BLACK RIDGE MINING NL

ABN 48 083 274 024

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

CORPORATE DIRECTORY

Board of Directors

Mr Graeme Smith – Non-executive Director

Mr Brett Clark – Non-executive Director

Mr Don Valentino – Non-executive Director

Company Secretary

Mr Graeme Smith

Registered Office

63 Hay Street
SUBIACO WA 6008
Phone: +61 8 9574 6255
Email: info@blackridgemining.com

Banker

National Australia Bank Limited
226 Main Street
OSBORNE PARK WA 6017

Auditors

Greenwich & Co Audit Pty Ltd
Level 2
35 Outram Street
WEST PERTH WA 6005

Solicitors

Steinepreis Paganin
Level 4 The Read Buildings
16 Milligan Street
PERTH WA 6000

Share Registry

Advanced Share Registry
150 Stirling Highway
NEDLANDS WA 6009
Phone: +61 8 9389 8033
Fax: + 61 8 9389 7871

Stock Exchange Listing

Australian Securities Exchange
Black Ridge Mining NL
ASX Code: BRD

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Unaly Hill (E57/420), Western Australia –Vanadium- Magnetite-Titanium

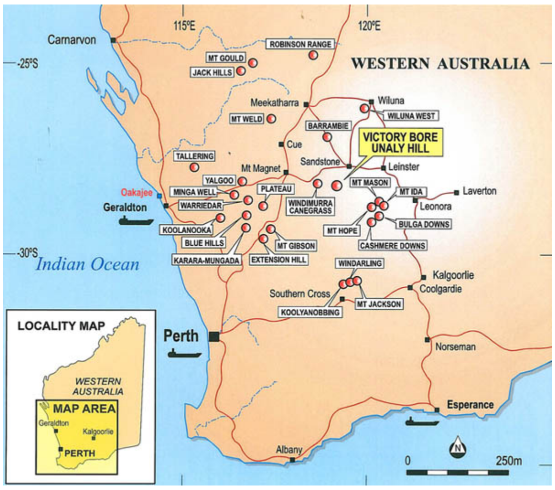


***Figure 1** Location and geological setting of the Unaly Hill Project*

The Unaly Hill Project (E57/420) is situated some 500km north east of Perth, Western Australia and is a single tenement covering over 13 kilometres of the strike length of the regionally significant Youanmi Fault. This structure represents the boundary between the Murchison Province and the Southern Cross Province of the Youanmi Terrane of the Yilgarn Craton. Immediately west of the Fault is the Atley Igneous Complex.

The figure below shows the location of the project and highlights the significant gold deposits on trend.

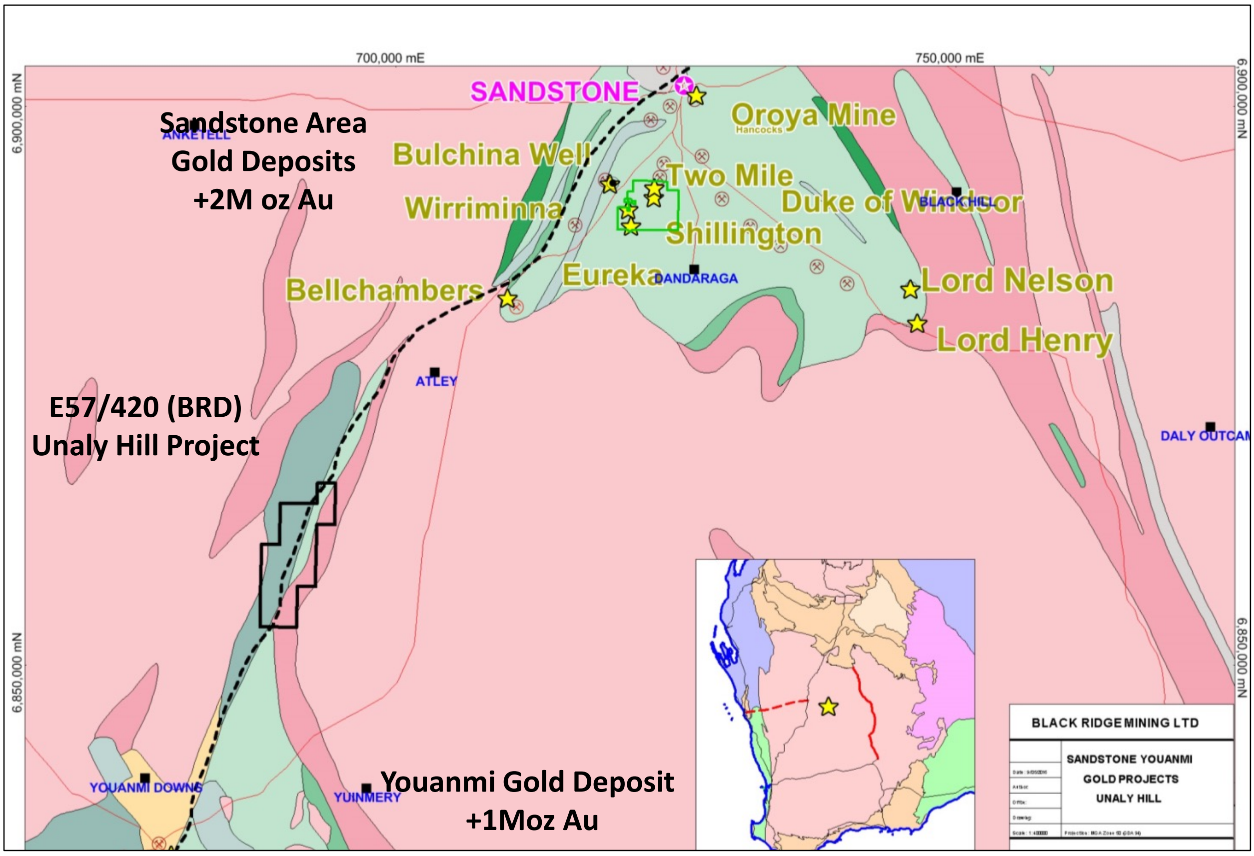


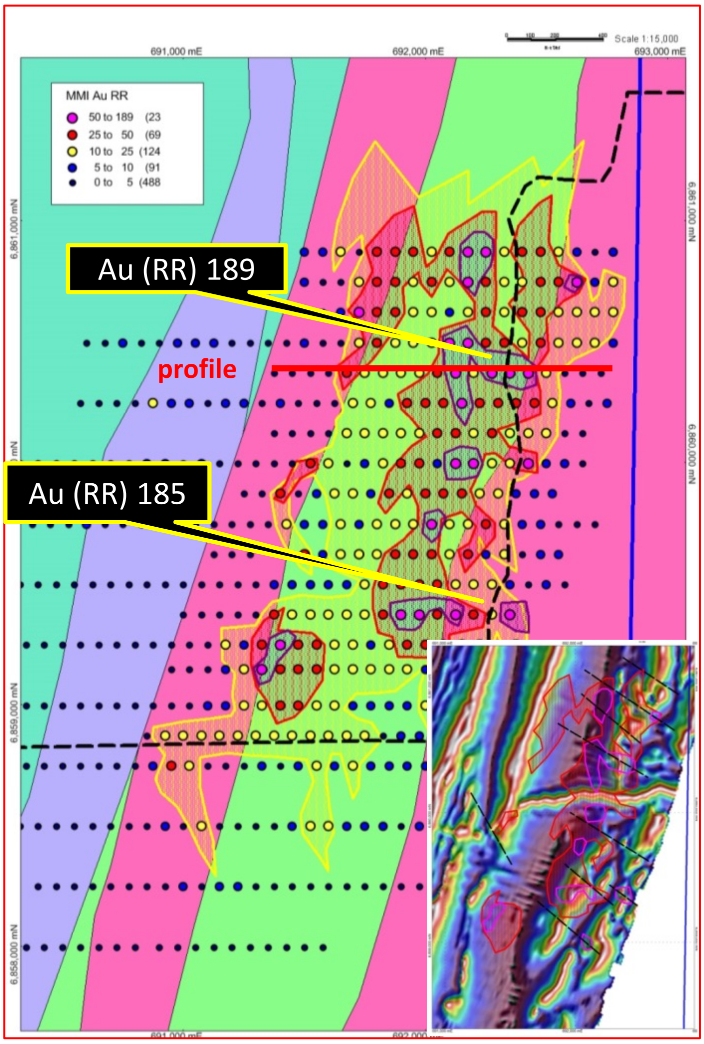
***Figure 2** Location and geological setting of the Unaly Hill Project*

REVIEW OF OPERATIONS

During the year Black Ridge Mining NL (BRD) carried out a third round of geochemical MMI soil sampling at the company's Unaly Hill Project. This program followed two previous surveys, carried out during December 2014 and June 2015, which highlighted several multi-element anomalies, notably gold, nickel and vanadium-iron-titanium.

