

Greatland Gold plc

Report & Financial Statements

for the year ended 30 June 2018

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Company Information

| | |
|------------------------------|--|
| Directors | Alex Borrelli – Non-Executive Chairman Gervaise Heddle – Chief Executive Officer Callum N Baxter – Chief Technical Officer Clive Latcham – Non-Executive Director |
| <i>all of</i> | 33 St. James's Square London SW1Y 4JS |
| Secretary | Stephen F Ronaldson |
| Registered Office | Salisbury House, London Wall London EC2M 5PS |
| Website | www.greatlandgold.com |
| Nominated Adviser | SPARK Advisory Partners Limited 5 St. John's Lane London EC1M 4BH |
| Solicitors | Druces LLP Salisbury House, London Wall London EC2M 5PS |
| Auditors | Chapman Davis LLP 2 Chapel Court London SE1 1HH |
| Broker | SI Capital Limited 46 Bridge Street Godalming Surrey GU7 1HL |
| Bankers | Coutts & Co 440 Strand London WC2R 0QS |
| Media and Investor Relations | Luther Pendragon 48 Gracechurch Street London EC3V 0EJ |
| Registrars | Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR |
| Registered number | 5625107 |

Chairman's Statement

I am pleased to report on the Company's audited results for the year ended 30 June 2018.

This year proved to be another exciting period for Greatland Gold plc ("Greatland"), during which several major positive developments occurred, including notable exploration success across the Company's key exploration projects.

Key developments for the year across Greatland's exciting portfolio of 100%-owned exploration projects are detailed in the Strategic Report. However, I would like to take this opportunity to highlight the Company's recent exploration success in the Paterson region of Western Australia, particularly at the Company's Havieron and Black Hills licences.

The Havieron licence, acquired by Greatland in September 2016, covers 135 square kilometres in the Paterson region in Western Australia and is located approximately 40 kilometres east of Newcrest's Telfer gold mine. In April and May 2018, Greatland conducted its first drilling campaign at Havieron, which returned excellent results including 121m at 2.93g/t gold and 0.23% copper from 497m, including 11.5m at 21.23g/t gold and 0.67% copper from 568.5m (HAD001). In September 2018, Greatland commenced its second drilling programme at Havieron and initial observations of visible mineralisation in the first hole of this second campaign (HAD005) are very encouraging. Greatland believes that Havieron has the potential to be a very large mineralised system.

In November 2017, Greatland acquired 100% of the Black Hills gold project in the Paterson region for \$225,000 (Australian Dollars) in cash and shares. The Black Hills gold project covers 25 square kilometres in the Paterson region and sits adjacent to the north western border of Greatland's Havieron licence. In June 2018, Greatland commenced its first exploration campaign at Black Hills which successfully detected multiple gold nuggets in thin sand cover, establishing the presence of high grade gold mineralization at surface over a 200 metre strike length at the Saddle Reefs prospect. Additional rock chip samples were collected and high grade gold (up to 81.7g/t gold) was detected in these samples, thereby quadrupling the strike of surface gold mineralisation from 200m to 800 metres. The Black Hills project is regarded as having high potential for hosting gold deposits similar to Newcrest's Telfer Mine.

Greatland successfully raised £4,443,988 of new equity (net of costs) during the year and a further £2,517,500 of new equity (net of costs) since the close of the financial year. These funds will be used to accelerate exploration across our key projects, particularly at Greatland's Havieron and Black Hills licences, whilst the Company will continue to maintain a disciplined, results-based approach towards capital allocation.

For the 12 months ended 30 June 2018 the Group recorded a loss of £1,836,545, equating to a loss of 0.07 pence per share. The loss for the year is reflective of total exploration costs of £1,021,493 and administrative expenses of £818,943. This compares to a loss of £1,250,534 in the previous year that equated to a loss of 0.07 pence per share. The Group's cash deposits stood at £3,597,101 at the period end.

Subsequent to the end of the financial year, we were very pleased to announce the appointment of Clive Latcham as a Non-Executive Director of Greatland. Clive is a chemical engineer and mineral economist with over thirty years' experience in senior roles in the mining sector, including nine years in executive positions at Rio Tinto plc.

Chairman's Statement, continued

Our key strategy for the next three to five years is to leverage our strong financial position and accelerate exploration across our key assets, and to seek opportunities to monetise those key exploration assets whether through sale, joint venture or spin off via initial public offering.

