

Greatland Gold plc

Report & Financial Statements

for the year ended 30 June 2017

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Company Information

Directors	Alex Borrelli – Non-Executive Chairman Gervaise Heddle – Chief Executive Officer Callum N Baxter – Chief Technical Officer Michael McNeilly – Non-Executive Director
<i>all of</i>	1 Adam Street London WC2N 6LE
Secretary	Stephen F Ronaldson
Registered Office	55 Gower Street London WC1E 6HQ
Website	www.greatlandgold.com
Nominated Adviser	SPARK Advisory Partners Limited 5 St. John's Lane London EC1M 4BH
Solicitors	Ronaldsons LLP Solicitors 55 Gower Street London WC1E 6HQ
Auditors	Chapman Davis LLP 2 Chapel Court London SE1 1HH
Broker	SI Capital Limited 46 Bridge Street Godalming Surrey GU7 1HL
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Registered number	5625107

Chairman's Statement

I am pleased to report to our shareholders that this has been an exciting year for Greatland Gold and a year that has seen major positive developments on several fronts.

As I discussed in last year's annual report, the Board of Greatland Gold believes that we are at or near the bottom of the commodities cycle and we remain particularly positive on the outlook for gold and precious metals. Consequently, we have taken actions over the past two years to reposition Greatland for what we hope is a sustained upturn in the sector.

One of the highlights of the year was reaching an agreement with Newmont Exploration Pty Ltd, a subsidiary of Newmont Mining Corporation (NYSE:NEM), one of the world's largest gold producers, regarding the Ernest Giles gold project. Under the agreement, announced on 16th May 2017, Newmont was granted access to Greatland's Ernest Giles project tenements for a period of six months and was granted the right to apply certain proprietary exploration methods across the project area. Additionally, Newmont was granted a right of first refusal over the Ernest Giles project for a period of six months.

During the year, Greatland also expanded its exploration portfolio through the acquisition of the Havieron project (EL45/4701). The Havieron project covers 135 square kilometres in the Paterson region in Western Australia is located approximately 40 kilometres east of Newcrest's Telfer gold mine. Limited historical exploration by Newcrest in the late 1990s demonstrated high grade gold and copper mineralisation at Havieron with peak values of 15g/t gold and 2.5% copper. Later in the year, Greatland applied for another tenement in the region, Paterson Range East. A subsequent review of geophysical and geochemical data has highlighted the potential for multiple iron-oxide-copper-gold ("IOCG") targets across both the Havieron and Paterson Range East licences.

In June 2017, Greatland announced its entry in the cobalt market with the application for two adjoining exploration licences in the Pilbara region of Western Australia (the "Panorama project"). Greatland considers the Panorama project to be highly prospective for cobalt as it occupies a dominant and strategic position across what is potentially the largest coherent cobalt in streams anomaly in Western Australia.

In October 2017, Greatland announced that it had identified multiple gold targets at Ernest Giles East following the successful completion of Mobile Metal Ion ("MMI") surface geochemistry and ground gravity surveys. In particular, several clusters of MMI anomalies were identified, with key clusters exhibiting a strike in excess of nine kilometres long and up to three kilometres wide. Following the announcement of these results, Greatland further announced that it applied for a new exploration licence to expand the Ernest Giles project.

In January 2017, we announced the appointment of Gervaise Heddle as Chief Executive Officer and Callum Baxter as Chief Technical Officer, and the appointment of a new Geology Manager, Gemma Cryan. In February 2017, we announced the appointment of Michael McNeilly as a Non-Executive Director.

Greatland Gold successfully raised £1,371,704 of new equity (net of costs) during the year and a further £1,663,107 since the close of the financial year. These funds will be used to advance further our current projects and to take advantage of the exciting opportunities that we believe exist in the market at this time, whilst maintaining a disciplined approach towards capital allocation.

Over the past 12 months the Group recorded a loss of £1,250,534, equating to a loss of 0.07 pence per share with net cash inflow for the year of £38,730. The loss for the year is reflective of total administrative expenses of £694,186 plus exploration costs of £557,848. This compares to a loss of £662,903 in the previous year that equated to a loss of 0.06 pence per share. The Group's cash deposits stood at £930,500 at the period end.

Chairman's Statement, continued

Our strategy for the year is to further advance our existing pipeline of exploration projects and to identify new early-stage exploration opportunities that we believe are underappreciated by the market.

We remain confident in the long-term fundamentals for our sector, and we are particularly optimistic regarding the outlook for gold, precious metals and selected new energy metals. We intend to capitalise on this view by advancing our existing projects and seeking new projects at sensible valuations. I would like to thank the entire Greatland Gold team for their efforts during this successful and rewarding year.

Alex Borrelli
Chairman
24th October 2017

Board of Directors

Alex Borrelli

FCA, Non-executive Chairman

Alex is Chairman of Greatland Gold plc and is Chairman and CEO of BMR Group plc. Alex is a qualified Chartered Accountant with many years' experience in investment banking encompassing flotations, takeovers, and mergers and acquisitions for private and quoted companies.

Gervaise Heddle

Bec(Hons), BA(Juris), CFA, Chief Executive Officer

Gervaise is Chief Executive Officer of Greatland Gold plc, a Non-Executive Director of Thor Mining plc, and a Non-Executive Director of MetalNRG plc. Previously, Gervaise was a Division Director of Macquarie Bank and a Fund Manager at Merrill Lynch Investment Managers. Gervaise is a CFA charterholder and has extensive financial market experience.

Callum Baxter

MSc (Ore Deposit Geology), MAIG, MAusIMM, Chief Technical Officer

Callum is Chief Technical Officer of Greatland Gold plc and Chairman and CEO of investee company Starvest plc. Callum is a geologist with over twenty years' global multi-commodity experience and is a member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Callum has considerable experience in the natural resources sector as a geologist with junior, mid-tier and major mining companies, primarily specialising in early stage exploration.

Michael McNeilly

BA, Non-Executive Director

Michael is a Non-Executive Director of Greatland Gold plc and Chief Executive Officer of Metal Tiger plc. Michael is an experienced corporate financier having advised private and publicly listed companies on a variety of corporate transactions during his tenure at Arden Capital Partners and Allenby Capital. Michael studied Biology at Imperial College London and has a BA in Economics from the American University in Paris.

Strategic report

Principal activities and business review

The Group has been established as a mineral exploration and development company focussed on gold in Western Australia and Tasmania.

The Group's objective is to maximise Shareholder value in exploring for and developing mineral deposits. The developments during the period are given in the Chairman's statement.

Principal risks and uncertainties

The management of the business and the execution of the Board's strategy are subject to a number of risks:

- Exploration is speculative in nature; there can never be certainty of outcome.
- The economic viability of a project is affected by world commodity prices.
- Commodity prices are subject to international economic trends, currency fluctuations and consumption patterns over which the Group has no control.

By order of the Board

Gervaise Heddle

Chief Executive Officer

24th October 2017

Directors' report

The Directors present their eleventh annual report on the affairs of the Group and parent company, together with the Group financial statements for the year ended 30 June 2017.

Fundraising

The Group raised £1,371,704 net of costs during the year (2016: £637,000).

Results and dividends

The Group's results are described in the Group statement of comprehensive income on page 20. The audited financial statements for the year ended 30 June 2017 are set out on pages 20 to 44.