The third round of MMI sampling has provided further confirmation and resolution of the known gold anomaly. The gold anomaly is hosted within several lithologies including tholeiitic basalt, amygdaloidal basalt, pyroxenites, and gneiss, in the structurally complex area adjacent to the regional scale Youanmi Fault. The gold is related to north-north-east trending brittle/ductile shears and north east sinistral cross faults and related quartz veining.

The map below shows the significant gold anomalies within the tenement that will be targeted going forward.



Other highly prospective anomalies present at the project include nickel-cobalt in an area with a high magnesium response and several target zones where iron, vanadium, and titanium are coincident. These anomalies, many of which are concealed beneath transported overburden, are thought to be related to vanadiferous titanomagnetite. These are magmatic differentiates that occur within the Atley Igneous Complex, a layered mafic and ultramafic intrusion.

REVIEW OF OPERATIONS

Following the MMI data analysis which highlighted the multi-commodity potential of the project, a geologic review and forward work program plan was completed. The immediate future will focus on the high amplitude gold soil anomalies found within the tenement as well as initial rock chip sampling for minerals where swarms of potential pegmatites occur.

Subsequent to the end of the financial year the field work was carried out. The work included structural geological mapping of anomalies and rock chip sampling of structures and veins. Potential sites for strategically targeted reverse circulation ("RC") drilling were scouted. Following the field work a Program of Work ("POW") was submitted to the DMP and approved and drilling commenced. Whilst in the field several of the granitic pegmatite and aplite units previously identified at Unaly Hill were examined and sampled for their mineral bearing potential. These samples are currently being prepared for analysis.

Resource Imaging Technology (Seismo-Electric)

During the financial year the Company acquired the first PL14 Seismo-Electric exploration technology systems under its exclusive licensing agreement. Following this the developer of the Seismo-Electric PL14 technology joined BRD technical personnel in Perth for theoretical and field training.

To initiate the promotion of this new technology an industry seminar was held for the oil and gas sector which was well attended by companies, the media as well as universities.

Throughout the year the Company continued to advance the resource imaging technology it has under exclusive license by engaging with the oil and gas industry and meeting with government departments in order to be able to facilitate land access for companies wishing to utilise the technology as well as to highlight the advanced technologies capabilities and benefits for use in Australia. The small footprint and minimal disturbance as well as the powerful risk reduction capabilities of the technology make it an ideal tool for exploration and appraisal.

Significant interest is being shown by companies to include the use of the technology in upcoming work programs in order to advance their acreage and reduce the uncertainty around undrilled prospects.

Three immediate markets have emerged where the technology can be utilised and adds significant value; water resources, hydrocarbon resources and environmental resources.

During the year the Company undertook field trials on Empire Oil & Gas (EOG) 100% owned acreage in the Perth Basin. The results of these trials were very encouraging and provide valuable data in regards to acquisition in the basin. The results are currently held under confidentiality.

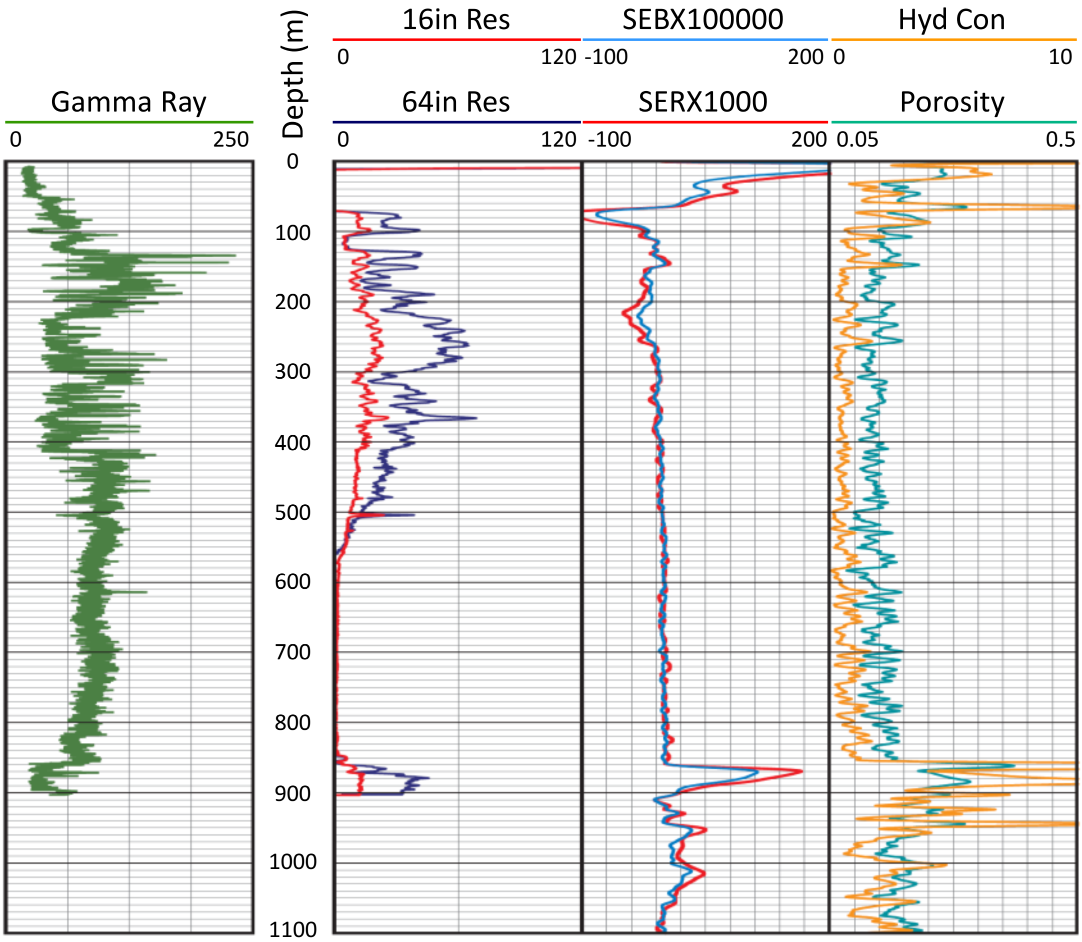
BRD acknowledges the foresight shown by EOG in being the first company in Australia to pioneer the trials of the technology. Use of the technology is rapidly gaining momentum in the US with a growing number of successful results defining hydrocarbon accumulations.

The Company also successfully field trialled the technology at a deep aquifer monitoring borehole provided by the Western Australian Department of Water.

The figure below shows profiles attained using the Company's resource imaging technology which is a surface geophysical technology, that is, these profiles are created without drilling a well providing a virtual drilling log response.

It can be seen from the comparison that the technology is correlating well with resistive fluids (fresh water, oil or gas) contained in the sandstone reservoirs. Not only can these profiles be correlated with existing logs from well bores but they also provide additional geologic information in the form of hydraulic conductivity and derived porosity.

REVIEW OF OPERATIONS



Also during the year the Company announced that Pacific Hunt Energy (Pacific Hunt) has commissioned a pilot survey of BRD's resource imaging technology (Seismo-Electric) in its PSC C-1 block onshore Myanmar in order to better define the hydrocarbon distribution of the Indaw structure.