We remain confident in the long-term fundamentals for the mining industry, and we are particularly optimistic regarding the outlook for gold, other precious metals and copper. I would like to thank the entire Greatland Gold team for their efforts and commitment during this exciting time.

Alex Borrelli
Chairman
1 November 2018

Board of Directors

Alex Borrelli

FCA, Non-executive Chairman

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

Gervaise Heddle

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

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

Callum Baxter

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

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

Clive Latcham (appointed 15 October 2018)

BE (Hons), MSc (Mineral Economics), Non-Executive Director

Clive is a chemical engineer and mineral economist with over thirty years' experience in senior roles in the mining sector. Clive joined Greatland from ERM - Environmental Resource Management, the world's leading sustainability consultancy group, where he is currently Senior External Advisor, and advisor to the Chairman and Chief Executive Officer. Prior to his role at ERM, Clive worked as an independent advisor to private equity and mining consultancy firms, and spent nine years in senior roles with Rio Tinto plc. During his time at Rio Tinto, Clive spent four years as Copper Group Mining Executive, where he was responsible for managing Rio Tinto's investments in the operating businesses of Escondida in Chile, Grasberg in Indonesia, and Phalaborwa in South Africa and for the initial development of new projects and acquisitions, including La Granja in Peru and La Sampala in Indonesia.

Strategic report

Principal activities, strategy and business model

The principal activity of the Group is to explore for and develop natural resources, with a focus on gold. The Board seeks to increase shareholder value by the systematic evaluation of its existing resource assets, and by acquiring exploration and development projects in underexplored areas.

The Group's strategy and business model is developed by the Chief Executive Officer and is approved by the Board. The executive directors who report to the Board are responsible for implementing the strategy and managing the business.

The Group's primary strategy is to advance projects that have potential for the discovery of large mineralised systems (typically considered to be in excess of one million ounces of gold) through the various stages of exploration and development with a view to monetising at least one or more of those projects, whether through an outright sale, joint venture, or spin-out via initial public offering, within a three to five year period.

Business development and performance

During the twelve months ended 30 June 2018, Greatland successfully advanced exploration across its portfolio of projects (six projects, 100% owned by Greatland), as detailed in the "Review of key developments by project" section below. Most notably, Greatland's first drilling campaign at Havieron returned excellent results including 121m at 2.93g/t gold and 0.23% copper from 497m, including 11.5m at 21.23g/t gold and 0.67% copper from 568.5m (HAD001).

The Group's financial position was further strengthened during the year by the successful raise of £4,443,988 of new equity (net of costs). The Group's cash deposits stood at £3,597,101 at 30 June 2018 (compared to £930,500 at 30 June 2017). These funds will be used to accelerate exploration across our key exploration projects.

Review of key developments by project

Paterson project (Western Australia), 100% owned

The Paterson project, comprising the Havieron, Paterson Range East and Black Hills licences, is located in the Paterson region of northern Western Australia. The three licences collectively cover more than 385 square kilometres of ground which is considered prospective for iron-oxide-copper-gold ("IOCG") deposits and Telfer style gold deposits.

In April and May 2018, the Group conducted its first drilling campaign at Havieron (four core holes for approximately 2,400 metres of drilling). Results from this first campaign were excellent, including 121m at 2.93g/t gold and 0.23% copper from 497m, including 11.5m at 21.23g/t gold and 0.67% copper from 568.5m (HAD001) and 21m at 3.78g/t gold and 0.44% copper from 418m (HAD003). The results established the presence of a zone of high-grade mineralisation (peak grades 137.69g/t gold and 4.11% copper) and highlighted the potential for Havieron to represent a very large mineralised system.

In September 2018, Greatland commenced its second drill programme at Havieron, which is designed to further determine the extent and orientation of the high-grade zone of mineralisation at Havieron that was detected in Greatland's maiden drilling campaign.

In November 2017, Greatland purchased exploration licence E45/4512 ("Black Hills") for a total approximate consideration of AUD\$225,000 (AUD\$25,000 in cash and the issuance of 6,500,000 ordinary shares in Greatland Gold plc). In June and July 2018, the Group conducted its first field exploration campaign at Black Hills which successfully identified multiple gold nuggets at surface and established a strike length of high-grade gold mineralisation at surface of up to 800 metres. The Black Hills project is regarded as having high potential for hosting gold deposits similar to Newcrest's Telfer Mine.

