

Directors

Adrian Griffin
Patrick McManus
Chew Wai Chuen
Natalia Streltsova

Company Secretary

Amanda Wilton-Heald

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Stock Exchange Listing

Parkway Minerals NL shares are listed on the Australian Securities Exchange (ASX code: PWN) and OTC Pink (OTC Pink Code: PWNNY).

PARKWAY MINERALS NL
ABN 62 147 346 334

DIRECTORS' REPORT

Your Directors submit their report on Parkway Minerals NL (the "Company" or "Parkway") and the entities it controls ("Consolidated Entity" or "Group") for the half-year ended 31 December 2017.

Directors

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period up to the date of this report.

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

RESULTS OF OPERATIONS AND FINANCIAL RESULTS

The net loss of the group for the six months to 31 December 2017 is $648,748 (2016: $1,713,234). The net loss was largely due to expenditure on mineral exploration and evaluation. During the half year, the Company also received Stamp duty refund of $88,453.

Lake Barlee

Parkway Minerals NL ("**Parkway**", **PWN** or "**the Company**") has a large land holding covering Lake Barlee, a large salt lake north of Southen Cross, in Western Australia (Figure 1).

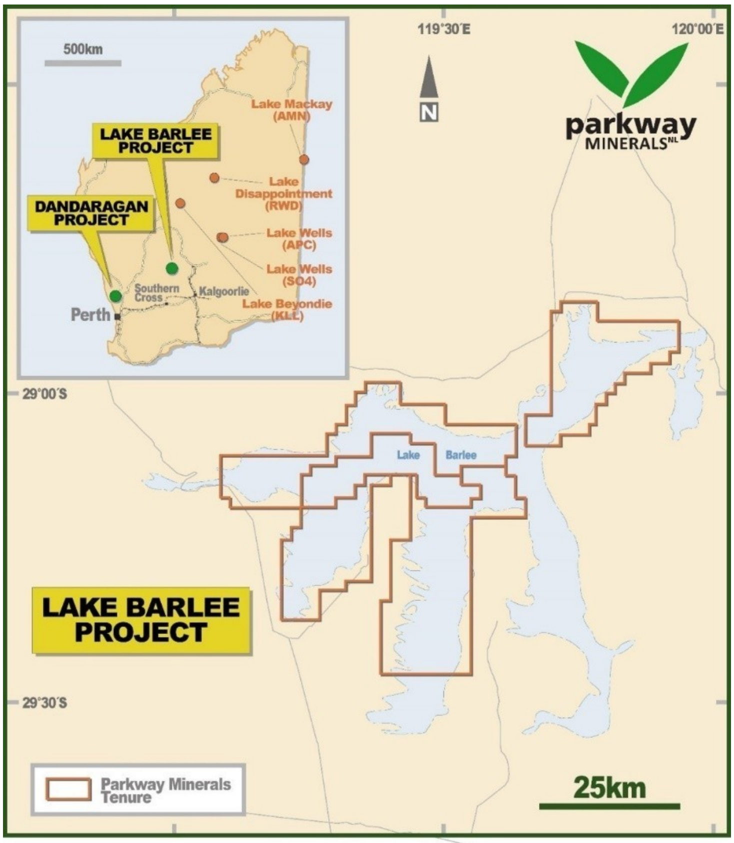

Figure 1 Lake Barlee tenement location

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (continued)

Lake Barlee has potential as a source of potash, as SOP (potassium sulphate) from brines within the lake's reservoir. Geophysical surveys conducted in 2017 have shown the potential for large paleochannels below the lake (figure 2). All approvals for drilling were received in February 2018, and discussions are now taking place with specialised drilling companies.