Upon completion of this initial survey, the company would then seek to conduct a full-scale study across the greater Indaw structure and later over other prospects and leads in the block. Myanmar Oil and Gas Enterprise (MOGE), the oil and gas regulatory authority in Myanmar has approved the survey.
Subsequent to the end of the financial year Pacific Hunt and BRD are finalising the logistics around the survey and mobilisation of equipment in advance of the survey which is being planned for October after the wet season in Myanmar.
A number of survey proposals are currently under review by oil and gas companies in Australia. Initial discussions have been held with oil and gas companies in Indonesia and New Zealand in regards to potential surveys as well as with mining companies in the final stages of production planning, in relation to locating ground water for use in processing, utilising the Seismo-Electric technology.

The Company continues to actively work with the Western Australian Department of Water and Western Australian Department of Mines and Petroleum on applications of the technology and facilitation of industry uptake and is in discussions with service companies and consulting groups to support the roll out of the resource imaging technology across Australia and the Asia Pacific Region.

The company has a dual strategy around its remote imagine technology. First to provide surveys for clients across the water, hydrocarbon, mineral and environmental resources industries; and secondly to utilise its technology to leverage into and participate in resource projects via various mechanisms.

REVIEW OF OPERATIONS

Corporate

Black Ridge was saddened by the passing of Chairman Peter Elliott earlier in the year after a short illness. Peter was replaced by Brett Clark whose corporate and engineering background will assist the Company in the future.

Trent Spry was appointed CEO in February after working as a technical adviser since May 2015.

Ed Gilfillan resigned from the Board in October 2015 and was replace by Graeme Smith.

Two capital raisings during the year raised $380,000.

On 5 June 2015 Black Ridge announced that it would be conducting a pro-rata non-renounceable entitlement issue to shareholders of approximately 854,561,658 fully paid ordinary shares at an issue price of $0.002 per Share on the basis of one New Share for every one Share held together with one Free Attaching Option for each Share issued. The entitlements issue raised $200,000 and $1 million of debt was converted from the underwriting.

Finance Review

The Group has recorded an operating loss after income tax for the year ended 30 June 2016 of $452,624 (2015: loss of $1,294,813).

At 30 June 2016 cash assets available totalled $148,225 (2015: $14,593).

Cash outflows from operating activities were $15,850 in 2015 (2015: $74,985)

DIRECTORS' REPORT

Your directors submit their report for the Company and its controlled entities ("the Consolidated Entity" or "Group") for the year ended 30 June 2016.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Graeme Smith	**Non-executive director (appointed 27 October 2015)**
Qualifications	BEc, MBA, MComLaw, FCPA, FGIA, FCIS
Experience	Mr Smith is the principal of Wembley Corporate Services which provides company secretarial, CFO and corporate governance services. He is a finance professional with over 25 years' experience in accounting and company administration. He is a Fellow of the Australian Society of Certified Practicing Accountants, the Institute of Chartered Secretaries and Administrators and the Governance Institute of Australia.
Directorships in other companies	Anglo Australian Resources NL Rubianna Resources Limited (resigned 2014)
Interest in Shares & Options	ORD – 37,500,000 Options – 37,500,000 (ex $0.003 expiry 30 Nov 2016)

Mr Brett Clark	**Non-executive director (appointed 8 March 2016)**
Qualifications	
Experience	Mr Clark is a partner with a New York based investment merchant bank. He has over 20 years' experience in the resources sector in business development, operations, acquisitions, asset management, project management, business improvement and financial roles. Brett brings specific experience in corporate roles that have focused on strategic operational outcomes and implementation of major resource project studies. Mr. Clark also has previous director experience with Oakajee Port and Rail, and senior executive roles with Tethyan Copper, Ernst & Young, Snowden Group, Rio Tinto/Iron Ore Company of Canada/Hamersley Iron and Western Mining.
Directorships in other companies	Pluton Resources Limited (resigned 2014)
Interest in Shares & Options	Nil

Mr Don Valentino	**Non-executive director (appointed 18 August 2016)**
Qualifications	
Experience	Mr Valentino was previously Managing Director of Genesis Biomedical Limited and was primarily responsible for redirecting Genesis from its original biomedical activities to involvement in the mining and resources areas. Mr Valentino was also the state manager for Sigma Pharmaceuticals.

DIRECTORS' REPORT

Interest in Shares & Options	Nil
Mr Thomas Gilfillan	**Non-executive Director (resigned 27 October 2015)**
	Mr Gilfillan has over 35 years of commercial experience in financial service, corporate management and property development. He has a depth of management and corporate expertise, and was a founding partner in a licensed financial planning company retiring in 2005 with over 20 years' service. Through Mr Gilfillan's leadership in that company, it grew over the years from a life and general insurance based firm to one of the leading self managed superannuation fund advisers and administrators in Western Australia.
Interest in Shares & Options	ORD – 101,509,684 Options – 97,500,000 (ex $0.003 expiry 30 Nov 2016)
Mr Peter Elliott	**Chairman (passed away 8 March 2016)**
Qualifications	LLB
	Mr Elliott is an admitted Barrister and Solicitor from New Zealand who has been legal counsel for a division of Trafalgar House based in the United Kingdom and subsequently the USA Director and Company Secretary of Lakeland Properties Limited, a listed company in New Zealand and in more recent years has specialized in corporate administration.
Interest in Shares & Options	ORD – 36,250,000 Options – 36,250,000 (ex $0.003 expiry 30 Nov 2016)
Mr Vladimir Nikolaenko	**Non-executive Director (resigned 18 August 2016)**
Experience	Mr Nikolaenko has over 30 years of commercial experience in exploration, project evaluation, development and operations, predominantly focused in the base metals, gold and diamond sectors. He has a depth of management and corporate expertise in the operation of public companies and has held the position of managing director of four public companies over a period of more than 20 years involved in exploration and production, property development and technology.
Interest in Shares & Options	ORD – 481,561,050 Options – 392,500,000 (ex $0.003 expiry 30 Nov 2016)

OTHER OFFICERS

Mr Trent Spry	**Chief executive officer (appointed 22 February 2016)** Mr Spry has enjoyed successful careers with both large and junior resource companies listed on the ASX and has held executive, board and technical advisory positions. Trent has also been a director of a large international consulting firm where he was responsible for running a multi-disciplinary team of geoscientists and engineers, as well as direct technical advisory to clients
Mr Graeme Smith	**Company Secretary**

DIRECTORS' REPORT

DIVIDENDS
The directors have not recommended the declaration of a dividend. No dividend was paid or declared during the current or prior period.

PRINCIPAL ACTIVITIES

The principal activity during the financial year was mineral exploration including the exploration and evaluation of opportunities located domestically and internationally.

OPERATING RESULTS

The Consolidated Entity's operating loss after tax for the year ended 30 June 2016 was $452,624 (2015: loss of $1,294,813).

REVIEW OF OPERATIONS

Progress of the Group's activities, and future emphasis, in relation to projects and negotiations thereon located in Western Australia and overseas are detailed in the Review of Operations which precedes the Directors' Report.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

Other than as referred to in the Review of Operations, further information as to likely developments in the operations of the Consolidated Entity would, in the opinion of the directors, be speculative and may hinder the Consolidated Entity in the achievement of its commercial objectives.

SIGNIFICANT CHANGE IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year, not otherwise disclosed in this Directors' Report or in the Review of Operations.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

Apart from the above, there has not been any matter or circumstance other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

REMUNERATION REPORT (AUDITED)

This remuneration report outlines the remuneration arrangements for the Company's Key Management Personnel (KMP).

Remuneration policy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract competent and experienced directors and executives.
To ensure this the Company has put in place a remuneration structure:

- That provides a balance of base compensation long term incentive plans;
- That provides market-based director fees for its non executive directors.

DIRECTORS' REPORT

Remuneration committee

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2016.

The Board elected that the Company was of the size that a Remuneration Committee was not warranted and that these issues would be continually considered by the Board.

The full Board is responsible for establishing the Company's remuneration policies and practices and to ensure they match the group's objectives. The Company's Board proposed the Managing Director's total remuneration package and is responsible for reviewing the non executive remuneration.

Non-executive director and executive remuneration

The remuneration of non-executive directors may not exceed in aggregate in any financial year the amount fixed by the Company. Currently the non-executive directors are remunerated by way of directors' fees which have been set at $30,000 p.a. for the non-executive Chairman and $30,000 for the non-executive directors, amounts considered reasonable for a company of its size and operational activity.