The Group has incurred a loss for the year of £1,250,534 (2016: £662,903).

The Directors do not recommend the payment of a dividend.

Risk Management

The Board considers risk assessment to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management to forecasts. Project milestones and timelines are regularly reviewed.

General and economic risks

- Contractions in the world's major economies or increases in the rate of inflation resulting from international conditions;
- movements in the equity and share markets in the United Kingdom and throughout the world;
- weakness in global equity and share markets, in particular, in the United Kingdom, and adverse changes in market sentiment towards the resource industry;
- currency exchange rate fluctuations and, in particular, the relative prices of the Australian Dollar, and the UK Pound;
- exposure to interest rate fluctuations; and
- adverse changes in factors affecting the success of exploration and development operations, such as increases in expenses, changes in government policy and further regulation of the industry; unforeseen major failure, breakdowns or repairs required to key items of plant and equipment resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep; and variations in grades and unforeseen adverse geological factors or prolonged weather conditions.

Funding risk

The Group or the companies in which it has invested may not be able to raise, either by debt or further equity, sufficient funds to enable completion of planned exploration, investment and/or development projects.

Commodity risk

Commodities are subject to high levels of volatility in price and demand. The price of commodities depends on a wide range of factors, most of which are outside the control of the Group. Mining, processing and transportation costs also depend on many factors, including commodity prices, capital and operating costs in relation to any operational site.

Directors' report, continued

Exploration and development risks

- Exploration and development activity is subject to numerous risks, including failure to achieve estimated mineral resource, recovery and production rates and capital and operating costs.
- Success in identifying economically recoverable reserves can never be guaranteed. The Group also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects.
- Some of the states within the countries in which the Group operates have native title laws which could affect exploration and development activities. The companies in which the Group has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation programmes which may vary from country to country. The Group's policy is to follow all applicable laws and regulations and the Group is not currently aware of any material issues in this regard.
- Timely approval of mining permits and operating plans through the respective regulatory agencies cannot be guaranteed.
- Availability of skilled workers is an ongoing challenge.
- Geology is always a potential risk in mining activities.

Market risk

The ability of the Group (and the companies in which it invests) to continue to secure sufficient and profitable sales contracts to support its operations is a key business risk.

Key performance indicators

Given the straightforward nature of the Group's activities, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business at the present time.

Directors

The Directors who served during the year are as follows:

Callum Baxter

Alex Borrelli

Gervaise Heddle

Michael McNeilly – appointed 10 February 2017

Andrew R M Bell – resigned 14 August 2016

Paul Johnson – resigned 14 August 2016

Share capital

Information relating to shares issued during the period is given in Note 14 to the accounts.

Charitable and political donations

During the period there were no charitable or political contributions.

Payment of suppliers

The Group's policy is to settle terms of payment with suppliers when agreeing terms of business, to ensure that suppliers are aware of the terms of payment and to abide by them. It is usual for suppliers to be paid within 30 days of receipt of invoice. At 30 June 2017 the Group's creditors were equivalent to 28 day's costs.

Directors' report, continued

Substantial shareholdings

On 30 June 2017 and 17 October 2017, the following were registered as being interested in 3% or more of the Company's ordinary share capital:

	17 October 2017		30 June 2017	
	Ordinary shares of £0.001 each	Percentage of issued share capital	Ordinary shares of £0.001 each	Percentage of issued share capital
Hargreaves Lansdown (Nominees) Limited	493,813,324	19.84%	320,872,315	16.17%
HSDL Nominees Limited	278,303,240	11.18%	280,804,850	14.15%
TD Direct Investing Nominees (Europe) Limited	266,128,621	10.69%	242,042,707	12.19%
Barclayshare Nominees Limited	1,773,377	0.07%	189,408,851	9.54%
Hargreave Hale (Nominees) Ltd	93,335,000	3.75%	89,100,000	4.49%
Share Nominees Limited	106,334,146	4.27%	89,038,297	4.49%
Investor Nominees Limited	136,517,001	5.48%	86,087,418	4.34%
Jim Nominees Limited	50,294,593	2.02%	74,119,381	3.73%
HSBC Client Holdings Nominee (UK) Limited	82,187,357	3.30%	69,481,686	3.50%
Barclays Direct Investing Nominees Limited	213,611,939	8.58%	3,012,026	0.15%
Beaufort Nominees Limited	124,463,141	5.00%	44,138,733	2.22%
Vidacos Nominees Limited	106,681,248	4.29%	47,061,603	2.37%
Spreadex Limited	91,222,221	3.66%	-	-

Included in the above Nominee accounts, Metal Tiger Plc holds a total of 87,500,000 (4.4%) (2016: 150,000,000 or 9.2%) and Paul Johnson and his spouse hold a total of 93,715,242 (4.7%) (2016: 92,500,000 or 5.7%) shares in the Company at the year end.

Furthermore, Starvest Plc holds a total of 85,000,000 (4.3%) (2016: 85,333,333 or 5.2%) shares in the Company of which 16,000,000 (0.8%) (2016: 16,000,000 or 1.1%) are being held by Allied Irish Bank as security for an overdraft facility for Starvest Plc.

Auditors

The Directors will place a resolution before the annual general meeting to reappoint Chapman Davis LLP as auditors for the coming year.

Directors' report, continued

Directors' remuneration

The remuneration of the directors paid during the year was fixed by the remuneration committee consisting of Michael McNeilly, formerly by Callum Baxter, and Alex Borrelli. This has been achieved acknowledging the need to maximise the effectiveness of the Company's limited resources during the year.

During the year, the Board agreed to pay fees to each director at the rate of £nil per annum (2016: £8,000). In addition to this, the businesses with which each director is associated have charged fees and expenses relating to professional services provided as set out in Note 7 to the financial statements.

Furthermore, as announced by the Company on 19 January 2017, 70,000,000 share options were issued to three directors; Gervaise Heddle Chief Executive Officer, Callum Baxter Chief Technical Director and Alex Borrelli Non-Executive Chairman. On 10 February 2017, the Company announced that 14,000,000 share options were issued to Michael McNeilly Non-Executive Director. As set out in Note 15, under the Company's employee share option plan there were 189 million unexercised options in issue (2016: 100 million).

Events after the reporting period

There are no significant post balance sheet events to disclose for the year ended 30 June 2017, other than those set out in Note 20.

Corporate Governance

A corporate governance statement follows on page 14.

Control Procedures

The Board has approved financial budgets and cash forecasts; in addition, it has implemented procedures to ensure compliance with accounting standards and effective reporting.

Environmental Responsibility

The Company is aware of the potential impact that its subsidiary companies may have on the environment. The Company ensures that it and its subsidiaries at a minimum comply with the local regulatory requirements and the revised Equator Principles with regard to the environment.

Employment Policies

The Group is committed to promoting policies which ensure that high calibre employees are attracted, retained and motivated, to ensure the ongoing success for the business. Employees and those who seek to work within the Group are treated equally regardless of sex, marital status, creed, colour, race or ethnic origin.

Health and Safety

The Group's aim is to achieve and maintain a high standard of workplace safety. In order to achieve this objective, the Group provides training and support to employees and sets demanding standards for workplace safety.

Going Concern

The consolidated entity has incurred a loss before tax of £1,250,534 for the year ended 30 June 2017, and had a net cash outflow of £1,332,974 from operating and investing activities. At that date there were net current assets of £863,464. The loss resulted almost entirely from exploration costs and associated administrative related costs.