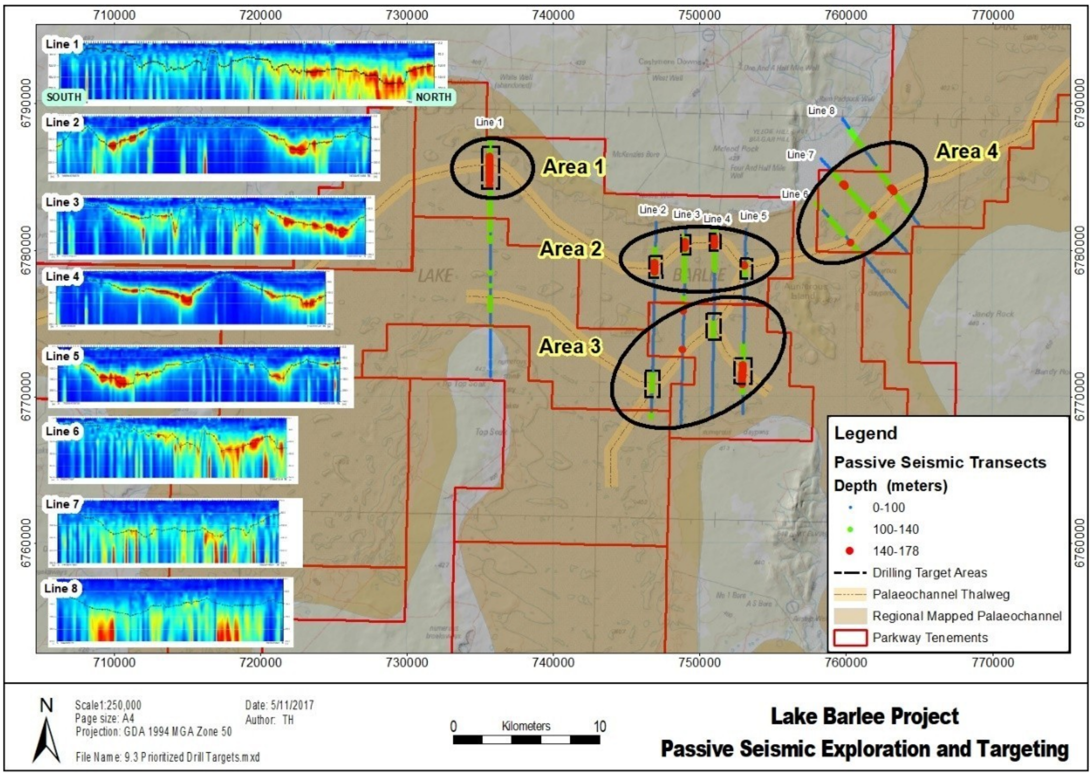

Figure 2 Lake Barlee: Seismic responses, interpreted palaeochannels and drill target areas

Dandaragan Trough Project

Parkway is developing the Dinner Hill project, which is part of the larger Dandaragan Trough exploration area.

The Dandaragan Trough project is focused on exploiting the large greensands deposits which commence less than 100km to the north of Perth, Western Australia. The objective is to produce potash and phosphate fertilisers and a range of valuable by-products from the glauconite and phosphate present within the greensands. The project has unique advantages of excellent connectivity to transport facilities, infrastructure and proximity to local and regional markets. The Dinner Hill resource is located less than 200km from two major bulk export ports - Kwinana and Geraldton, and is well situated in relation to major project infrastructure (Figure 3).

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (continued)