Strategic report, continued

Review of key developments by project, continued

Subsequent to period end, Greatland also announced a new exploration programme in the Paterson to test the multiple regional targets, many with a similar geophysical signature to Havieron, that were identified by a review of regional geophysical and geochemical data conducted by Greatland.

Ernest Giles project (Western Australia), 100% owned

The Ernest Giles project is located in central Western Australia, covering an area of more than 2,000 square kilometres that includes over 230km of strike of gold and nickel prospective rocks. The area is covered by desert sands and sediments, making it virtually unexplored. The region is home to several successful exploration discoveries such as Tropicana, AngloGold (ASX: AGG), which contains over seven million ounces, and Yamarna/Gruyere, Gold Road Resources (ASX: GOR) and Gold Fields Ltd (NYSE: GFI), with over six million ounces. The area is considered prospective for large (multi-million ounce) gold deposits.

In late 2016, Greatland completed a broad spaced Reverse Circulation (RC) drilling programme at Meadows in the south-east of the project area which outlined two large zones of gold mineralisation: a Western zone 6km long by 1.5km wide and an Eastern zone 2km long by 1.5km wide. In May 2017, Greatland entered an agreement with Newmont Exploration Pty Ltd (“Newmont”), a subsidiary of Newmont Mining Corporation (NYSE:NEM), regarding the Ernest Giles gold project, which included a right of first refusal over the Ernest Giles project. During 2017, Newmont conducted a Deep Sensing Geochemistry (“DSG”) survey over the Meadows area which identified several new surface gold anomalies. Unfortunately, Newmont informed Greatland in January 2018 that it did not wish to proceed with the Ernest Giles project.

In March 2018, Greatland completed a Mobile Metal Ion (“MMI”) sampling programme at the Meadows, Empress and Wishbone areas, which identified new gold targets and confirmed existing targets. In June 2018, Greatland commenced an RC drilling programme which included twenty five drill holes at the Meadows area, two drill holes at the Empress area, two drill holes at the Wishbone area and one drill hole at the Carnegie area. Results from this drilling campaign extended the two previously identified large zones of gold mineralization at the Meadows area, and detected gold, silver and copper mineralization at the Wishbone area.

Panorama project (Western Australia), 100% owned

The Panorama project consists of three adjoining licence applications, covering 155 square kilometres, located in the Pilbara region of Western Australia, in an area that is considered to be highly prospective for gold and cobalt.

During the period, Greatland conducted its first exploration campaign at Panorama, which highlighted the presence of several gold anomalies within the southern licence (E46/1166) and confirmed the potential for a high-grade zone of gold mineralisation, approximately 3.2 kilometres long, in the northern licence (E45/4936).

The Panorama project is also considered to be highly prospective for cobalt as it occupies a dominant and strategic position across what is potentially the largest coherent cobalt in streams anomaly in Western Australia.

Strategic report, continued

Review of key developments by project, continued

Firetower project (Tasmania), 100% owned

The Firetower project is located in central north Tasmania, Australia, and covers an area of 62 square kilometres. The Firetower prospect has significant gold mineralisation from surface with drill intercepts (historic and Greatland) including 29m at 2.39g/t, 17m at 5.37g/t (incl 1m at 30g/t), 10m at 6.2g/t, 3m at 21.38g/t Au, 11m at 4.3g/t, 1.2m at 14.9g/t. Greatland's exploration target for the Firetower prospect is one million ounces of gold.

A technical review of the Firetower project, conducted in early 2018, highlighted the potential for Induced Polarisation ("IP") geophysics to assist in outlining the trend of gold mineralisation in areas untested by previous drilling. In April to June 2018, the Company executed a comprehensive 3DIP survey, which covered a strike length of 1.6km over the immediate mineralised zone at Firetower, and also high priority target areas to the immediate west and east. High quality IP data was collected allowing the production of excellent 3D models which highlighted a large gold target, approximately 1,000 metres long, traversing east-west across the Firetower prospect, which is open to the east and up to depths of 400 metres.