Reward for performance

During the year there was no reward for the performance component of any remuneration package.

Key management personnel positions at the date of this report

G Smith	Non-executive Director
B Clark	Non-executive Director
D Valentino	Non-executive Director
T Spry	Chief Executive Officer

DIRECTORS' REPORT

Remuneration report (cont'd)
Remuneration of directors and named KMP's
The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group. Such amounts have been calculated in Accordance with Australian Accounting Standards

	Appointment / resignation	Short-term employee benefits			Post-employment benefits	Share-based payment			
						Equity-settled			
		Salary & Fees Accrued $	Profit Share & Bonus $	Non-monetary $	Super-annuation $	Shares (i) $	Options $	Total $	Value of shares as proportion of remuneration (%)
2016									
Graeme Smith	A – 27/10/15	-	-	-	-	20,000		20,000	100%
Brett Clark	A – 08/03/16	10,000	-	-	-	-	-	10,000	-
Trent Spry	A – 22/02/16	60,200[1]	-	-	-	24,000	-	84,200	28%
Peter Elliott	R – 08/03/16	-	-	-	-	30,000	-	30,000	100%
Vladimir Nikolaenko	R – 18 /8 /16	-	-	-	-	30,000	-	30,000	100%
Thomas Gilfillan	R – 27/10/15	-	-	-	-	30,000	-	30,000	100%
Total 2016		**70,200**	-	-	-	**134,000**	-	**204,200**	**66%**
2015									
Peter Elliott		30,000	-	-	-	-	-	30,000	-
Vladimir Nikolaenko		30,000	-	-	-	-	-	30,000	-
Thomas Gilfillan		30,000	-	-	-	-	-	30,000	-
Total 2015		**90,000[1]**	-	-	-	-	-	**90,000**	**-**

[1] Mr Spry was paid an additional amount of $11,900 as a consultant to the Company and prior to his appointment as CEO.

(i) Securities Received that are not performance Related

Securities received by KMP's were in exchange for directors fees or services rendered to the Company during the year ended 30 June 2016.

KMP Service agreements

No KMP have service agreements with the Company.

KMP options granted as remuneration

The number of options in the Company held by each KMP of the Company during the financial year is as follows:

		Granted as Remuneration			Other[1]		
30 June 2016	**Balance at start of year or date of appointment**	**Issue date**	**No**	**Value**	**No**	**Date of ceasing office**	**Balance at the end of the year**
G Smith	-	27/11/15[2]	19,062,500	*	18,437,500	-	37,500,000
B Clark	-	-	-	-	-	-	-
T Spry	-	01/04/16[3]	6,000,000	*	-	-	6,000,000
P Elliott[4]	-	27/11/15[2]	20,312,500	*	15,937,500	36,250,000	N/A
V Nikolaenko	-	27/11/15[2]	24,375,000	*	368,125,000	-	392,500,000
T Gilfillan[5]	-	-	-	-	97,500,000	97,500,000	N/A
	-	**-**	**69,750,000**	*****	**500,000,000**	**133,750,000**	**436,000,000**

All options have vested and are exercisable at the end of the year

[2] Options exercisable at $0.003 and expiring 30 Nov 2016. Options issued pursuant to shareholder approval at the 2015 AGM, in relation to director services for the 18 months to 30 June 2016.

[3] Options issued as consideration for services rendered before Mr Spry became a KMP.

[4] Mr Elliott ceased being a director on 8 March 2016.

[5] Mr Gilfillan retired as a director on 27 October 2015.

'* The options were issued as free attaching options with shares issued for directors fees for the 18 months ended 30 June 2016. The value of shares and options in assigned to the year to 30 June 2016 is listed above in the remuneration table.

DIRECTORS' REPORT

KMP shareholdings

The number of ordinary shares in the Company held by each KMP of the Company during the financial year is as follows:

30 June 2016	Balance at start of year	Commencing office	Issued during the year		Purchased/(sold) during the year	Ceasing office	Balance at the end of the year
			Remuneration[1]	Other[2]			
G Smith	N/A	18,437,500	19,062,500				37,500,000
B Clark	N/A	-	-		-	-	-
T Spry	N/A	12,000,000	-		-	-	12,000,000
P Elliott	-	-	20,312,500	15,937,500	-	36,250,000	-
V Nikolaenko	89,061,050	-	24,375,000	368,125,000	-	481,561,050	-
T Gilfillan	4,009,684	-	-	97,500,000	-	101,509,684	-
	93,070,734	**30,437,500**	**63,750,000**	**481,562,500**	**-**	**619,320,734**	**49,500,000**

30 June 2015	Balance at start of year	Commencing office	Issued during the year	Purchased/(sold) during the year	Ceasing office	Balance at the end of the year
P Elliott	-	-	-	-	-	-
V Nikolaenko	81,369,511	-	-	7,691,539	-	89,061,050
T Gilfillan	4,009,684	-	-	-	-	4,009,684
	85,379,195	**-**	**-**	**7,691,539**	**-**	**93,070,734**

[1] Shares issued pursuant to shareholder approval at the 2015 AGM, in lieu of director fees for the 18 months to 30 June 2016, at a deemed issue price of $0.002 per share. The value assigned to the year to 30 June 2016 is included in the above remuneration table.

[2] Shares issued pursuant to underwriting of Rights Issue at an issue price of $0.002 per share.

Loans with KMP are listed at Notes 15 and 22 to the financial statements.

END OF REMUNERATION REPORT (AUDITED)

DIRECTORS' REPORT

SHARE OPTIONS

Unissued Shares under Options

Unissued ordinary shares of Black Ridge Mining NL under option at the date of this report are as follows:

Expiry date	Exercise price	Number of options
30 November 2016	$0.003	753,091,823
Total number of options outstanding at the date of this report		**753,091,823**

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period. For details of options issued to directors and executives as remuneration, refer to the remuneration report. No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of the body corporate.

DIRECTORS' MEETINGS

During the year, 4 directors' meetings were held. The number of meetings in which directors were in attendance is as follows:

	Directors' Meetings	
	No. of meetings held while in office	Meetings attended
G Smith	2	2
B Clark	1	1
P Elliott	2	-
V Nikolaenko	4	4
T Gilfillan	3	3

OTHER EQUITY RELATED KMP TRANSACTIONS

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options and shareholdings.

OTHER TRANSACTIONS WITH KMP AND/OR THEIR RELATED PARTIES

There were no other transactions conducted between the Group and KMP or their related parties apart from those disclosed above relating to equity and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under the arm's length dealings with unrelated parties.

DIRECTORS' REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Consolidated Entity paid premiums totalling $5,000 (2015: $4,708) in respect of a contract insuring all the directors of the Company against a liability incurred in their role as directors of the consolidated entity, except where:

- the liability arises out of conduct involving a wilful breach of duty;
- there has been a contravention of the relevant sections of the Corporations Act;
- the conduct involves trading whilst insolvent;
- the conduct involves an operation carried on outside Australia.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Company support and have adhered to the principles of Corporate Governance.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's exploration operations are subject to environmental regulations under Commonwealth and State legislation. The directors believe that the Company has adequate systems in place for the management of the requirements under those regulations, and are not aware of any breach of such requirements as they apply to the Company.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001, is set out on the following page.

NON-AUDIT SERVICES

There were no non-audit services provided by the external auditors during the financial year.