The Directors are confident in the Company's ability to raise new finance from stock markets if this is required during 2018 and the Group has demonstrated a consistent ability to do so. This includes a share issuance of 166,666,667 placing shares for gross proceeds of £750,000 and 271,928,572 shares as a result of warrant conversions for proceeds of £958,107 since the 2017 financial year-end. Therefore, as at 17 October 2017 a total of 438,595,539 shares have been issued since 30 June 2017 raising net total proceeds of £1,663,107.

The Group's cash flow forecast for the 12 months ending 31 October 2018 highlights adequate funding at current levels of projected expenditure to last well into 2019. The Board of Directors are confident that sufficient funding is in place to meet all its operational and exploration commitments over the next twelve months and to remain cash positive for the whole period.

Directors' report, continued

Going Concern, continued

Given the Group's current positive cash position and its ability to raise new capital the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

By order of the Board

Gervaise Heddle

Chief Executive Officer

24th October 2017

Statement of directors' responsibilities

Directors' responsibilities for the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law in the United Kingdom requires the directors to prepare Group and Company financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In addition, the AIM rules of the London Stock Exchange require that the Group financial statements be prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"); the Company financial statements are prepared on the same basis.

In preparing the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the annual report includes information required by the AIM market of the London Stock Exchange.

The maintenance and integrity of the Company's website is the responsibility of the directors: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Corporate Governance Statement

The Board is committed to maintaining high standards of corporate governance. The Listing Rules of the Financial Services Authority incorporate the Combined Code, which sets out the principles of Good Governance, and the Code of Best Practice for listed companies. Whilst the Company is not required to comply with the Combined Code, the Company's corporate governance procedures take due regard of the principles of Good Governance set out in the Combined Code in relation to the size and the stage of development of the Company.

Board of Directors

The Board of Directors currently comprises the Non-Executive Chairman, the two Executive Directors and one Non-Executive Director. The Directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the Combined Code have been implemented to an appropriate level. The Board, through the Chairman and the Executive Directors, maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

Board Meetings

The Board meets regularly throughout the year. For the period ending 30 June 2017 the Board met ten times in relation to normal operational matters. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Director who is charged with consulting the Board on all significant financial and operational matters.

All Directors have access to the advice of the Company's solicitors and the Company Secretary, necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively, and all Directors have access to independent professional advice, at the Company's expense, as and when required.

Board Committees

The Board has established the following committees, each of which has its own terms of reference:

Audit Committee

The audit committee comprises Alex Borrelli and Michael McNeilly. The audit committee determines the application of financial reporting and internal control principles, including reviewing the effectiveness of the Enlarged Group's financial reporting, internal control and risk management procedures and the scope, quality and results of the external audit.

Remuneration Committee

The remuneration committee comprises Alex Borrelli and Michael McNeilly. It reviews the performance of the executive directors and sets their remuneration, determines the payment of bonuses to executive directors and considers bonus and option schemes. Each of the executive directors takes no part in discussions concerning their remuneration. The remuneration committee is chaired by Alex Borrelli. The remuneration of the non-executive directors is reviewed by the board.

Internal controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in the light of increased activity and further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Corporate Governance Statement, continued

Insurance

The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company.

Treasury Policy

The Group finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Group. Decisions regarding the management of these assets are approved by the Board.

Securities Trading

The Board has adopted a Share Dealing Code that applies to Directors, senior management and any employee who is in possession of 'inside information'. All such persons are prohibited from trading in the Company's securities if they are in possession of 'inside information'. Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

Relations with Shareholders

The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements and regular updates of the Company website. The Board views the AGM as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.

Independent Auditor's Report to the Members of Greatland Gold plc

Opinion

We have audited the financial statements of Greatland Gold plc (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 30 June 2017 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity, and the related notes 1 to 24, including the accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2017 and of the Group's and the Parent Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Members of Greatland Gold plc, continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of intangible non-current assets – Exploration properties

The Group's intangible exploration properties represent a significant asset on its statement of financial position totalling £671,515 as at 30 June 2017.

Management and the Board are required to ensure that only costs which meet the IFRS criteria of an asset and accord with the Group's accounting policy are capitalised within exploration properties. Additionally, in accordance with the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources' (IFRS 6) Management and the Board are required to assess whether there is any indication whether there are any indicators of impairment of these assets.

Given the significance of the exploration properties on the Group's statement of financial position and the significant management judgement involved in the determination of the capitalisation of costs and the assessment of the carrying values of the asset there is an increased risk of material misstatement.

How the Matter was addressed in the Audit

The procedures included, but were not limited to, assessing and evaluating management's assessment of whether any impairment indicators in accordance with IFRS 6 have been identified across the Group's exploration projects, the indicators being:

- Expiring, or imminently expiring, rights to tenure;
- A lack of budgeted or planned exploration and evaluation spend on the areas of interest;
- Discontinuation of, or a plan to discontinue, exploration activities in the areas of interest.

We also reviewed the expenditure that was directly written off to the Income Statement as exploration costs reducing the requirement for impairment charges.

In addition, we obtained the expenditure budget for the 2018 year and assessed that there is reasonable forecasted expenditure to confirm continued exploration spend into the areas of interest indicating that Management are committed to the projects. We also reviewed AIM announcements and Board meeting minutes for the year and subsequent to year end for exploration activity to identify any indicators of impairment.

We also assessed the disclosures included in the financial statements and our results found the carrying value for exploration properties to be acceptable.

The materiality for the group financial statements as a whole was set at £70,000 with a lower materiality set at £45,000 for exploration properties.

Independent Auditor's Report to the Members of Greatland Gold plc, continued

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit we have not identified material misstatements in the Strategic Report or the Directors' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns;
or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Members of Greatland Gold plc, continued

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Rowan Palmer (Senior Statutory Auditor)
for and on behalf of Chapman Davis LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
24th October 2017

Group statement of comprehensive income
for the year ended 30 June 2017

	Notes	Year ended 30 June 2017	Year ended 30 June 2016
		£	£
Revenue	2	-	-
Exploration costs		(557,848)	(145,232)
Administrative expenses		(694,186)	(518,894)
Operating loss		(1,252,034)	(664,126)
Finance revenue		1,500	1,223
Loss before taxation	3	(1,250,534)	(662,903)
Income tax expense	4	-	-
Loss for the year		(1,250,534)	(662,903)
Other comprehensive income			
Exchange differences on translation of foreign operations		29,240	45,444
Other comprehensive income for the year net of taxation		29,240	45,444
Total comprehensive income for the year attributable to equity holders of the parent company		(1,221,294)	(617,459)
Loss per share - basic and diluted	8	(0.07) pence	(0.06) pence

All operations are considered to be continuing.