Warrentinna project (Tasmania), 100% owned

The Warrentinna project is located 60 kilometres north east of Launceston in north eastern Tasmania and covers an area of 37 square kilometres with 15 kilometres of strike prospective for gold. During the period, Greatland undertook various desktop studies that reviewed the results from the successful drilling campaign in late 2016, which extended the continuity of gold mineralisation at Warrentinna.

Bromus project (Western Australia), 100% owned

The Bromus project is located 25 kilometres south west of Norseman in the southern Yilgarn region of Western Australia. The Bromus project covers 52 square kilometres of under-explored greenstone and intrusive granites of the Archean Yilgarn Block at the southern end of the Kalgoorlie-Norseman belt. During the period, Greatland undertook various desktop studies which focused on the potential for gold mineralisation in the northern portion of the Bromus licence and further reviewed results of the drilling campaign in 2016 that identified a VMS system in the south of the licence.

Further details regarding exploration activities during the year can be found on the Company's website at www.greatlandgold.com.

Main trends and factors likely to impact future business performance

The Board considers the following to be the key trends and factors that are likely to impact future business performance:

- General commodity cycle – Commodity prices have generally improved since the low point in early 2016, however, prices for many commodities (including gold and copper) have fallen in recent months. The Board maintains a positive outlook for commodity prices, and the gold price in particular.
- Exploration results – Management's ability to successfully execute Greatland's exploration strategy is a key factor in the future business performance of the Company. Specific business principles designed to maximize the Company's chance of long-term success in this regard are highlighted in the following section ("Principal risks and uncertainties").

Strategic report, continued

Principal risks and uncertainties

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

- Mineral exploration - Mineral exploration is a high-risk activity and there can be no guarantee that the Company can identify a mineral resource that can be extracted economically. In order to minimise this risk and to maximise the Company's chances of long-term success, we are committed to the following strategic business principles:
 - The board regularly reviews our exploration and development programmes and allocates capital in a manner that it believes will maximise risk-adjusted return on capital;
 - We focus our activities on jurisdictions that we believe represent low political and operational risk. Moreover, we strongly prefer to operate in jurisdictions where our team has considerable on the ground experience. At the present time, all of the Company's projects are in Australia, a country with established mining codes, stable government, skilled labour force, excellent infrastructure, and a well established mining industry;
 - We apply advanced exploration techniques to areas and regions that we believe are relatively under-explored historically;
 - Exploration work is conducted on a systematic basis. More specifically, exploration work is carried out in a phased, results-based fashion and leverages a wide range of exploration methods including modern geochemical and geophysical techniques and various drilling methods.
- Commodity price risk – The principal commodities that are the focus of our exploration and development efforts (precious metals and base metals) are subject to highly cyclical patterns in global demand and supply, and consequently, the price of those commodities is highly volatile.
- Recruiting and retaining highly skilled directors and employees – the Company's ability to execute its strategy is highly dependent on the skills and abilities of its people. We undertake ongoing initiatives to foster good staff engagement and ensure that remuneration packages are competitive in the market.
- Occupational health and safety – every Director and employee of the Company is committed to promoting and maintaining a safe workplace environment. The Company regularly reviews occupational health and safety policies and compliance with those policies. The Company also engages with external occupational health and safety expert consultants to ensure that policies and procedures are appropriate as the Company expands its activity levels.

By order of the Board

Gervaise Heddle

Chief Executive Officer

1 November 2018

Directors' report

The Directors present their twelfth annual report on the affairs of the Group and parent company, together with the Group financial statements for the year ended 30 June 2018.

Fundraising

The Group raised £4,443,988 net of costs during the year (2017: £1,371,707).

Results and dividends

The Group's results are described in the Group statement of comprehensive income on page 28. The audited financial statements for the year ended 30 June 2018 are set out on pages 28 to 52.

The Group has incurred a loss for the year of £1,836,545 (2017: £1,250,534).

The Directors do not recommend the payment of a dividend.

Risk Management

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

General and economic risks

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

Funding risk

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

Commodity risk

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

Directors' report, continued

Exploration and development risks

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

Market risk

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

Key performance indicators

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

Directors

The Directors who served during the year are as follows:

Callum Baxter

Alex Borrelli

Gervaise Heddle

Michael McNeilly – resigned 25 October 2017

Clive Latham was appointed to the Board on 15 October 2018.

Share capital

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

Charitable and political donations

During the period there were no charitable or political contributions.