SIGNED in accordance with a resolution of the directors

Graeme Smith
Director

Perth, 30 September 2016

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BLACK RIDGE MINING NL**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
Continuing operations			
Revenue from ordinary activities			
Gross revenue		669	-
Expenses from ordinary activities			
Salaries and employee benefits expense		(134,178)	(90,000)
Depreciation expense		(35,200)	-
Exploration expenses		(128,183)	(54,648)
Impairment expenses	12	(87,000)	(1,031,068)
Administration expenses	4	(65,732)	(119,097)
		(452,624)	(1,294,813)
Income tax	5	-	-
Loss after Income tax		(452,624)	(1,294,813)
Other comprehensive income		-	-
Total comprehensive income for the year		(452,624)	(1,294,813)
Earnings per share			
Basic loss per share (cents per share)	8	0.03	0.16

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	9	148,225	14,593
Trade and other receivable	10	11,776	-
Total current assets		**160,001**	**14,593**
Non-current assets			
Property, plant & equipment	11	91,522	-
Deferred Exploration expenditure	12	840,000	927,000
Total non-current assets		**931,522**	**927,000**
TOTAL ASSETS		**1,091,523**	**941,593**
LIABILITIES			
Current liabilities			
Trade and other payables	14	517,432	663,984
Borrowings	15	1,008,362	1,841,817
Total current liabilities		1,525,794	2,505,801
TOTAL LIABILITIES		**1,525,794**	**2,505,801**
NET LIABILITIES		**(434,271)**	**(1,564,208)**
EQUITY			
Contributed equity	16(a)	22,025,668	20,443,107
Accumulated losses		(22,459,939)	(22,007,315)
DEFICIT IN SHAREHOLDERS FUNDS		**(434,271)**	**(1,564,208)**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Contributed Equity	Accumulated Losses	Reserves	Total Equity
		$	$	$	$
Balance at 1 July 2014		20,340,385	(20,704,979)	-	(364,594)
Comprehensive Income					
Loss for the year		-	(1,294,813)	-	(1,294,813)
Transfers		-	(7,523)	-	(7,523)
Total Comprehensive Loss		-	(1,302,336)		(1,302,336)
Transactions with owners in their capacity as owners and other transfers					
Shares issued during the year		102,722	-	-	102,722
Transactions with owners and other transfers		102,722	-		102,722
Balance at 30 June 2015		**20,443,107**	**(22,007,315)**	**-**	**(1,564,208)**
Balance at 1 July 2015		20,443,107	(22,007,315)	-	(1,564,208)
Comprehensive Income					
Loss for the year		-	(452,624)	-	(452,624)
Total Comprehensive Loss			(452,624)		(452,624)
Transactions with owners in their capacity as owners and other transfers					
Shares issued during the year		1,598,861	-	-	1,598,861
Costs of Issue		(16,300)	-	-	(16,300)
Transactions with owners and other transfers		1,582,561	-		1,582,561
Balance at 30 June 2016		**22,025,668**	**(22,459,939)**	**-**	**(434,271)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016	2015
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		147	-
Other revenue		522	-
Payment to suppliers and employees		(16,519)	(74,985)
Net cash used in operating activities	20(b)	(15,850)	(74,985)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(126,722)	-
Exploration & evaluation expenditure incurred		(89,585)	(61,435)
Net cash used in investing activities		(216,307)	(61,435)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	39,767
Proceeds from issue of ordinary shares		365,789	102,722
Net cash provided by financing activities		365,789	142,489
Net increase in cash held		133,632	6,069
			-
Cash and cash equivalents at the beginning of financial year		14,593	8,524
Cash and cash equivalents at the end of financial year	9	**148,225**	**14,593**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of Black Ridge Mining NL (or "the Company") and its Controlled Entities ("Group").

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Black Ridge Mining NL at the end of the reporting period. A controlled entity is any entity over which Black Ridge Mining NL has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 13 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

b. Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land and leasehold improvements, is depreciated on a diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated on a straight line basis over the estimated useful lives of the improvements.

The depreciation rates used for the depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and Equipment	33%
Computer Equipment	37.5%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Exploration, evaluation and development expenditure

It is the Group's policy to capitalise the cost of acquiring rights to explore areas of interest. All other exploration expenditure is expensed to the statement of profit or loss and other comprehensive income.

The costs of acquisition are carried forward as an asset provided rights to tenure are current and one of the following conditions are met:

- Such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively, by its sale; or
- Exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence of otherwise of recoverable reserves, and active and significant operations in relation to the area are continuing.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Fair values*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference similar to instruments and option pricing models.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

f. Investments in associates

Associates are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the associate company. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits.

If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Accounting Standard (eg in accordance with the revaluation model in AASB 116).

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. Intangibles

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

i. Contributed equity

Issued and paid-up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

j. Equity-settled compensation

From time to time the Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions)

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a pricing model which incorporates all market vesting conditions.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-based transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If any equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

k. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

m. Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

n. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

p. Comparative information

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

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

q. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

(i) Impairment – general

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using calculations which incorporate various key assumptions.

r. Earnings per share

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. New standards and interpretations not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

The Company does not anticipate that there will be a material effect on the financial statements from the adoption of these standards.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AAASB 15 'Revenue from contracts with customers'	1 January 2017	30 June 2018

t. Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of the normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2016, the Group incurred an operating loss of $452,624 (2015: $1,294,813). The Group has recorded net liabilities of $434,271 as at 30 June 2016 (2015: net liabilities of $1,564,208).

Mr Vladimir Nikolaenko has confirmed that he will not call the amounts owed to him or his related parties as at 30 June 2016 by the Group until the Group has ability to pay.

Based upon the Group's ability to modify expenditure outlays if required, a commitment from Mr Nikolaenko not to demand repayments for loans given to the Group for a period of up to 1 year from the date of this financial report and the funds raised from the entitlements issue, the directors consider there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation to be appropriate for the preparation of the Group's 2016 financial report.

However, the Directors recognise that the ability of the Company to continue as a going concern and to pay its debts as and when they fall due is dependent on the ability of the Company to secure additional funding through either the issue of further shares and or options, convertible notes, entering into negotiations with third parties regarding the sale and or farm out of assets of the Company, the continual financial support of Mr Nikolaenko, or a combination thereof.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	160,002	14,593
Non current assets	1,039,068	927,000
TOTAL ASSETS	1,199,070	941,593
LIABILITIES		
Current liabilities	1,525,795	2,505,801
TOTAL LIABILITIES	1,525,795	2,505,801
NET LIABILITIES	(326,725)	(1,564,208)
EQUITY		
Issued capital	22,025,668	20,443,107
Accumulated losses	(22,352,393)	(22,007,315)
TOTAL EQUITY	(326,725)	(1,564,208)
STATEMENT OF COMPREHENSIVE INCOME		
Total loss for the year	(345,078)	(1,294,813)

Guarantees
The Company has not entered into any guarantees in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent liabilities
Details of contingent liabilities are set out in Note 18.

	2016	**2015**
	$	**$**
NOTE 3: REVENUE AND OTHER INCOME		
Finance income	147	23
Other	522	-
Total revenue from ordinary activities	669	23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 4: LOSS FOR THE YEAR

Loss from ordinary activities before income tax expense has been arrived at after charging the following items:

Administration costs		
- Audit fees	10,827	15,955
- Company secretarial fees	(15,487)	19,545
- Legal fees	5,293	12,287
- Accounting fees	2,290	5,600
- Rent & outgoings	-	12,845
- ASX / Share registry fees	44,205	37,659
- Other	18,604	15,206
	65,732	119,097

NOTE 5: INCOME TAX

A reconciliation between tax revenue and the product of accounting loss before income tax multiplied by Group's applicable income tax rate is as follows:

Accounting loss before tax from continuing operations		
Loss before tax from discontinued operations	(452,624)	(1,294,813)
At the Parent Entity's statutory income tax rate of 28.5% (2015: 30%)	(128,998)	(388,444)
- Section 40-880 deduction	(9,937)	(9,470)
Unused tax losses and temporary differences not recognised as deferred tax assets	138,935	397,914
Income tax attributable to entity	-	-

Net deferred tax assets have not been brought to account, as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 6: KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2016.

The totals of remuneration attributable to KMP of the Company during the year are as follows:

	2016	2015
	$	$
Short-term employee benefits	70,200	90,000
Share based payments	134,000	-
	204,200	90,000

NOTE 7: AUDITORS' REMUNERATION

Audit and review of accounts	27,000	21,000
	27,000	21,000

NOTE 8: EARNINGS PER SHARE

Earnings used in the calculation of EPS		
Loss	(452,624)	(1,294,813)
	Number	**Number**
Weighted average number of ordinary shares used as the denominator in calculating basic EPS	1,440,642,135	803,191,573

The Company's potential ordinary shares are not considered dilutive and accordingly basic loss per share is the same as diluted loss per share.