Group balance sheet
as at 30 June 2017

	Note	30 June 2017		30 June 2016	
		£	£	£	£
ASSETS					
Non-current assets					
Tangible assets	9	-		8,058	
Intangible assets	10	671,515		332,154	
		<u>671,515</u>		<u>332,154</u>	340,212
Current assets					
Cash and cash equivalents	17	930,500		883,478	
Trade and other receivables	12	51,793		88,429	
Total current assets			<u>982,293</u>	<u>883,478</u>	971,907
TOTAL ASSETS			<u>1,653,808</u>	<u>1,312,119</u>	
LIABILITIES					
Current liabilities					
Trade and other payables	13	(118,829)		(68,131)	
TOTAL LIABILITIES		<u>(118,829)</u>		<u>(68,131)</u>	(68,131)
NET ASSETS			<u>1,534,979</u>	<u>1,243,988</u>	
EQUITY					
Called-up share capital	14	1,091,598		1,041,614	
Share premium reserve		7,042,627		5,720,907	
Share based payment reserve	15	328,060		277,533	
Retained earnings		(7,223,363)		(6,062,883)	
Other reserves		296,057		266,817	
TOTAL EQUITY			<u>1,534,979</u>	<u>1,243,988</u>	

These financial statements were approved by the Board of Directors on 24th October 2017 and signed on its behalf by:

Alex Borrelli
Chairman

Gervaise Heddle
Chief Executive Officer

Group statement of changes in equity
for the year ended 30 June 2017

	Share capital	Share premium account	Share based payment reserve	Retained earnings	Other reserves	Total
	£	£	£	£	£	£
As at 30 June 2015	992,338	5,050,183	60,000	(5,399,980)	221,373	923,914
Loss for the year	-	-	-	(662,903)	-	(662,903)
Currency translation differences	-	-	-	-	45,444	45,444
Total comprehensive income	-	-	-	(662,903)	45,444	(617,459)
Share option charge	-	-	217,533	-	-	217,533
Share capital issued	49,276	693,724	-	-	-	743,000
Cost of share issue	-	(23,000)	-	-	-	(23,000)
Total contributions by and distributions to owners of the Company	49,276	670,724	217,533	-	-	937,533
As at 30 June 2016	1,041,614	5,720,907	277,533	(6,062,883)	266,817	1,243,988
Loss for the year	-	-	-	(1,250,534)	-	(1,250,534)
Currency translation differences	-	-	-	-	29,240	29,240
Total comprehensive income	-	-	-	(1,250,534)	29,240	(1,221,294)
Share option charge	-	-	140,581	-	-	140,581
Transfer on exercise of options and warrants	-	-	(90,054)	90,054	-	-
Share capital issued	49,984	1,359,695	-	-	-	1,409,679
Cost of share issue	-	(37,975)	-	-	-	(37,975)
Total contributions by and distributions to owners of the Company	49,984	1,321,720	50,527	90,054	-	1,512,285
As at 30 June 2017	1,091,598	7,042,627	328,060	(7,223,363)	296,057	1,534,979

Group statement of changes in equity
for the year ended 30 June 2017, continued

Other reserves	Merger reserve	Foreign currency translation reserve	Total other reserves
	£	£	£
As at 30 June 2015	225,000	(3,627)	221,373
Currency translation differences	-	45,444	45,444
Total comprehensive income	-	45,444	45,444
As at 30 June 2016	225,000	41,817	266,817
Currency translation differences	-	29,240	29,240
Total comprehensive income	-	29,240	29,240
As at 30 June 2017	225,000	71,057	296,057

Company balance sheet
as at 30 June 2017

	Note	30 June 2017		30 June 2016	
		£	£	£	£
ASSETS					
Non-current assets					
Investment in subsidiary	11		50,000		50,000
Current assets					
Cash and cash equivalents	17	910,588		852,348	
Trade and other receivables	12	1,293,411		533,114	
Total Current Assets			2,203,999		1,385,462
TOTAL ASSETS			2,253,999		1,435,462
LIABILITIES					
Current Liabilities					
Trade and other payables	13	(98,963)		(61,795)	
TOTAL LIABILITIES			(98,963)		(61,795)
NET ASSETS			2,155,036		1,373,667
EQUITY					
Called-up share capital	14	1,091,598		1,041,614	
Share premium reserve		7,042,627		5,720,907	
Share based payment reserve	15	328,060		277,533	
Merger reserve		225,000		225,000	
Retained earnings		(6,532,249)		(5,891,387)	
TOTAL EQUITY			2,155,036		1,373,667

These financial statements were approved by the Board of Directors on 24th October 2017 and signed on its behalf by:

Alex Borrelli
Chairman

Gervaise Heddle
Chief Executive Officer

Company statement of changes in equity
for the year ended 30 June 2017

	Called up share capital	Share premium account	Share based payment reserve	Retained earnings	Merger reserve	Total
	£	£	£	£	£	£
As at 30 June 2015	992,338	5,050,183	60,000	(5,349,296)	225,000	978,225
Loss for the year	-	-	-	(542,091)	-	(542,091)
Total comprehensive income	-	-	-	(542,091)	-	(542,091)
Share option charge	-	-	217,533	-	-	217,533
Share capital issued	49,276	693,724	-	-	-	743,000
Cost of share issue	-	(23,000)	-	-	-	(23,000)
Total contributions by and distributions to owners of the Company	49,276	670,724	217,533	-	-	937,533
As at 30 June 2016	1,041,614	5,720,907	277,533	(5,891,387)	225,000	1,373,667
Loss for the year	-	-	-	(730,916)	-	(730,916)
Total comprehensive income	-	-	-	(730,916)	-	(730,916)
Share option charge	-	-	140,581	-	-	140,581
Transfer on exercise of options and warrants	-	-	(90,054)	90,054	-	-
Share capital issued	49,984	1,359,695	-	-	-	1,409,679
Cost of share issue	-	(37,975)	-	-	-	(37,975)
Total contributions by and distributions to owners of the Company	49,984	1,321,720	50,527	90,054	-	1,512,285
As at 30 June 2017	1,091,598	7,042,627	328,060	(6,532,249)	225,000	2,155,036

Group cash flow statement
for the year ended 30 June 2017

	Notes	Year ended 30 June 2017	Year ended 30 June 2016
		£	£
Cash (out)flows from operating activities			
Operating loss		(1,252,034)	(664,126)
Decrease/(Increase) in trade & other receivables		36,637	(40,162)
Increase(Decrease) in trade & other payables		50,698	(106,920)
Depreciation		1,405	3,323
Share option charge		140,580	217,533
Salary sacrifice charge		-	83,000
Net (decrease) in cash and cash equivalents from operations		(1,022,714)	(507,352)
Cash in/(out)flows from investing activities			
Interest received		1,500	1,223
Disposal of fixed assets		7,251	-
Payments to acquire intangible assets		(319,011)	-
Net cash in/(out)flows used in investing activities		(310,260)	(1,223)
Cash inflows from financing activities			
Proceeds from issue of shares		1,409,679	660,000
Transaction costs of issue of shares		(37,975)	(23,000)
Net cash flows from financing activities		1,371,704	637,000
Net increase in cash and cash equivalents	17	38,730	130,871
Cash and cash equivalents at the beginning of period		883,478	748,117
Exchange gain/(loss) on cash and cash equivalents		8,292	4,490
Cash and cash equivalents at end of period	17	930,500	883,478