Payment of suppliers

The Group's policy is to settle terms of payment with suppliers when agreeing terms of business, to ensure that suppliers are aware of the terms of payment and to abide by them. It is usual for suppliers to be paid within 30 days of receipt of invoice. At 30 June 2018 the Group's creditors were equivalent to 35 days' costs.

Directors' report, continued

Substantial shareholdings

On 30 June 2018 and 16 October 2018, the following were registered as being interested in 3% or more of the Company's ordinary share capital:

| | 16 October 2018 | | 30 June 2018 | |
|--|--------------------------------|------------------------------------|--------------------------------|------------------------------------|
| | Ordinary shares of £0.001 each | Percentage of issued share capital | Ordinary shares of £0.001 each | Percentage of issued share capital |
| Hargreaves Lansdown (Nominees) Limited | 878,811,733 | 27.24% | 819,364,870 | 27.29% |
| Interactive Investor Services Nominees Limited | 494,536,720 | 15.33% | 469,808,509 | 15.65% |
| HSDL Nominees Limited | 334,113,173 | 10.36% | 334,566,701 | 11.14% |
| Barclays Direct Investing Nominees Limited | 275,599,955 | 7.99% | 252,541,812 | 8.41% |
| Share Nominees Limited | 165,744,317 | 5.14% | 137,178,361 | 4.57% |
| CGWL Nominees Limited | 178,262,342 | 5.53% | 121,262,342 | 4.04% |
| Vidacos Nominees Limited | 118,695,767 | 3.68% | 118,882,091 | 3.96% |
| HSBC Client Holdings Nominee (UK) Limited | 116,716,990 | 3.62% | 109,816,788 | 3.66% |
| Lawshare Nominees Limited | 108,486,850 | 3.36% | 94,545,805 | 3.15% |

Included in the above Nominee accounts, Mr Stephen Beetham held a total of 121,000,000 (4.03%) shares in the Company at the year end. Subsequent to the year end, on 08 October 2018, Mr Beetham held a total of 200,000,000 (6.2%) shares in the Company.

Auditors

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

Directors' report, continued

Directors' remuneration

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

Furthermore, as announced by the Company on 18 August 2017, 47,500,000 share options were issued to four directors; Gervaise Heddle Chief Executive Officer, Callum Baxter Chief Technical Director, Alex Borrelli Non-Executive Chairman and Michael McNeilly Non-Executive Director. Of these, 5,000,000 share options issued to Michael McNeilly, expired on 24 October 2017 when he resigned from the Board. As set out in Note 15, under the Company's employee share option plan there were 205 million unexercised options in issue (2017: 189 million).

During the year the Directors were awarded performance bonuses totalling £196,874 (see note 7) (2017: £nil). This amount represents an award to reflect the significant advances made by the Company during the year, most notably the exploration success at the Company's Paterson project, and the increase in shareholder value as reflected in the strong rise in the Company's share price during the year.

Events after the reporting period

There are no significant post balance sheet events to disclose for the year ended 30 June 2018, other than those set out in Note 20.

Corporate Governance

A corporate governance statement follows on page 17.

Control Procedures

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

Environmental Responsibility

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

Employment Policies

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

Health and Safety

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

Going Concern

The consolidated entity has incurred a loss before tax of £1,836,545 for the year ended 30 June 2018, and had a net cash outflow of £1,925,239 from operating and investing activities. At that date there were net current assets of £2,990,840. The loss resulted almost entirely from exploration costs and associated administrative related costs.

Directors' report, continued

Going Concern, continued

The Directors are confident in the Company's ability to raise new finance from stock markets if this is required during the financial year ending 30 June 2019 and the Group has demonstrated a consistent ability to do so. This includes a share issuance of 212,000,000 placing shares for gross proceeds of £2,650,000 as announced by the Company on 27 July 2018.

The Group's cash flow forecast for the 12 months ending 31 October 2019 highlights adequate funding at current levels of projected expenditure to last well into 2020. The Board of Directors is confident that sufficient funding is in place to meet all its operational and exploration commitments over the next twelve months and to remain cash positive for the whole period.