	Note	2016	2015
NOTE 9: CASH AND CASH EQUIVALENTS		$	$
Cash at bank		148,225	14,593
		148,225	14,593

NOTE 10: TRADE AND OTHER RECEIVABLES

GST receivable	11,776	-
	11,776	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	$	$
Plant and equipment		
At cost	151,797	25,076
Accumulated depreciation	(60,275)	(25,076)
	91,522	-
Computer equipment		
At cost	21,620	21,620
Accumulated depreciation	(21,620)	(21,620)
	-	-
	91,522	-

Movements in carrying amount

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Plant and equipment		
Balance at beginning of the year	-	-
Additions	126,722	-
Disposals	-	-
Depreciation expense	(35,200)	-
Carrying amount at the end of the year	91,522	-

NOTE 12: DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURE

	2016	2015
	$	$
Balance at beginning of year	927,000	1,871,068
Exploration expenditure incurred	-	87,000
Impairment	(87,000)	(1,031,068)
	840,000	927,000

The Group has capitalised the acquisition cost of the Unaly Hill project (Note 1d).

The value of the consolidated entity's interest in deferred exploration and evaluation expenditure is dependent upon:

- The continuance of the consolidated entity's right of tenure of the areas of interest;
- The results of future exploration;
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The actual recoverable amount may be significantly different to this value. Future exploration and evaluation results and changes in commodity prices may increase the estimated value in the future, which may result in the reversal of some or all of impairment previously recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	$	$

NOTE 13: CONTROLLED ENTITIES

Controlled entities consolidated

	Percentage Owned (%)	
Subsidiaries of Black Ridge Mining NL	**2016**	**2015**
Unaly Hill Pty Ltd	100	100
Sandstone Holdings Pty Ltd	100	100
Oil & Gas SE Pty Ltd	100	100

NOTE 14: TRADE AND OTHER PAYABLES

	2016 $	2015 $
Trade payables *	506,932	322,416
Sundry payables and accrued expenses	10,500	341,568
	517,432	663,984

*Trade payables are non-interest bearing and normally settled in 30 days.

NOTE 15: BORROWINGS

	2016 $	2015 $
Loan – Pyro Holdings	266	-
Loan – Fiji Holdings Pty Ltd	74,246	57,700
Loan – Mutual Holdings Pty Ltd	59,850	59,850
Loan – Plato Mining Pty Ltd	874,000	1,724,000
	1,008,362	1,841,550

(i) Loan payable to Fiji Holdings (Company related to Mr Vladimir Nikolaenko) is unsecured. Interest is payable on this loan at 10% per annum.

(ii) Loans payable to Mutual Holdings, Pyro Holdings and Plato Mining Pty Ltd (Companies related to Mr Vladimir Nikolaenko) are unsecured and non-interest bearing.

Mr Nikolaenko was a director of the Company until 18 August 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 16: ISSUED CAPITAL

		2016	2015
a.	**Issued share capital** 1,655,353,481 fully paid ordinary shares (2015: 854,561,658)	22,025,668	20,443,107

b. Ordinary shares

	Note	2016 Number	2015 Number
At the beginning of the reporting period:		854,561,658	754,560,658
Shares issued during the year			
20 August 2015 @ $0.002 (i)		601,641,823	-
13 November 2015 @ $0.002 (ii)		17,500,000	-
27 November 2015 @ $0.002 (iii)		86,250,000	-
01 April 2016 @ $0.002 (iv)		12,000,000	-
22 June 2016 @ $0.002 (v)		83,400,000	-
17 September 2014 @ $0.001		-	50,000,000
19 September 2014 @ $0.001		-	1,000
22 April 2015 @ 0.01		-	50,000,000
At the end of the reporting period		1,655,353,481	854,561,658

(i) 101,641,823 shares issued to raise $200,561. 500 million shares issued in part settlement ($850,000) of amounts owed to Plato Mining Pty Ltd (Note 15) and in lieu of director and company secretary fees owed by the company. Under an underwriting arrangement announced on the ASX on 5 June 2016, Plato Mining Pty Ltd underwrote the placement to the value of 500 million shares. Director related creditors of the company sub-underwrote an amount to the value of 131,875,000 shares. Plato Mining Pty Ltd agreed to assign a portion of the amount sub-underwritten against the company's loan balance with Plato Mining Pty Ltd. The remaining amount sub-underwritten was allocated against director and company secretary fees owed by the company.

(ii) 15 million shares issued to raise $30,000. 2,500,000 shares issued in lieu of consulting fees.

(iii) Shares issued in lieu of director and company secretary fees.

(iv) Shares issued in lieu of consulting fees.

(v) 72,500,000 shares issued to raise $169,000. 10,900,000 shares issued in lieu of consulting fees.

Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 16: ISSUED CAPITAL (continued)

Capital management policy

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund its activities. The Group monitors capital on the basis of the gearing ratio. However there are no external borrowings as at balance date.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Group is not subject to externally imposed capital requirements.

NOTE 17: CONTRACTUAL AND LEASING COMMITMENTS

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay tenement lease rentals and perform minimum exploration work to meet minimum expenditure requirements specified by various government authorities. These obligations are subject to renegotiation when application for a mining lease is made and at various other times. These obligations are not provided for in the financial report and are payable:

	Note	2016	2015
		$	$
- not later than 12 months		70,000	70,000
- between 12 months and 5 years		-	7,806
- greater than 5 years			
		70,000	77,806

NOTE 18: CONTINGENT LIABILITIES

The Company has a contingent liability in relation to the acquisition of the Unaly Hill mining tenement E57/420:

a) Upon establishment of an Inferred, Indicated or Measured resource, royalty payments must be made to the vendor based on mineral ore tonnages identified.

   i) Where the resource relates to iron ore, vanadium or phosphate – Inferred resource $0.02 per tonne of ore, Indicated resource $0.04 per tonne of ore and Measured resource $0.06 per tonne of ore.

   ii) Where the resource relates to U_3O_8 or any base metal – Inferred resource $0.05 per tonne of ore, Indicated resource $0.08 per tonne of ore and Measured resource $0.10 per tonne of ore.

   iii) Where the resource relates to gold or any other precious metal – Inferred resource $0.20 per tonne of ore, Indicated resource $0.30 per tonne of ore and Measured resource $0.50 per tonne of ore.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 18: CONTINGENT LIABILITIES (continued)

b) A further royalty equal to 2.25% of gross revenue arising from sale of minerals derived from the tenement.

An agreement with the vendor was entered into when an Initial Inferred resource was announced deferring the payment of the additional amount identified in (a) above until an alternative agreement is reached.

NOTE 19: OPERATING SEGMENT

The Group has identified that it operates in only one segment based on the internal reports that are reviewed and used by the board of directors (chief operation decision makers) in accessing performance and determining to allocation of resources. The group's principle activity is mineral exploration.

NOTE 20: CASH FLOW INFORMATION

	Note	2016 $	2015 $
a. Reconciliation of cash			
Cash at end of financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:			
Cash and cash equivalents		148,225	14,593

b. Reconciliation with operating loss

Reconciliation of cash flows from operations with operating loss after income tax is set out as follows:

	2016	2015
Operating losses	(452,624)	(1,294,813)
Non-cash flows included in loss:		
- Depreciation expense	35,200	-
- Share based payments	134,000	-
- Impairment of exploration assets	87,000	1,031,068
Exploration expenditure included in operating loss	128,183	53,913
Changes in assets and liabilities:		
- (Increase)/decrease in receivables	(11,777)	11,800
- Decrease in prepayments	-	9,467
- Increase in operating creditors and accruals	64,166	113,580
Net cash used by operating activities	(15,850)	(74,985)

Ref to Note 16 for non-cash investing and financing activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 21: EVENTS AFTER THE REPORTING PERIOD

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 22: 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.

a) Key management personnel

The names of each person holding the position of director of the Company during the financial year are:

P Elliott (passed away 8 March 2016)

V Nikolaenko (resigned 18 August 2016)

T Gilfillan (resigned 27 October 2015)

G Smith (appointed 27 October 2015)

B Clark (appointed 8 March 2016)

For details of disclosures relating to key management personnel, refer to the remuneration report.

b) Administration service agreement

- **Corporate Admin Services Pty Ltd**

The Company had an administration service agreement with Corporate Admin Services Pty Ltd, a company of which Mr. Vladimir Nikolaenko is a director, which has now lapsed as the option to extend the agreement was not exercised.