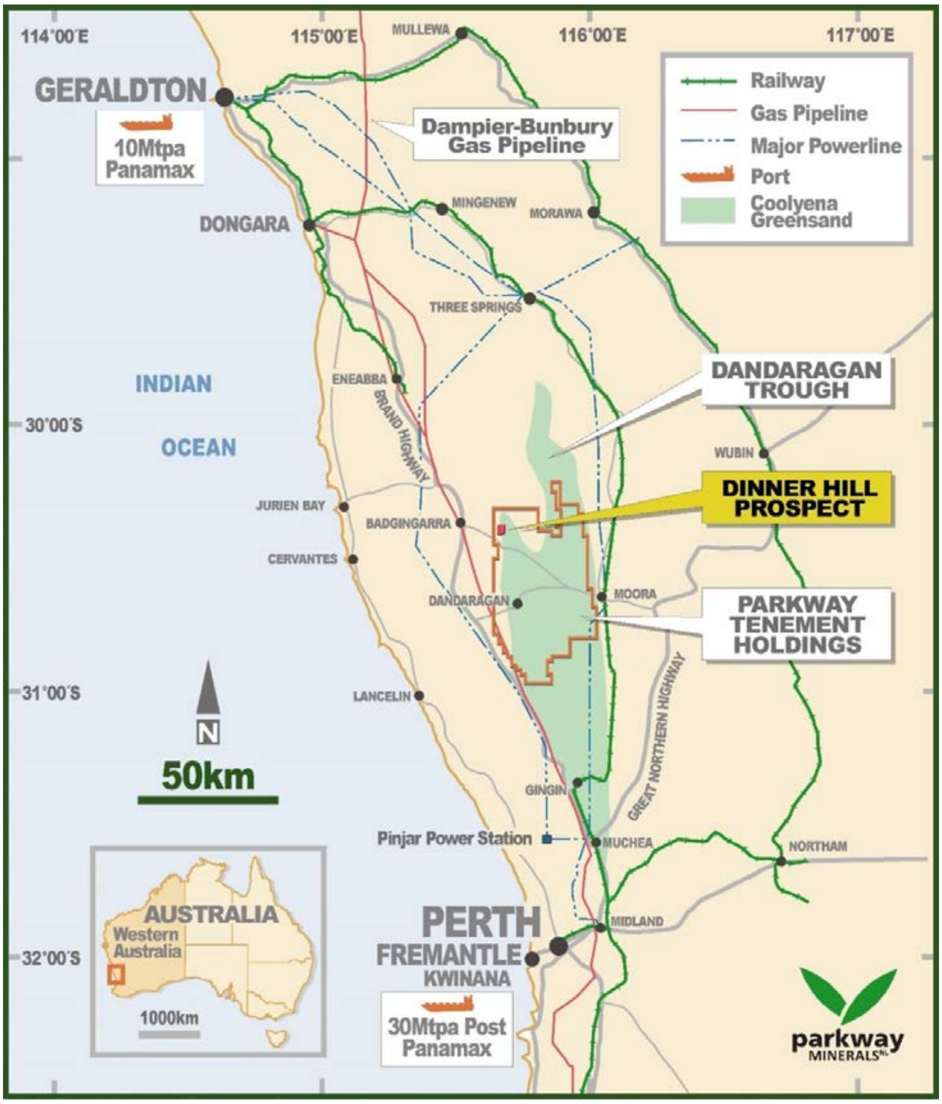

Figure 3 Dandaragan Trough tenement location

The current target is to develop the Dinner Hill deposit, which is the site of our first resources in the Trough. To achieve a rapid route to cashflow the project is being considered as two stages:

- Stage 1: a project producing single superphosphate using well-established processing techniques and a low capital requirement, and
- Stage 2: a project using the proprietary K-Max process to produce potash, phosphates and other products from the glauconite present in the greensands.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (continued)

The greensands within the Dandaragan Trough are widespread. The Dinner Hill project area covers approximately 60 km^2 in the north-west of the Trough (Figure 1). Within the project area PWN has established an Exploration Target of 800 Mt to 1,600 Mt of fresh greensand at a grade of between 3.8% and 4.4% K_2O. This area partially overlaps a phosphate Exploration Target of 250-300 Mt of phosphate mineralisation at a grade of between 1.5% an 1.8% P_2O_5. (refer ASX announcement 26 September 2017).

Note, the potential quantity and grade of the target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource over its area and as it is uncertain if further exploration will result in the estimation of a Mineral Resource.