Company cash flow statement
for the year ended 30 June 2017

	Notes	Year ended 30 June 2017	Year ended 30 June 2016
		£	£
Cash flows from operating activities			
Operating loss		(731,074)	(542,191)
Decrease/(Increase) in trade & other receivables		49,703	(53,012)
Increase/(Decrease) in trade & other payables		37,168	(18,393)
Share option charge		140,581	217,533
Salary sacrifice charge		-	83,000
Net (decrease) in cash and cash equivalents from operations		(503,622)	(313,063)
Cash in/(out)flows from investing activities			
Interest received		158	100
Loans to subsidiary		(810,000)	(175,000)
Net cash (outflows) used in investing activities		(809,842)	(174,900)
Cash inflows from financing activities			
Proceeds from issue of shares		1,409,679	660,000
Transaction costs of issue of shares		(37,975)	(23,000)
Net cash flows from financing activities		1,371,704	637,000
Net increase in cash and cash equivalents	17	58,240	149,037
Cash and cash equivalents at the beginning of period		852,348	703,311
Cash and cash equivalents at end of period	17	910,588	852,348

Notes to financial statements for the year ended 30 June 2017

1 Principal accounting policies

1.1 Authorisation of financial statements and statement of compliance with IFRS

The group financial statements of Greatland Gold plc for the year ended 30 June 2017 were authorised for issue by the board on 24th October 2017 and the balance sheets signed on the board's behalf by Mr Gervaise Heddle and Mr Alex Borrelli. Greatland Gold plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM.

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's financial statements have been prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Group and Company are set out below.

Adoption of new and revised Accounting Standards

In the current year, the Company has adopted all of the new and revised standards and interpretations issued by the Accounting Standards and Interpretations Board that are relevant to its operations and effective for the current reporting period and there is no material impact on the financial statements of the group or company.

1.2 Significant accounting judgments, estimates and assumptions

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

1.3 Basis of preparation

The consolidated financial statements of Greatland Gold plc and its subsidiary have been prepared in accordance with International Reporting Standards (IFRS) as adopted for use in the European Union.

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis.

Going Concern

The consolidated entity has incurred a loss before tax of £1,250,534 for the year ended 30 June 2017, and had a net cash outflow of £1,332,974 from operating and investing activities. At that date there were net current assets of £863,464. The loss resulted almost entirely from exploration costs and associated administrative related costs.

The Directors are confident in the Company's ability to raise new finance from stock markets if this is required during 2018 and the Group has demonstrated a consistent ability to do so. This includes a share issuance of 166,666,667 placing shares for gross proceeds of £750,000 and 271,928,572 shares as a result of warrant conversions for proceeds of £958,107 since the 2017 financial year-end.

Notes to financial statements
for the year ended 30 June 2017, continued

1.3 Basis of preparation, continued

cont

Therefore, as at 17 October 2017 a total of 438,595,539 shares have been issued since 30 June 2017 raising net total proceeds of £1,663,107.

The Group's cash flow forecast for the 12 months ending 31 October 2018 highlights adequate funding at current levels of projected expenditure to last well into 2019. The Board of Directors are confident that sufficient funding is in place to meet all its operational and exploration commitments over the next twelve months and to remain cash positive for the whole period.

Given the Group's current positive cash position and its ability to raise new capital the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.4 Basis of consolidation

The consolidated accounts combine the accounts of the Company and its sole subsidiary, Greatland Pty Ltd, using the purchase method of accounting.

In the Company's balance sheet the investment in Greatland Pty Ltd includes the nominal value of shares issued together with the cash element of the consideration. As required by the Companies Act 2006, no premium was recognised on the share issue. The difference between nominal and fair value of the shares issued was credited to the merger reserve.

1.5 Goodwill

Goodwill on acquisition is capitalised and shown within fixed assets. Positive goodwill is subject to annual impairment review with movements charged in the income statement.

Negative goodwill is reassessed by the Directors and attributed to the relevant assets to which it relates.

1.6 Non-current asset investments

Investments in subsidiary companies are classified as non-current assets and included in the balance sheet of the Company at cost at the date of acquisition irrespective of the application of merger relief under the Companies Act.

1.7 Cash and cash equivalents

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

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

1.8 Income tax and deferred taxation

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

Full provision is made for deferred taxation resulting from timing differences which have arisen but not reversed at the balance sheet date.

1.9 Tangible fixed assets

Fixed assets are depreciated on a straight-line basis at annual rates that will reduce the book amounts to estimated residual values over their anticipated useful lives as follows:

- Motor vehicles: 25% per annum
- Equipment: 7% per annum

Notes to financial statements
for the year ended 30 June 2017, continued

1.10 Foreign currencies

Both the functional and presentational currency of Greatland Gold plc is sterling (£). Each group entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the foreign subsidiary, Greatland Pty Limited, is Australian Dollars (A\$).

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

On consolidation of a foreign operation, assets and liabilities are translated at the balance sheet rates, income and expenses are translated at rates ruling at the transaction date. Exchange differences on consolidation are taken to the income statement.

1.11 Other income

The Group had no other income during the periods ending 30 June 2017 and 30 June 2016. Previous years consisted of a grant from the state government of Western Australia. Government grants are accounted for on a receipts basis.

1.12 Finance costs/revenue

Borrowing costs are recognised as an expense when incurred.

Finance revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

1.13 Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

1.14 Financial instruments

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade debtors and trade creditors. The Group has an overseas subsidiary in Australia whose expenses are denominated in Australian Dollars. Market price risk is inherent in the Group's activities and is accepted as such.

There is no material difference between the book value and fair value of the Group's cash.

1.15 Trade and other payables

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

Notes to financial statements for the year ended 30 June 2017, continued

1.16 Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share 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 parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share 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.

1.17 Exploration and development expenditure

Exploration and development costs include expenditure on prospects at an exploratory stage. These costs include the cost of acquisition, exploration, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads directly associated with those projects. A substantial proportion of these costs are carried forward in the balance sheet as intangible fixed assets.

Recoupment of capitalised exploration and development costs is dependent upon successful development and commercial exploitation of each area of interest and are amortised over the expected commercial life of each area once production commences. The Company adopts the 'area of interest' method of accounting whereby a substantial proportion of exploration and development costs relating to an area of interest are capitalised and carried forward until abandoned. In the event that an area of interest is abandoned, or if the Directors consider the expenditure to be of no value, accumulated exploration costs are written off in the financial year in which the decision is made. All expenditure incurred prior to approval of an application is expensed with the exception of refundable rent which is raised as a debtor.

Impairment reviews are carried out regularly by the Directors of the Company. Where a project is abandoned or is considered not to be of commercial value to the Company, the related costs are written off or provisions are made.

1.18 Share based payments

The fair value of options granted to directors and others in respect of services provided is recognised as an expense in the profit and loss account with a corresponding increase in equity reserves – the share based payment reserve.

On exercise or cancellation of share options, the proportion of the share based payment reserve relevant to those options is transferred to the profit and loss account reserve. On exercise, equity is also increased by the amount of the proceeds received.

The fair value is measured at grant date charged in the accounting period during which the option becomes unconditional.

The fair value of options is calculated using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. Vesting conditions are non-market and there are no market vesting conditions. The exercise price is fixed at the date of grant and no compensation is due at the date of grant.

Notes to financial statements
for the year ended 30 June 2017, continued

2 Revenue and segmental analysis

The Group's prime business segment is mineral exploration.

The Group operates within two geographical segments, the United Kingdom and Australia. The UK sector consists of the parent company which provides administrative and management services to the subsidiary undertaking based in Australia.