The amount owing to Corporate Admin Services Pty Ltd at 30 June 2016 is $196,079 (2015: $180,780).

c) Acquisition of mining tenement – additional consideration

- **Plato Mining Pty Ltd**

In 2009, the Company acquired the Unaly Hill Tenement (E57/420) from Plato Mining Pty Ltd, a company of which Mr Vladimir Nikolaenko is a director. Upon the establishment of a JORC Code compliant Inferred resource, Indicated resource or Measured resource on the Tenement, the Company is pay further amounts to Plato Mining Pty Ltd (Note 18).

For details of disclosures relating to amount payable to Plato Mining Pty Ltd, refer to Note 15.

d) Short term financing arrangement

- **Fiji Holdings Pty Ltd**

In 2014, the Company entered into a financing arrangement with Fiji Holdings Pty Ltd, a company of which Mr Vladimir Nikolaenko is a director. The agreement provides the Company with a facility of up to $100,000 to fund operations whilst alternatives for a capital raising are considered, and provides for payment of interest at 10% per annum on the drawn balance. The facility is unsecured. Balance payable at 30 June 2016 is $74,246 (2015: $57,700).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 22: RELATED PARTY TRANSACTIONS (continued)

- **Mutual Holding Pty Ltd**

In 2014 the Company entered into a financing arrangement with Mutual Holding Pty Ltd, a company of which Mr Vladimir Nikolaenko is a director. This facility is unsecured and non interest bearing. Balance payable at 30 June 2016 is $59,850 (2015: $59,850).

- **Pyro Holding Pty Ltd**

In 2015 the Company entered into a financing arrangement with Mutual Holding Pty Ltd, a company of which Mr Vladimir Nikolaenko is a director. This facility is unsecured and non interest bearing. Balance payable at 30 June 2016 is $266 (2015: Nil).

NOTE 23: FINANCIAL RISK MANAGEMENT

This note presents information about the Group's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company and the Group through regular reviews of the risks.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, leases and preference shares.

The totals for each category of financial instruments, measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements, are as follows:

Categories of financial instruments	**Note**	**2016**	**2015**
		$	**$**
Financial assets			
Cash and cash equivalents	9	148,225	14,594
		148,225	14,594
Financial liabilities			
Payables and borrowings	14,15	1,525,794	2,505,801
		1,525,794	2,505,801

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 23: FINANCIAL RISK MANAGEMENT (continued)

a. General objectives, policies and processes

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The principal financial instruments from which financial instrument risk arises:

- trade and other receivables	- cash at bank
- trade and other payables	- borrowings

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function. The Company's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the results of the Company where such impacts may be material.

Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

b. Credit risks

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of the contract obligations that could lead to a financial loss to the Company. There is no material amount of collateral held as security at 30 June 2016.

Cash and cash equivalents

The Company limits its exposure to credit risk by only depositing cash at banks or financial institutions that have an acceptable credit rating.

Trade and other receivables

As the Company operates primarily in investment and exploration activities, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Company, where necessary, establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 23: FINANCIAL RISK MANAGEMENT (continued)

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at balance date is as follows:

	Note	2016	2015
		$	$
Other Receivables		11,776	-

Liquidity risk

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

The Company manages liquidity risk by continuously monitoring forecast and actual flows.

The Company anticipates a need to raise additional capital in the next 12 months to meet forecast operational activities. The decision on how the Company will raise future capital will depend on market conditions existing at that time.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Financial liability and financial asset maturity analysis

At 30 June 2016	Within 1 Year	1 to 5 Years	Over 5 years	Total
	$	$	$	$
Financial liabilities due for payment				
Payables and borrowings	1,525,794	-	-	1,525,794
Total expected outflows	1,525,794	-	-	1,525,794
Financial assets – cash flows realisable				
Cash and cash equivalents	148,225	-	-	148,225
Total anticipated inflows	148,225	-	-	148,225
Net (outflow)/ inflow on financial instruments	(1,377,570)	-	-	(1,377,570)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 23: FINANCIAL RISK MANAGEMENT (continued)

At 30 June 2015

	Within 1 Year	1 to 5 Years	Over 5 years	Total
	$	$	$	$
Financial liabilities due for payment				
Payables and borrowings	2,505,801	-	-	2,505,801
Total expected outflows	2,505,801	-	-	2,505,801
Financial assets – cash flows realisable				
Cash and cash equivalents	14,593	-	-	14,593
Total anticipated inflows	14,593	-	-	14,593
Net (outflow)/ inflow on financial instruments	(2,491,208)	-	-	(2,491,208)

Market risk

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

Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Company adopts a policy of ensuring that, as far as possible, it maintains excess cash and cash equivalents on short-term deposit at best available market interest rates.

Profile

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

	Note	Consolidated and Company carrying amount 2016	2015
		$	$
Variable rate instruments			
Financial assets – cash and cash equivalents		148,225	14,593

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 23: FINANCIAL RISK MANAGEMENT (continued)

Fair value sensitivity analysis for variable rate instruments

A change in interest rates at the reporting date would not materially affect profit or loss or equity.

c. Fair values

The fair values of financial assets and financial liabilities approximate their carrying value
There are no financial assets and financial liabilities readily traded on organised markets in standardised form.

Aggregate fair values and carrying amounts of financial assets and financial liabilities at balance date:

	Carrying amount		Fair value	
	2016	2015	2016	2015
	$	$	$	$
Financial assets:				
Cash and cash equivalents	148,225	14,593	148,225	14,593
Total financial assets	148,225	14,593	148,225	14,593

	Carrying amount		Fair value	
	2016	2015	2016	2015
	$	$	$	$
Financial liabilities:				
Payables and borrowings	1,525,794	2,505,801	1,525,794	2,505,801
Total financial liabilities	1,525,794	2,505,801	1,525,794	2,505,801

Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.
The Group is not subject to externally imposed capital requirements.

END OF NOTES TO FINANCIAL STATEMENTS (AUDITED)

DIRECTORS' DECLARATION

The directors declare that:

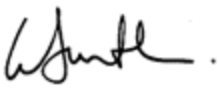
a. The attached financial statements and associated notes are in accordance with the Accounting Standards and the Corporations Regulations.

b. The attached financial statements and notes give a true and fair view of the financial position as at 30 June 2016 and the performance of the consolidated entity for the year ended on that date; and

c. The financial statements and notes are in accordance with the Corporations Act 2001.

In the opinion of the directors there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors:



Graeme Smith
Director

Perth, 30 September 2016

CORPORATE GOVERNANCE STATEMENT

INDEPENDENT AUDIT REPORT

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

Introduction

Since the introduction of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Guidelines" or "the Recommendations"), Black Ridge Mining NL ("Company") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the ASX Guidelines, the Company has followed each Recommendation where the Board has considered the Recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company, the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

Further information about the Company's corporate governance policies can be found on the Company's website.