An area of approximately 52 km^2 within Dinner Hill has been drilled to establish Indicated and Inferred Mineral Resources for potash (recoverable by using the K-Max process) and phosphate. The higher grade portion of the K-Max resource occurs in the Molecap Greensand. Nodular phosphate mineralisation at Dinner Hill occurs within a chalk unit, the Gingin Chalk, and in upper and lower greensand units, the Poison Hill Greensand and the Molecap Greensand. Current resource figures are shown in Table 1:

Table 1: Dinner Hill Resource Statement[1]

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

Note: Totals may differ from sum of individual items due to rounding
1 – ASX (ASX release 26 September 2017).

Dinner Hill Feasibility Study

Scoping Studies have been completed on Dinner Hill phosphate and potash projects (refer ASX releases 30 September 2015 and 13 January 2015). Commencing operations with a phosphate project is the preferred development plan as there is a shorter timeline to positive cashflow, lower technical risk and lower initial capital requirements.

Process testwork carried out by Kemworks indicate that improvements can be made to the flowsheet originally designed for phosphate extraction. Further work is planned as part of the feasibility studies planned for Dinner Hill. Parkway are seeking a Joint Venture partner to accelerate the completion of the feasibility study.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (continued)

Technology

Parkway owns 7.3 M Lithium Australia NL shares. Lithium Australia NL is a developer of new technology in the lithium supply chain, with interests in process technology and battery manufacture. A commitment by Lithium Australia to a large scale pilot plant is expected by June 2018.

PWN is the 100% owner of K-Max technology, which has been proved effective in producing sulphate of potash, the preferred potash fertiliser, from glauconite. Whilst developed on the glauconite from the Dandaragan Trough, it has proved effective on other deposits.

South Harz Exploration

Parkway owns 19.4 M shares in Davenport Resources Limited (ASX: DAV), plus the right to additional shares, once certain milestones have been achieved. Davenport listed on the ASX in January 2017.

The South Harz region has a long history of potash mining, dating back to the late 1890s. Extensive exploration work and R&D was carried out in the period from the 1960s to the 1980s. This confirmed that substantial potash deposits in the form of sylvinite (KCl/NaCl) and carnallite (KCl/MgCl) still remain in this region.

Figure 4 South Harz project location

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (continued)

In August 2017 Davenport announced the purchase of three mining licences from the German government (ASX:DAV 16 August). The three licences are believed to have been part of the mining plan for the previous mine owners, the East Germany State Potash mining group. Substantial drilling and data evaluation has been carried out in several programmes in the 1960s and 80s .

Initial review of the data for some of the mining licences has shown large tonneages of C2 Soviet resources. Work is in progress to establish whether the resources can be converted to JORC 2012 compliant.

EVENTS AFTER THE REPORTING DATE

On 18 January 2018, the Company entered into a Controlled Placement Agreement (CPA) with Acuity Capital. As collateral for the CPA, the Company has issued 24,000,000 ordinary shares at nil consideration to Acuity Capital (collateral shares) on 19 January 2018.

On 19 January 2018, the Company has issued 1,000,000 shares to Acuity Capital as part payment for CPA facility and has issued 9,107,566 fully paid ordinary shares under the management fee, remuneration sacrifice share plan and contractors sacrifice share plan. There were also 500,000 class A broker options and 500,000 class B broker options as approved at the Company's 2017 AGM.

On 27 February 2018, the Company issued 4,500,000 class A broker options and 4,500,000 class B broker options as approved at the Company's 2017 AGM.

Other than the above, 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 half-year report.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is set out on page 21.