The following tables present revenue and loss information and certain asset and liability information by geographical segments:

	UK	Australia	Total
Year ended 30 June 2017	£	£	£
Revenue			
Total segment revenue	-	-	-
Total consolidated revenue			-
Result			
Segment results	(731,074)	(520,960)	(1,252,034)
Loss before tax and finance costs			(1,252,034)
Interest receivable			1,500
Loss on disposal of investments			-
Loss before taxation			(1,250,534)
Taxation expense			-
Loss after taxation			(1,250,534)

	UK	Australia	Total
Year ended 30 June 2017	£	£	£
Assets and liabilities			
Segment assets	948,698	705,110	1,653,808
Total assets			1,653,808
Segment liabilities	(98,964)	(19,865)	(118,829)
Total liabilities			(118,829)
Other segment information			
Capital expenditure	-	319,130	319,130
Depreciation	-	1,405	1,405

Notes to financial statements
for the year ended 30 June 2017, continued

2	Revenue and segmental analysis, continued cont	UK	Australia	Total
	Year ended 30 June 2016	£	£	£
	Revenue			
	Total segment revenue	-	-	-
	Total consolidated revenue			-
	Result			
	Segment results	(542,192)	(121,934)	(664,126)
	Loss before tax and finance costs			(664,126)
	Interest receivable			1,223
	Loss on disposal of investments			-
	Loss before taxation			(662,903)
	Taxation expense			-
	Loss after taxation			(662,903)
		UK	Australia	Total
	Year ended 30 June 2016	£	£	£
	Assets and liabilities			
	Segment assets	940,161	371,958	1,312,119
	Total assets			1,312,119
	Segment liabilities	(61,795)	(6,335)	(68,130)
	Total liabilities			(68,130)
	Other segment information			
	Capital expenditure	-	-	-
	Depreciation	-	3,323	3,323
		2017	2016	
		£	£	
	Loss on ordinary activities before taxation is stated after charging:			
	Auditors' remuneration – audit	15,000	15,000	
	Depreciation	1,405	3,323	
	Directors' emoluments	391,725	293,026	

Auditors' remuneration for audit services above excludes AU\$5,100 (2016: AU\$5,100) charged by Charles Foti (Australia) relating to the audit of the subsidiary company.

Notes to financial statements
for the year ended 30 June 2017, continued

4 Taxation

	2017	2016
	£	£
Analysis of charge in year		
Tax on profit on ordinary activities	-	-

Factors affecting tax charge for year

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	2017	2016
	£	£
Loss on ordinary activities before tax	(1,250,534)	(662,903)
Standard rate of corporation tax in the UK	20%	20%
Loss on ordinary activities multiplied by the standard rate of corporation tax	£ (250,107)	£ (132,581)
Effects of:		
Expenses not deductible for tax:		
Share option charge	42,174	43,507
Future tax benefit not brought to account	207,933	89,074
Income tax expense	-	-

No deferred tax asset has been recognised because there is insufficient evidence of the timing of suitable future profits against which they can be recovered.

5 Employee information (excluding directors)

	2017	2016
	£	£
Staff costs comprised:		
Wages and salaries	-	-
	Number	Number
Administration	-	-

6 Dividends

No dividends were paid or proposed by the Directors. (2016: £Nil)

Notes to financial statements
for the year ended 30 June 2017, continued

7 Directors' emoluments:			2017	2016			
			£	£			
Directors' remuneration			391,725	293,026			
	Directors' fees	Consul tancy fees	Share options cancelled	Payment for Fair Value of Options	Share options granted	Pro rata shares issued: salary sacrifice	Total
	£	£	£	£	£	£	£
2017							
<u>Executive directors</u>							
C N Baxter	-	93,750	-	-	28,018	18,000	139,768
Gervaise Heddle	-	110,750	-	-	28,018	-	138,768
<u>Non-executive directors</u>							
Alex Borrelli	-	28,500	-	-	14,009	13,125	55,634
Michael McNeilly (appointed 10 February 2017)	-	13,088	-	-	13,342	-	26,430
Paul Johnson (resigned 14 August 2016)	-	-	-	-	-	13,125	13,125
A R M Bell (resigned 14 August 2016)	-	-	-	-	-	18,000	18,000
	-	246,088	-	-	83,387	62,250	391,725
2016							
<u>Executive directors</u>							
C N Baxter	6,000	71,250	(40,000)	-	37,864	6,000	81,114
Gervaise Heddle	-	2,250	-	-	67,820	-	70,070
<u>Non-executive directors</u>							
Alex Borrelli	-	-	-	-	37,864	4,375	42,239
Paul Johnson	-	-	-	-	37,864	4,375	42,239
A R M Bell	6,000	10,500	(10,000)	-	37,864	6,000	50,364
J Watkins	6,000	9,000	(10,000)	2,000	-	-	7,000
	18,000	93,000	(60,000)	2,000	219,276	20,750	293,026

Fees in respect of C N Baxter were payable to Baxter Geological, a company of which he is a director, and which provided his services.

Fees in respect of Alex Borrelli were payable to Borrelli Capital Limited, a company of which he is a director, and which provided his services.

Fees in respect of Gervaise Heddle were payable to Bletchley Economics, a company of which he is a director, and which provide his services.

Fees in respect of Michael McNeilly were payable to his business as a consultant.

Fees in respect of A R M Bell were payable to his business as a consultant.

Fees in respect of John Watkins were payable to his business as a chartered accountant in practice.

Notes to financial statements
for the year ended 30 June 2017, continued

7 Directors' emoluments

cont

On 6 April 2016 the Company's directors proposed to swap a proportion of their salary for the next twelve months in exchange for shares in the Company. Under this proposal, a total of 47,428,570 shares at 0.175 pence per share were issued at a cost of £83,000. Of this amount £62,250 has been expensed during the year and £20,750 was expensed in the previous year.

No pension benefits are provided for any director.

Also, see note 21 for related party transactions

8 Loss per share

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

	2017 £	2016 £
Loss for the period	(1,250,534)	(662,903)
<hr/>		
Weighted average number of Ordinary shares of £0.001 in issue	1,694,378,384	1,049,314,266
	(0.07) pence	(0.06) pence
Loss per share – basic	<hr/>	
Weighted average number of Ordinary shares of £0.001 in issue inclusive of outstanding options	1,694,378,384	1,049,314,266

As inclusion of the potential Ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive; as such, a diluted earnings per share is not included.