Taking into account the size of the Company, the Company endeavours to comply with the Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("Corporate Governance Principles and Recommendations") and has adopted the revised Principles and Recommendations. Significant policies and details of any significant deviations from the principles are specified below.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.		Information about the respective roles and responsibilities of our Board and management (including those matters expressly reserved to the Board and those delegated to management) is found under the Board Charter.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.		The appointment of directors is undertaken under the purveyance of the Nomination committee. The function of the Nomination Committee is to identify and recommend candidates to fill vacancies and to determine the appropriateness of director nominees for election to the Board as well as undertake appropriate checks before appointing a person to the Board. The Board recognises the benefits arising from diversity and aims to promote an environment conducive to the appointment of well qualified Board candidates so that there is appropriate diversity to maximise the achievement of corporate goals. As required under the ASX Listing Rules and the Corporations Act, election or re-election of directors is a resolution put to members at each Annual General Meeting. The notice of meeting contains all material information relevant to a decision on whether or not to elect or re-elect a director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.		Letters of appointment for each director and senior executive have been entered into by the Company.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.		The company secretary reports directly to the Board through the Chairman and is accessible to all directors. The function performed by the company secretary is noted in the letter of appointment of the company secretary

CORPORATE GOVERNANCE STATEMENT

1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		The Company has a Diversity policy which can be found on its website under the Corporate Governance section. The Company's Diversity policy does not include requirements for the board to set measurable objectives for achieving gender diversity and given the size and nature of the Company at this stage, the Board considers this course of action reasonable. The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance. The Company has not set measurable objectives for achieving gender diversity during the reporting period of 2015 – 2016. There are no women on the Board.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		Process for Evaluating Board Performance is detailed in the Board Charter. Information on Performance Evaluations is included in the remuneration report section of the Annual Report.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		The Company does not have any executives and therefore does not have a process for evaluating the performance of senior executives. Given the size and nature of the Company, the board considers this to be reasonable in the circumstances. However, the board will re-evaluate senior executive performance evaluation measures should the Company's circumstances change.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE

2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		The Board does not have a Nomination Committee at this point in time. The Board considers it has an appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. Board succession issues are discussed by the whole Board when required.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.		The Board has identified that the appropriate mix of skills and diversity required of its members on the Board to operate effectively and efficiently is achieved by directors having substantial skills and experience in operational management, exploration and geology, corporate law, finance, listed resource companies, equity markets.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.		The Company considers that Graeme Smith, Brett Clark and Don Valentino are independent directors. Graeme Smith has been a director since October 2015. Brett Clark has been a director since March 2016. Don Valentino has been a director since August 2016.
2.4	A majority of the board of a listed entity should be independent directors.		The majority of the board are independent directors.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.		The Chairman is an independent director. The Company does not have a CEO.

CORPORATE GOVERNANCE STATEMENT

2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.		The Company will provide induction material for any new directors and, depending on specific requirements, will provide appropriate professional development opportunities for directors.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.		Code of Conduct sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive to abide by when dealing with each other, shareholders and the broad community

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		The Company's Audit committee comprises all directors and is Chaired by Brett Clark. The Audit Committee charter is disclosed on the Company's website under the Corporate Governance link Qualifications and experience of members of the Audit Committee are found under the directors profile in both the Annual report and on the Company's website at Directors and Management Details of meetings of the audit committee are to be found in the Annual report of the company.

CORPORATE GOVERNANCE STATEMENT

4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		The Company does not have a CEO but the Audit committee receives from it's CFO (Graeme Smith), declarations in relation to full year and half year statutory financial reports during the reporting period in accordance with section 295A of the Corporations Act.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		The audit engagement partner attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.		The Company's continuous Disclosure Policy can be found under the Corporate Governance section of the Company's website

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1	A listed entity should provide information about itself and its governance to investors via its website.		The Company's website provides information on the Company including its background, objectives, projects and contact details. The Corporate Governance page provides access to key policies, procedures and charters of the Company, such as the Board and Committee charters, securities trading policy, diversity policy and the latest Corporate Governance Statement. ASX announcements, Company reports and presentations are uploaded to the website following release to the ASX and editorial content is updated on a regular basis.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.		A Shareholder Communication Policy can be found on the Company's website

CORPORATE GOVERNANCE STATEMENT

6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.		The Company encourages shareholders to attend all general meetings of the Company and sets the time and place of each meeting to promote maximum attendance by Shareholders. The Company encourages Shareholders to submit questions in advance of a general meeting, and for the responses to these questions to addressed through disclosure relating to that meeting. The Company's Shareholder Communication Policy is disclosed on the Company's website.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.		It is the Company's desire that shareholders receive communications electronically in the interests of the environment and constraining costs. In an endeavour to drive this objective the Company has a policy of providing hard materials at least cost (which will generally involve a black & white presentation even where the electronic version is full colour).

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		The Board has not established a Risk committee however it does have a Risk Policy which can be found on the company's website. Risk management is specifically discussed at the Company's board meetings during the year.

CORPORATE GOVERNANCE STATEMENT

7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.		The Company reviews its risk management framework annually and this information is disclosed in the Annual Report.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		The Company currently does not have any staff with bookkeeping and accounting skills so these tasks are undertaken by external consultants. The external consultant discusses with its external auditor each end of year and half year whether there are any issues with internal control and improvements which could be undertaken to improve them.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.		The Company is subject to, and responsible for, existing environmental liabilities associated with its tenements. The Company will continually monitor its ongoing environmental obligations and risks, and implement rehabilitation and corrective actions as appropriate to remain compliant. These risks may be impacted by change in Government policy. The Company does not believe it has any significant exposure to economic and social sustainability risks.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		The Company does not have a Remuneration committee as the Company does not have any staff. The whole board considers the level and composition of remuneration for directors with reference to remuneration levels set by its peers in the mining industry.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.		Non-executive directors are paid amounts equivalent to the remuneration received by other non-executive directors working in similarly sized exploration companies. The Company does not have any staff and no need for a policy on remuneration of executives.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.		The Company does not have an equity based remuneration scheme.

ASX ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange Limited and was the status on 26 September 2016.

Shareholding

(a) Distribution of ordinary shareholders:

Category (size of Holdings)	Number of Ordinary Shareholders	Number of Shares
1 - 1,000	37	13,413
1,001 - 5,000	122	402,717
5,001 - 10,000	168	1,523,209
10,001 - 100,000	424	20,179,298
100,001 - 9,999,999,999	476	1,633,234,844
Total	**1227**	**1,655,353,481**

(b) The number of shareholders holding less than marketable parcels is 967.

(c) 20 largest shareholders at 26 September 2016 - fully paid ordinary share capital.

Rank	Name	Units held at end of period	% of Issued Capital
1	PLATO MINING PTY LTD	392,500,000	23.71
2	NATWEST SECURITIES LIMITED	77,500,000	4.68
3	NYSA PTY LTD	77,000,000	4.65
4	PERSHING AUSTRALIA NOMINEES PTY LTD	66,373,764	4.01
5	KALIARA NOMINEES PTY LTD	63,454,638	3.83
6	MR CHRIS CARR + MRS BETSY CARR	50,000,000	3.02
7	ALL INVESTMENTS PTY LTD	48,049,979	2.9
8	MR ANTONIO ALBERGA	47,562,932	2.87
9	WEMBLEY CORPORATE SERVICES PTY LTD	37,500,000	2.27
10	PETER ROY ELLIOTT	36,250,000	2.19
11	MILL POINT CONSULTING PTY LTD	30,025,000	1.81
12	MR STEPHEN JOHNSON	28,000,000	1.69
13	MR ALDO CARTA	25,500,000	1.54
14	ELYSIAN FIELDS INVESTMENTS PTY LTD	25,130,048	1.52
15	TRAYBURN PTY LTD	25,000,000	1.51
16	KALIARA NOMINEES PTY LTD	20,067,011	1.21
17	MRS FOOK LIN CHAN	20,000,000	1.21
18	MR SAM SARGON DANIEL	16,226,000	0.98
19	MR TOM KOULOUKAKIS + MRS ANGELA KOULOUKAKIS	15,000,000	0.91
20	MR BENG KHOON LIM + MRS KERRIE ANNE MOORE	15,000,000	0.91
	Top 20 holders of ORDINARY FULLY PAID SHARES as at 30 September 2015	**1,116,139,372**	**67.42**

ASX ADDITIONAL INFORMATION

(d) As at 26 September 2016 the Company has the following Substantial Shareholder:

Shareholder	Ordinary shares	% Held
PLATO MINING PTY LTD	392,500,000	23.71

(e) **Restricted securities**
There are no restricted securities on issue by the company.

(e) **Unlisted securities**
At 26 September 2016, the Company has a total 753,091,823 unlisted options as follows

Number of Options	Number of Holders	Exercise Price	Expiry Date
753,091,823	79	$0.003	30 November 2016

(f) **Voting rights**
No restrictions. On a show of hands every member or proxy present shall be entitled to one vote unless a poll is called in which case every share shall have one vote.

(g) **On market buy back**
There has been no on market-buy back of the Company's shares during the financial year.

(h) **Securities Exchange Listing**
Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

(i)

Project

Ultimate Interest	Tenement details	Interest %
Western Australia		
Unaly Hill	E57/420	100%