Signed in accordance with a resolution of the Directors

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Patrick McManus
Director
Perth, 15 March 2018

PARKWAY MINERALS NL
ABN 62 147 346 334

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	Half-year ended 31 December 2017 $	Half-year ended 31 December 2016 $
INCOME FROM CONTINUING ACTIVITIES			
Administration services		19,146	4,187
Interest		3,847	8,998
Option and exclusivity fee received		-	151,366
Stamp Duty Refund		88,453	-
Government grant		-	133,029
Reversal of impairment on investment in associate	5	315,791	-
TOTAL INCOME		**427,237**	**297,580**
EXPENSES FROM CONTINUING ACTIVITIES			
Impairment of financial assets		-	872,796
Administration		377,612	413,938
Depreciation		5,176	9,816
Equity based payments		100,862	100,599
Exploration		333,647	380,490
Legal		53,208	29,854
Occupancy		35,680	40,000
Share of net losses of associate	5	236,325	-
Remuneration (excluding share based payments)		192,768	163,321
LOSS BEFORE INCOME TAX		**(908,041)**	**(1,713,234)**
Income tax benefit		259,293	-
NET LOSS FOR THE PERIOD		**(648,748)**	**(1,713,234)**
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss:			
Available for sale financial assets			
- Current period gain/(losses)	6	922,200	(872,796)
- Reclassified to profit or loss		-	872,796
- Income tax on items that may be reclassified to profit or loss		(253,605)	-
Equity accounted investments – share of other comprehensive income	5	16,784	-
TOTAL OTHER COMPREHENSIVE INCOME		**685,379**	**-**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**36,631**	**(1,713,234)**
LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Members of the controlling entity		(648,748)	(1,761,344)
Non controlling interest		-	48,110
		(648,748)	(1,713,234)
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Members of the controlling entity		**36,631**	**(1,761,344)**
Non controlling interest		-	48,110
		36,631	(1,713,234)
Basic and diluted loss per share (cents per share)	3	(0.13)	(0.53)

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

PARKWAY MINERALS NL
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31-Dec-17 $	30-Jun-17 $
CURRENT ASSETS			
Cash and cash equivalents		1,553,920	1,881,039
Term deposit		600,000	-
Trade and other receivables		33,977	23,898
Other assets		4,877	12,310
Total Current Assets		**2,192,774**	**1,917,247**
NON CURRENT ASSETS			
Exploration and evaluation		2,675,000	2,590,000
Investment in associate	5	1,732,493	1,636,243
Available-for-sale financial assets	6	1,463,809	541,609
Plant and equipment		52,083	44,045
Total Non Current Assets		**5,923,385**	**4,811,897**
TOTAL ASSETS		**8,116,159**	**6,729,144**
CURRENT LIABILITIES			
Trade and other payables		114,030	186,294
Provisions		107,010	63,107
Total Current Liabilities		**221,040**	**249,401**
NON CURRENT LIABILITIES			
Provisions		-	22,619
Deferred tax liabilities		380,183	385,871
Total Non Current Liabilities		**380,183**	**408,490**
TOTAL LIABILITIES		**601,223**	**657,891**
NET ASSETS		**7,514,936**	**6,071,253**
EQUITY			
Issued capital	7	22,365,873	20,981,821
Reserves		1,397,022	688,643
Accumulated losses		(16,247,959)	(15,599,211)
TOTAL EQUITY		**7,514,936**	**6,071,253**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Issued Capital	Accumulated Losses	Share and Option 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	-	(1,761,344)	-	-	48,110	(1,713,234)
Other comprehensive income:						
Available for sale financial asset losses	-	-	-	(872,796)	-	(872,796)
Reclassification to profit or loss	-	-	-	872,796	-	872,796
Total comprehensive loss for the year	**-**	**(1,761,344)**	**-**	**-**	**48,110**	**(1,713,234)**
Transactions with owners in their capcity as owners:						
Shares issued	3,305,239	-	-	-	15	3,305,254
Share issued transaction costs	(236,515)	-	-	-	-	(236,515)
Share and option based payments	161,849	-	39,709	-	-	201,558
Balance as at 31 December 2016	**20,864,720**	**(15,527,561)**	**688,643**	**-**	**33,735**	**6,059,537**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Issued Capital	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	-	(648,748)	-	-	-	(648,748)
Other comprehensive income (net of tax)	-	-	-	-	-	
Available for sale financial asset gains	-	-	-	668,595	-	668,595
Equity accounted investments – share of other comprehensive income	-		-	-	16,784	16,784
Total comprehensive income for the year	**-**	**(648,748)**	**-**	**668,595**	**16,784**	**36,631**
Transactions with owners in their capcity as owners:						
Shares issued	1,377,000	-	-	-	-	1,377,000
Share issued transaction costs	(120,209)	-	23,000	-	-	(97,209)
Share and option based payments	127,261	-	-	-	-	127,261
Balance as at 31 December 2017	**22,365,873**	**(16,247,959)**	**711,643**	**668,595**	**16,784**	**7,514,936**