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

By order of the Board

Gervaise Heddle

Chief Executive Officer

1 November 2018

Statement of directors' responsibilities

Directors' responsibilities for the financial statements

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

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

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

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

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

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

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

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

Corporate Governance Statement

All members of the board of Greatland Gold plc are committed to the principles of good corporate governance. We believe strongly in the value and importance of strong corporate governance and in our accountability to all of Greatland's stakeholders, including shareholders, employees, contractors and suppliers and native title communities. We recognise the importance of promoting and maintaining a strong occupational health and safety culture and minimising the impact of our activities on local communities and the environment.

Changes to the AIM rules on 30 March 2018 required AIM companies to apply a recognised corporate governance code from 28 September 2018. Greatland has chosen to adhere to the Quoted Company Alliance's ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies (revised in April 2018 to meet the new requirements of AIM Rule 26).

The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. We have considered how we apply each principle to the extent that the board judges these to be appropriate in the circumstances, and below we provide an explanation of the approach taken in relation to each.

At this time, the board believes that it is compliant with all ten Principles of the QCA Code.

The following paragraphs set out Greatland Gold plc's compliance with the 10 principles of the QCA Code.

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

The principal activity of the Company is to explore for and develop natural resources, with a focus on gold. The Board seeks to increase shareholder value by the systematic evaluation of its existing resource assets, and by acquiring exploration and development projects in underexplored areas.

The Company's strategy and business model is developed by the CEO and is approved by the Board. The executive directors who report to the Board are responsible for implementing the strategy and managing the business.

The Company's primary strategy is to advance projects that have potential for the discovery of large mineralised systems (typically considered to be in excess of one million ounces of gold) through the various stages of exploration and development with a view to monetising at least one or more of those projects, whether through an outright sale, joint venture, or spin-out via initial public offering, within a three to five year period.

The key challenges we face include:

- Mineral exploration - Mineral exploration is a high-risk activity and there can be no guarantee that the Company can identify a mineral resource that can be extracted economically. In order to minimise this risk and to maximise the Company's chances of long-term success, we are committed to the following strategic business principles:
 - The board regularly reviews our exploration and development programmes and allocates capital in a manner that it believes will maximise risk-adjusted return on capital;
 - We focus our activities on jurisdictions that we believe represent low political and operational risk. Moreover, we strongly prefer to operate in jurisdictions where our team has considerable on the ground experience. At the present time, all of the Company's projects are in Australia, a country with established mining codes, stable government, skilled labour force, excellent infrastructure, and a well established mining industry;
 - We apply advanced exploration techniques to areas and regions that we believe are relatively under-explored historically;
 - Exploration work is conducted on a systematic basis. More specifically, exploration work is carried out in a phased, results-based fashion and leverages a wide range of exploration methods including modern geochemical and geophysical techniques and various drilling methods.

Corporate Governance Statement, continued

- Commodity price risk – The principal commodities that are the focus of our exploration and development efforts (precious metals and base metals) are subject to highly cyclical patterns in global demand and supply, and consequently, the price of those commodities is highly volatile.
- Recruiting and retaining highly skilled directors and employees – the Company’s ability to execute its strategy is highly dependent on the skills and abilities of its people. We undertake ongoing initiatives to foster good staff engagement and ensure that remuneration packages are competitive in the market.
- Occupational health and safety – every Director and employee of the Company is committed to promoting and maintaining a safe workplace environment. The Company regularly reviews occupational health and safety policies and compliance with those policies. The Company also engages with external occupational health and safety expert consultants to ensure that policies and procedures are appropriate as the Company expands its activity levels.

Principle 2: Seek to understand and meet shareholder needs and expectations

We have made significant efforts to ensure regular and effective engagement with our broad base of shareholders. In addition to our Annual General Meeting, which is one of our primary forums to present to and meet with investors, we engage in a wide range of activities designed to ensure that investors are regularly updated on the progress of the Company and we attend investor events that provide investors with the opportunity to provide us with feedback and suggestions.