Notes to financial statements
for the year ended 30 June 2017, continued

9 Tangible fixed assets – Group

	Motor vehicle £	Equipment £	Total £
Cost			
At 30 June 2016	28,008	4,792	32,800
Disposals during the period	(30,086)	(5,148)	(35,234)
Additions during the period	-	-	-
Foreign exchange rate fluctuations	2,078	356	2,434
At 30 June 2017	-	-	-
Depreciation			
At 30 June 2016	21,736	3,006	24,742
Disposals during the period	(24,753)	(3,230)	(27,983)
Charge for the period	1,405	-	1,405
Foreign exchange rate fluctuations	1,612	224	1,836
At 30 June 2017	-	-	-
Net book value			
At 30 June 2017	-	-	-
At 30 June 2016	6,272	1,786	8,058
	Motor vehicle £	Equipment £	Total £
Cost			
At 30 June 2015	24,639	4,216	28,855
Disposals during the period	-	-	-
Additions during the period	-	-	-
Foreign exchange rate fluctuations	3,369	576	3,945
At 30 June 2016	28,008	4,792	32,800
Depreciation			
At 30 June 2015	15,862	2,612	18,474
Disposals during the period	-	-	-
Charge for the period	3,290	33	3,323
Foreign exchange rate fluctuations	2,584	361	2,945
At 30 June 2016	21,736	3,006	24,742
Net book value			
At 30 June 2016	6,272	1,786	8,058
At 30 June 2015	8,777	1,604	10,381

Notes to financial statements
for the year ended 30 June 2017, continued

10	Intangible non-current assets – Group	2017	2016
		£	£
	Exploration properties		
	At 30 June 2016	962,948	922,994
	Additions during the period	319,130	-
	Foreign exchange rate fluctuations	20,231	39,954
	At 30 June 2017	1,302,309	962,948
	Impairment		
	At 30 June 2016	(630,794)	(630,794)
	Charge for the period	-	-
	Foreign exchange rate fluctuations	-	-
	At 30 June 2017	(630,794)	(630,794)
	Net book amount		
	At 30 June 2017	671,515	332,154
	At 30 June 2016	332,154	292,200

Impairment review

As at 30 June 2017, the Directors carried out an impairment review of the exploration properties and considered an impairment charge was not required (2016: £nil). However, during the year £557,848 (2016: £145,232) of exploration related costs have been charged directly to the Income Statement as these costs were deemed non-beneficial to the future value of the exploration properties. Costs directly related to exploration programmes that, in the opinion of the Directors, are considered to add value to the respective exploration properties are capitalised. During the year, the largest capitalised addition related to the successful exploration programme conducted at the Ernest Giles project, as announced in January 2017.

11	Non-current asset investments in subsidiary - Company	£
	Cost	
	At 30 June 2016	50,000
	Impairment of investment	-
	At 30 June 2017	50,000
	Net book amount	
	At 30 June 2017	50,000
	At 30 June 2016	50,000

The parent company of the Group holds more than 20% of the share capital of the following company:

Company	Country of registration	Class	Proportion held	Nature of business
Greatland Pty Ltd	Australia	Common	100%	Mineral exploration

Notes to financial statements
for the year ended 30 June 2017, continued

12	Trade and other receivables	Group		Company	
		2017	2016	2017	2016
		£	£	£	£
	Current trade and other receivables:				
	Prepayments	38,109	87,813	38,109	87,813
	Other debtors	13,684	616	-	-
	Loans due from subsidiary	-	-	1,255,302	445,301
	Total	51,793	88,429	1,293,411	533,114

The loan due from subsidiary was interest free throughout the period, and has no fixed repayment date. No provision £nil (2016: £nil) has been made against this loan.

13	Trade and other payables	Group		Company	
		2017	2016	2017	2016
		£	£	£	£
	Current trade and other payables:				
	Trade creditors	89,012	22,047	69,146	15,711
	Accruals	29,817	46,084	29,817	46,084
	Total	118,829	68,131	98,963	61,795

14	Share capital	Number	£
	<i>Called up, allotted, issued and fully paid</i>		
	As at 30 June 2016, Ordinary shares of £0.001p each	1,485,099,848	1,041,614
	<i>Issued during the year</i>		
	On 02 August 2016, at a price of £0.028p, for cash	146,249,997	14,625
	On 31 January 2017, at a price of £0.02p, for cash	50,000,000	5,000
	On 06 February 2017, at a price of £0.028p, for cash	125,000,000	12,500
	On 23 May 2017, at a price of £0.02p, for cash	15,000,000	1,500
	On 14 June 2017, at a price of £0.05p, for cash	25,000,000	2,500
	On 15 June 2017, at a price of £0.0375p, for cash	13,333,333	1,333
	On 16 June 2017, at a price of £0.045p, for cash	8,928,571	893
	On 16 June 2017, at a price of £0.0375p, for cash	36,333,332	3,633
	On 16 June 2017, at a price of £0.02p, for cash	8,000,000	800
	On 23 June 2017, at a price of £0.02p, for cash	50,000,000	5,000
	On 27 June 2017, at a price of £0.0375p, for cash	5,000,000	500
	On 27 June 2017, at a price of £0.02p, for cash	17,000,000	1,700
	As at 30 June 2017, Ordinary shares of £0.001p each	1,984,945,081	1,091,598

Notes to financial statements
for the year ended 30 June 2017, continued

14 Share capital, continued

cont Total share options in issue

As at 30 June 2017 there were 214 million unexercised options over Ordinary shares; 75 million exercisable at 0.2 pence per share in issue, 50 million exercisable at 0.5 pence per share in issue, 75 million exercisable at 0.28 pence for share in issue and 14 million exercisable at 0.4 pence per share in issue (2016: 150 million).

15 Share based payments

The Company has an employee share option plan to enable the issue of options as part of the remuneration of key management personnel and directors to enable them to purchase ordinary shares in the Company. Under the plan, 75 million options were granted for no cash consideration and were granted for a period of three years expiring 18 July 2020. Under the same plan, 14 million options were granted for no cash consideration and were granted for a period of three years expiring on 10 August 2020.

	Granted during the period	At 30 June 2016	Share options exercised	Exercisable at 30 June 2017	Exercise price (pence)	Date from which exercisable	Expiry date
CN Baxter	-	25,000,000	-	25,000,000	0.2p	6 Apr 2016	6 Apr 2019
CN Baxter	28,000,000	-	-	28,000,000	0.28p	18 Jan 2017	18 Jul 2020
ARM Bell	-	25,000,000	(8,000,000)	17,000,000	0.2p	6 Apr 2016	6 Apr 2019
P Johnson	-	25,000,000	(17,000,000)	8,000,000	0.2p	6 Apr 2016	6 Apr 2019
A Borrelli	-	25,000,000	-	25,000,000	0.2p	6 Apr 2016	6 Apr 2019
A Borrelli	14,000,000	-	-	14,000,000	0.28p	18 Jan 2017	18 Jul 2020
G Heddle	-	25,000,000	-	25,000,000	0.5p	27 May 2016	27 May 2019
G Heddle	28,000,000	-	-	28,000,000	0.28p	18 Jan 2017	18 Jul 2020
G Cryan	5,000,000	-	-	5,000,000	0.28p	18 Jan 2017	18 Jul 2020
M McNeilly	14,000,000	-	-	14,000,000	0.4p	10 Feb 2017	10 Aug 2020
	89,000,000	125,000,000	(25,000,000)	189,000,000			

The fair value of the options using the Black-Sholes method and assumptions were as follows:

<u>Options issued</u>	<u>75 million share options</u>	<u>14 million share options</u>
Grant date	18 January 2017	10 February 2017
Fair value at measurement date	0.10 pence	0.10 pence
Share price at grant date	0.13 pence	0.12 pence
Exercise price	0.28 pence	0.4 pence
Expected volatility	172%	180%
Option life	36 months	36 months
Expected dividends	0.00%	0.00%
Risk free interest rate	0.50%	0.50%
Fair value of options granted	£75,048	£13,343

Notes to financial statements
for the year ended 30 June 2017, continued

15 Share based payments

cont

Furthermore, 25 million share options were granted for no cash consideration to SI Capital Limited, the Company's Broker, for a period of two years expiring on 30 June 2018.