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

PARKWAY MINERALS NL
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	Half-year ended 31 December 2017	Half-year ended 31 December 2016
		$	$
OPERATING ACTIVITIES			
Other Receipts		6,010	1,103
Payments to suppliers and employees		(1,032,262)	(1,181,051)
Government grant received		-	133,029
Stamp duty refund		88,453	-
Interest received		2,703	8,998
NET CASH FLOWS USED IN OPERATING ACTIVITIES		**(935,096)**	**(1,037,921)**
INVESTING ACTIVITIES			
Payment for term deposit		(600,000)	-
Deposit paid		-	(431,069)
Payments for exploration expenditure		(85,000)	(75,000)
Payments for plant and equipment		(13,214)	(5,803)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(698,214)**	**(511,872)**
FINANCING ACTIVITIES			
Proceeds from issue of shares		1,377,000	3,305,254
Share issue costs		(70,809)	(190,907)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		**1,306,191**	**3,114,347**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(327,119)	1,564,554
Cash and cash equivalents at the beginning of the period		1,881,039	638,901
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**1,553,920**	**2,203,455**

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

Note 1: Basis of preparation of the half-yearly financial report

This interim condensed financial report for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 12 March 2018. The financial report has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

It is recommended that the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2017 and considered with any public announcements made by Parkway Minerals NL during the half-year ended 31 December 2017 in accordance with continuous disclosure obligations of the *ASX Listing Rules*.

The half-year financial statements do not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full and understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report which is available at www.parkwayminerals.com.au.

The half-year financial statements have been prepared on the basis of accrual accounting and historical costs and the same accounting policies and methods of computation were followed as in the most recent annual financial statements

Going concern basis

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 period ended 31 December 2017 of $648,748 (31 December 2016: net loss $1,713,234) and incurred net cash outflows from operating activities of $935,096 (31 December 2016: $1,037,921). The consolidated entity has successfully raised $1,377,000 in cash through a share purchase plan and s708 placement during the half-year ended 31 December 2017.

The Directors have reviewed the consolidated entity's financial position and are of the opinion that while the Group will be able to meet its ongoing operation commitments, additional funds may be required for future exploration programs. The Directors believes the consolidated entity will be successful in securing additional funds through future share and right issues.

Should the consolidated entity not be able to raise funds from equity raisings, placements or other sources, 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 nor 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.

Note 1: Basis of preparation of the half-yearly financial report (continued)

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

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.

New or revised standards and interpretations that are first effective in the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. There are no new and revised standards that have any material impact of the Group's Financial Statements.

Note 2: Segment reporting

The consolidated entity 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 Consolidated entity 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 manager and country of expenditure. Information is reviewed on a whole of entity basis.

Based on these criteria, the consolidated entity only has one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in note 1 for the computation of the consolidated entity's results presented in this set of financial statements.

Note 3: Loss per share

	2017	**2016**
	$	**$**
Basic loss per share (cents per share)	(0.13)	(0.53)
Diluted loss per share (cents per share)	(0.13)	(0.53)
Loss used in calculating basic and diluted loss per share	(648,748)	(1,761,344)
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	516,917,487	329,319,019

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

Note 3: Loss per share (Continued)

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

There have been no transactions involving ordinary shares or potential shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Note 4: Contingent liabilities and contingent assets

The consolidated entity does not have any contingent assets or liabilities outstanding at 31 December 2017 (30 June 2017: Nil).