Responsibility for investor relations rests with the CEO, supported by the other Directors of the Company. During the last 12 months, the following activities were conducted in order to engage with shareholders and to ensure that the members of the Board maintained and further developed a strong understanding of the needs and expectations of shareholders:

| Description of Activity | Frequency | Participants | Comments |
|---|-------------|--------------------|---|
| AGM | Annually | All Directors | |
| CEO interviews | Weekly | CEO | CEO conducts regular interviews with Proactive Investors, BRR Media, and Share Talk |
| Investor Presentations | Quarterly | CEO, CTO | Company presents at various investor presentation forums hosted by Proactive, Mining Maven and Share Talk |
| Investor Shows and Industry Conferences | Bi-Annually | CEO, CTO, Chairman | The Company attends various investor shows, for example the UK Investor Show, Mines and Money and Diggers and Dealers |

The Company is committed to communicating openly with its shareholders to ensure that its strategy and performance are clearly understood. All Company announcements and the Company’s most recent investor presentation are available to shareholders, investors and the public on our website.

Private shareholders: The AGM is the principal forum for dialogue with private shareholders, and we encourage all shareholders to attend and participate. Last year, the AGM was well attended with approximately thirty shareholders present at the meeting. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. All members of the board, and the committees, attend the AGM whenever possible and are available to answer questions raised by shareholders. Shareholders vote on each resolution, and voting can also be counted by way of a poll. For each resolution we announce the number of votes received for, against and withheld. The company also maintains a dedicated email address which investors can use to contact the company which is prominently displayed on its website together with the company’s address and phone number.

Institutional shareholders: The directors actively seek to build a mutual understanding of the objectives of institutional shareholders. We communicate with institutional investors frequently through a combination of formal meetings, participation at investor conferences, and informal briefings with management.

Corporate Governance Statement, continued

The majority of meetings with shareholders and potential investors are arranged by the Company's corporate broker.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises its responsibility under UK corporate law to promote the success of the Company for the benefit of its members as a whole. The Board also understands that it has a responsibility towards employees, partners, suppliers and contractors and the local communities in which it operates.

| Stakeholder | Reason for Engagement | How we engage |
|---------------------------|--|---|
| Shareholders | Shareholders are the owners of the Company and the board's primary mission is to increase shareholder value | As described in previous section (Principle 2) |
| Suppliers and Contractors | The Company engages with external suppliers to conduct the majority of its field exploration activities (including drilling and geophysical surveys) | We work to ensure that all members of staff engage in a respectful and professional manner with suppliers. We operate systems to ensure that supplier invoices are processed and paid promptly. |
| Staff and Employees | Recruiting and retaining highly skilled and motivated professions is one of the key drivers of our success | In addition to regular communication between Directors and employees, we conduct monthly staff meetings to promote two-way communication. |
| Native Title Communities | The Company recognises the important heritage of the traditional owners of the land and its ethical and legal responsibility to work together with those communities | The Company ensures that it regularly engages with native title communities and routinely engages with external expert consultants |

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The CEO maintains a risk register for the Company that identifies key risks in the areas of corporate strategy, financial, staff, occupational health and safety, environmental and native title relations. All members of the board are provided with a copy of the register. The register is reviewed periodically and is updated as and when necessary.

Within the scope of the annual audit, specific financial risks are evaluated in detail, including in relation to foreign currency, liquidity and credit.

Managing occupational health and safety risk is one of the key focuses of all directors and employees. Staff are required to immediately report any occupational health and safety incidents and regular training is undertaken to ensure compliance with health and safety policies.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

The Board sets the Company's strategy and ensures that necessary resources are in place in order for the Company to meet its objectives. All members of the Board take collective responsibility for the performance of the Company and all decisions are taken in the interests of the Company.

Whilst the Board has delegated the normal operational management of the Company to the Executive Directors and other senior management, there are detailed specific matters subject to decision by the Board of Directors.

Corporate Governance Statement, continued

These include decisions to commit to major exploration campaigns and approval of associated exploration budgets, acquisitions and disposals, joint ventures and other investments of a capital nature. The Non-executive Directors have a particular responsibility to challenge constructively the strategy proposed by the Executive Directors, to scrutinise and challenge performance, and to ensure appropriate remuneration and that succession planning arrangements are in place in relation to Executive Directors and other senior members of the management team.

The members of the board have a collective responsibility and legal obligation to promote the interests of the Company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chair of the board.

The board consists of four directors of whom two are executive directors (Gervaise Heddle, Chief Executive Officer and Callum Baxter, Chief Technical Officer) and two are independent non-executive directors (Alex Borrelli, Non-Executive Chairman and Clive Latcham, Non-Executive Director) The board is supported by two committees: audit and remuneration. The board does not consider that it is of a size at present to require a separate nominations committee, and all members of the board are involved in the appointment of new Directors.