	Granted during the period	Exercisable at 30 June 2017	Exercise price	Date from which exercisable	Expiry date
SI Capital Limited	25,000,000	25,000,000	0.5 pence	01 Jul 2016	30 June 2018
	25,000,000	25,000,000			

The fair value of the options in respect of the services to be provided using the Black-Sholes method and assumptions were as follows:

Options issued	25 million share options
Grant date	01 July 2016
Fair value at measurement date	0.21 pence
Share price at grant date	0.29 pence
Exercise price	0.5 pence
Expected volatility	179%
Option life	24 months
Expected dividends	0.00%
Risk free interest rate	0.50%
Fair value of options granted	£52,191

The fair value of the share options expensed during the year was £140,582; £90,054 in respect of the exercised share options was transferred to reserves (2017: £217,533).

The volatility is set by reference to the historic volatility of the share price of the Company. The Black-Sholes model assumes that an option is only capable of exercise at expiry.

16 Nature and purpose of reserves – Other reserves

Merger Reserve

The merger reserve was created in accordance with the merger relief provisions of the Companies Act 1985 (as amended), and 2006, relating to accounting for business combinations involving the issue of shares at a premium. In preparing group consolidated financial statements, the amount by which the fair value of the shares issued exceeded their nominal value was recorded within a merger reserve on consolidation, rather than in a share premium account.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Available for sale financial asset reserve

This reserve is used to record the post-tax fair value movements in available for sale assets and investments.

Notes to the financial statements
for the year ended 30 June 2017, continued

17	Cash and cash equivalents – Group	30 June 2017	Currency adjustments	Net Cash flow	30 June 2016
		£	£	£	£
	Cash at bank and in hand	930,500	8,292	38,730	883,478
	Total cash and cash equivalents	930,500	8,292	38,730	883,478
	Cash and cash equivalents – Company	30 June 2017	Currency adjustments	Net Cash flow	30 June 2016
		£	£	£	£
	Cash at bank and in hand	910,588	-	58,240	852,348
	Total cash and cash equivalents	910,588	-	58,240	852,348

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

18 Commitments

As at 30 June 2017, the Company had entered into the following commitment:

Exploration commitments

Ongoing exploration expenditure is required to maintain title to the Group mineral exploration permits. No provision has been made in the financial statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group.

19 Significant agreements and transactions

There were no significant agreements and transactions to report other than that reported in Note 20 (Acquisition of Havieron Project – Western Australia).

20 Events after the reporting period

Completion of Acquisition of Havieron Project – Western Australia

Under the purchase agreement executed on 26 September 2016 between Pacific Trends Resources Pty Ltd (the “Vendor”), Greatland Pty Ltd (the “Purchaser”) and Greatland Gold PLC, the Purchaser agreed to acquire all of the Vendor’s rights, title and interest in the mining tenement EL45/4701 (the “Havieron Project”) once granted and subject to the satisfaction of certain conditions.

Under the agreement, the consideration to be paid to the Vendor by the Purchaser consists of AUD\$25,000 in cash and 65,490,000 fully paid ordinary shares in Greatland Gold PLC to be issued by Greatland Gold PLC. This consideration by the Purchaser is payable to the Vendor upon receipt of:

- (a) an unstamped but registrable transfer form for the Mining Tenement in favour of the Purchaser and duly executed by the Vendor and all documents of title evidencing the Vendor’s interest in the Mining Tenement;
- (b) a copy of the Native Title Heritage Agreement in respect of the Mining Tenement which has been previously approved by the Purchaser and signed by all parties to that agreement; and
- (c) confirmation from the Department of the grant of the Mining Tenement to the Vendor.

Subsequent to the end of the reporting period, it was announced that these conditions had been fulfilled and, as a result, on 15 August 2017, Greatland Gold plc issued 65,490,000 fully paid ordinary shares in Greatland Gold plc to Pacific Trends Resources Pty Ltd.

Notes to the financial statements
For the year ended 30 June 2017, continued

20 Events after the reporting period

cont Post-Balance Sheet Capital Raise

On 17 July 2017 the Company announced that it had received a binding option conversion notice for the conversion of 4,000,000 options at price of 0.2p per share for a total amount of £8,000.

On 03 August 2017 the Company announced that it had received a binding warrant conversion notice for the conversion of 1,600,000 warrants at price of 0.375p per share for a total amount of £6,000.

On 14 August 2017, the Company announced that an application had been made to AIM for a block admission (“Investor Warrants Block Admission scheme”) in respect of 305,138,097 new Ordinary Shares, which will be issued and allotted from time to pursuant to the exercise of options under the following schemes: (a) 189,066,668 investor warrants with an exercise price of 0.375 pence per Ordinary Share, and (b) 116,071,429 investor warrants with an exercise price of 0.45 pence per Ordinary Share.

During the period from 14 August 2017 to 20 September 2017, binding option conversion notices were received for 22,500,000 warrants at a price of 0.375p per share for a total amount of £84,375.00. These shares were admitted under the Investor Warrants Block Admission scheme announced 14 August 2017.

On 20 September 2017 the Company announced that it had raised £750,000 through a strategic placing of 166,666,667 new ordinary shares of 0.1 pence each at a subscription price of 0.45 pence per Ordinary Share. Under this placing, warrants to subscribe for a further 166,666,667 new Ordinary Shares in the Company were issued at an exercise price of 0.7p per warrant, within a 24 month exercise period, potentially raising a further £1,166,666 for the Company at 0.7p, should these warrants be exercised.

Subsequent to the placing in September 2017, and following a sharp rise in the Company’s share price in October 2017, the Company has at 17 October 2017 received binding warrant conversion notices for the conversion of 271,928,572 warrants at various prices for a total amount of £958,107.

21 Related party transactions

The sub licence agreement to share the rental, service costs and other outgoings of an office with Regency Mines plc and Red Rock Resources plc has been effective throughout the year and a fixed fee of £6,000 per quarter, excl. VAT was agreed. The total cost to the Company during the year was £28,800 (2016: £28,800). The current lease arrangement will be terminated at 1 December 2017 and the Company will make alternative office arrangements.

Remuneration of key management personnel

The remuneration of the directors, and other key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS24 Related Party Disclosures.

	2017	2016
	£	£
Short-term employee benefits	246,088	111,000
Share based payments	150,640	182,026
Key management personnel	26,050	-
	422,778	293,026

Notes to financial statements
for the year ended 30 June 2017, continued

22 Financial instruments – Group

The Group uses financial instruments comprising cash, liquid resources and debtors/creditors that arise from its operations.

The Group's exposure to currency and liquidity risk is not considered significant. The Group's cash balances are held in Pound Sterling and in Australian dollars, the latter being the currency in which the significant operating expenses are incurred.

To date the Group has relied upon equity funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations to commercial exploitation, but controls over expenditure are carefully managed.

The net fair value of financial assets and liabilities approximates the carrying values disclosed in the financial statements. The currency of the financial assets is as follows:

Cash and short term deposits	30 June 2017	30 June 2016
	£	£
Sterling	910,588	852,348
Australian Dollars	19,912	31,130
At 30 June 2017	930,500	883,478

The financial assets comprise interest earning bank deposits.

23 Control

There is considered to be no ultimate controlling entity.

24 Retained earnings of the parent Company

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent Company has not been separately presented in these accounts. The parent Company loss for the period was £730,916 (2016 £542,091).