Note 5: Investment in associate

	31-Dec-17	30-Jun-17	31-Dec-16
	$	**$**	**$**
Investment in associate	1,732,493	1,636,243	-
	1,732,493	**1,636,243**	**-**
Reconciliation of movement for the period:			
Opening Balance	1,636,243	-	-
Carrying value at the initial recognition on 19 January 2017	-	3,849,984	-
Share of net losses for the period	(236,325)	(760,436)	-
Share of other comprehensive income for the period	16,784	-	-
Impairment	-	(1,453,305)	-
Reversal of impairment	315,791	-	-
	1,732,493	**1,636,243**	**-**

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 the ASX following its successful IPO on the same date.

The Group's interest in Davenport is accounted for using the equity method in the consolidated financial statements on the basis it was concluded Parkway has significant influence due to the 26% interest that it has in the entity, and due to a Director of Parkway being the non-executive chairman of Davenport.

As at 30 June 2017 the consolidated entity undertook an assessment for impairment as the fair value less cost of disposal of the investment was below its carrying value. Accordingly an impairment charge of $1,453,305 was recorded to bring the carrying value to its fair value less cost of disposal. This assessment was undertaken again at 31 December 2017, whereby it was determined that the fair value less cost of disposal was above the carrying value, and accordingly a reversal of impairment was recorded of $315,791.

Note 6: Available-for-sale financial assets

	31-Dec-17	30-Jun-17	31-Dec-16
	$	$	$
Investment - available for sale financial assets	1,463,809	541,609	1,066,751
	1,463,809	541,609	1,066,751
Reconciliaion of movement for the period:			
Opening Balance	541,609	1,939,547	1,939,547
Loss on conversion of shares in Lepidico Ltd to shares in Lithium Australia NL	-	(333,017)	-
Gain/(Loss) on increase/(decline) in fair value at the end of the period	922,200	(1,064,921)	(872,796)
	1,463,809	**541,609**	**1,066,751**

On 28 November 2016, Platypus Minerals Ltd changed its name to Lepidico Ltd. 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 recognised an impairment loss on the Lepidico shares amounting to $581,864 and has received 7,319,044 Lithium Australia NL shares in consideration of 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 half-year ended 31 December 2017, the Consolidated entity has recognised a gain of $922,200 resulting from the increase in the fair value of the financial assets.

The fair value of the available-for-sale financial assets has been determined by reference to quoted bid prices in active markets at the reporting dates and are categorised within level 1 in the fair value hierarchy.

Note 7: Issued Capital

Ordinary Shares	**Six months to 31 Dec 2017 $**	**Year to 30 June 2017 $**
At beginning of the period	**20,981,821**	**17,634,147**
Issue of 137,700,000 shares (year ended 30 June 2017: 110,108,728 shares) via share placements and share purchase plans	1,377,000	3,303,242
Issue of 2,640,000 shares (year ended 30 June 2017: 13,420,122 shares) as share-based payments	26,400	278,044
Issue of nil shares (year ended 30 June 2017: 40,779 shares) via conversion of partly paid shares	-	1,998
Shares to be issued*	100,861	905
Equity Raising Costs	(120,209)	(236,515)
At end of the period	**22,365,873**	**20,981,821**

** Shares have not yet been issued, with the number of shares to be determined at issue date, dependent on the market share price.*

As at 31 December 2017 and 30 June 2017 there were 123,300,321 partly-paid shares issued.

Note 8: Share-based payments

Reconciliation of total options on issue

	Options issued as share-based payments	**Other options issued**	**Total**
As at 1 July 2016	**5,492,188**	**14,950,000**	**20,442,188**
Issued during the period	3,054,503	-	3,054,503
Expired during the period	-	(700,000)	(700,000)
As at 30 June 2017	**8,546,691**	**14,250,000**	**22,796,691**
Issued during the period (a)	10,000,000	-	10,000,000
Expired during the period	(1,992,188)	-	(1,992,188)
As at 31 December 2017	**16,554,503**	**14,250,000**	**30,804,503**

Note 8: Share-based payments (cont'd)

(a) At the company's AGM on 30 November 2017, in total 5,000,000 class A broker options and 5,000,000 class B broker options were approved to be issued to consultants for equity raising services, which was recognised as part of issued capital as a share issue cost. These options were issued subsequent to 31 December 2017.

The fair value of options granted under this plan was determined using a Black-Scholes option pricing methodology. Details of the valuation assumptions used are set out below.

Dividend yield (%)	Nil
Expected volatility*(%)	75
Risk-free interest rate (%)	1.5
Expected life (years)	2
Share price ($)	$0.01
Exercise price ($) – Class A option	$0.02
Exercise price ($) – Class B option	$0.04

**Volatility was determined using considered judgement as to the volatility of the share price over the vesting period.*

(b) 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.

Note 9: Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the period, the following transactions were undertaken between the Company, executive officers and director-related entities.

	31-Dec-17	31-Dec-16
	$	$
Reimbursement of travel expenses were made to Precious Capital Pte Ltd, a company of which Chew Wai Chuen is a director and shareholder.	6,710	4,254
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder.	61,992	112,943

Note 10: Commitments

The consolidated entity has certain obligations with respect to tenements and minimum expenditure requirements on areas, as follow:

	31-Dec-17	30-Jun-17
Within 1 year	1,111,000	618,000
1 to 2 years	1,111,000	618,000
	2,222,000	**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 reports as at 31 December 2017. The figures are adjusted on the anniversary date of each tenement and therefore the total can change on a monthly basis.

Note 11: Events subsequent to reporting date

On 18 January 2018, the Company entered into a Controlled Placement Agreement (CPA) with Acuity Capital. As collateral for the CPA, the Company has issued 24,000,000 ordinary shares at nil consideration to Acuity Capital (collateral shares) on 19 January 2018.

On 19 January 2018, the Company has issued 1,000,000 shares to Acuity Capital as part payment for CPA facility and has issued 9,107,566 fully paid ordinary shares under the management fee, remuneration sacrifice share plan and contractors sacrifice share plan. There were also 500,000 class A broker options and 500,000 class B broker options as approved at the Company's 2017 AGM.

On 27 February 2018, the Company issued 4,500,000 class A broker options and 4,500,000 class B broker options as approved at the Company's 2017 AGM.

Other than the above, there have not been any other matters that have arisen after the reporting 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 half-year report.

Note 12: Financial instruments

There carrying value of all financial assets and financial liabilities is considered to equal their fair value due to their short-term nature.

DIRECTORS' DECLARATION

The Directors of Parkway Minerals NL declare that:

(a) the financial statements and notes set out on page 8 to 19 are in accordance with the Corporations Act 2001:
  - give a true and fair view of the financial position of the Company as at 31 December 2017 and of its performance for the half-year ended 31 December 2017 of the Company; and
  - comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001;

(b) subject to the matters discussed in Note 1, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

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

____
Patrick McManus
Director
Perth

15 March 2018

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

As lead auditor for the review of Parkway Minerals NL for the half-year ended 31 December 2017, 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 review; and

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

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

Ernst & Young

Ernst & Young

V L Hoang
Partner
15 March 2018

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Independent auditor's review report to the Members of Parkway Minerals NL

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Parkway Minerals NL (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not 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 31 December 2017 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter – Material uncertainty related to going concern

We draw attention to Note 1 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 conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at [period date] and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Ernst & Young

Ernst & Young

V L Hoang
Partner
Perth
15 March 2018