All Directors are required to attend 10-12 board and board committee meetings per year and to be available at other times as required for face-to-face and telephone meetings with the executive team and investors. Board meetings are led by the Chair and follow an agenda that is circulated prior to the meeting. Every board and committee meeting is minuted and every Director is aware of the right to have any concerns minuted and to seek independent advice at the Company's expense where appropriate.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

All four members of the board bring relevant experience in mining and resources, and all have many years experience in public markets. The board believes that its blend of relevant experience, skills and personal qualities and capabilities is sufficient to enable it to successfully execute its strategy. Directors attend seminars and other regulatory and trade events to ensure that their knowledge remains current.

Alex Borrelli, Independent Non-Executive Chairman

Term of office: Joined as Non-Executive Director on 18 April 2016. Appointed as Non-executive Chairman on 14 August 2016; Chair of the Remuneration Committee and Chair of the Audit Committee.

Background and suitability for the role: Alex is Chairman of Greatland Gold plc, is Chairman and CEO of BMR Group plc and was previously CEO of Metal Tiger Plc. Alex is a qualified Chartered Accountant with many years experience in investment banking encompassing public offerings, takeovers, mergers and acquisitions for private and quoted companies.

Gervaise Heddle, Chief Executive Officer, Executive Director

Term of office: Joined as Non-Executive Director on 27 May 2016. Appointed as Executive Director on 18 July 2016, Appointed as Chief Executive Officer on 19 January 2017; Member of the Audit Committee.

Background and suitability for the role: Gervaise Heddle is Chief Executive Officer of Greatland Gold plc, and a Non-executive Director of MetalNRG plc. Previously, Gervaise was a Non-executive Director of Thor Mining plc, a Division Director of Macquarie Bank and a Fund Manager at Merrill Lynch Investment Managers. Gervaise is a CFA charterholder and has extensive financial markets experience.

Callum Baxter, Chief Technical Officer, Executive Director

Term of office: Co-Founding Director of the Company 16 November 2005, Appointed as Chief Technical Officer on 19 January 2017.

Background and suitability for the role: Callum Baxter is Chief Technical Officer of Greatland Gold plc and Chairman/CEO of investee company Starvest plc. Callum is an experienced geologist and investor with over twenty five years exposure to capital markets and the natural resources sector specialising in early stage exploration.

Corporate Governance Statement, continued

Clive Latcham, Independent Non-Executive Director

Term of office: Joined as Non-Executive Director on 15 October 2018. Member of the Remuneration Committee and Member of the Audit Committee.

Background and suitability for the role: Clive is a Non-Executive Director of Greatland Gold plc. Clive is a chemical engineer and mineral economist with over thirty years' experience in senior roles in the mining sector. Clive joined Greatland from ERM - Environmental Resource Management, the world's leading sustainability consultancy group, where he is currently Senior External Advisor, and advisor to the Chairman and Chief Executive Officer. Prior to his role at ERM, Clive worked as an independent advisor to private equity and mining consultancy firms, and spent nine years in senior roles with Rio Tinto plc. During his time at Rio Tinto, Clive spent four years as Copper Group Mining Executive, where he was responsible for managing Rio Tinto's investments in the operating businesses of Escondida in Chile, Grasberg in Indonesia, and Phalaborwa in South Africa and for the initial development of new projects and acquisitions, including La Granja in Peru and La Sampala in Indonesia.

The Company is committed to a culture of equal opportunities for all employees regardless of gender. The Board will be diverse in terms of its range of culture, nationality and international experience. The current Board members are male and, within the senior management team, there is one female geologist as well as one male geologist.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

A board evaluation process led by the Chairman took place in September 2018. All then current Directors began by completing a questionnaire about the effectiveness of the board and a self-assessment of their own contributions that was returned to the Chairman. The Chairman then reviewed this information and used it as the basis for an individual discussion with each Director, followed by a collective discussion with the board.

The review considers effectiveness in a number of areas including general supervision and management, business risks and opportunities, succession planning, communication (both internal and external), ethics and compliance, corporate governance and individual contribution.

A number of refinements in working practices were identified as a result of this exercise and have since been adopted.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. Our core values serve as a common language that allows all members of staff to work together as an effective team and it is these values and our shared long-term business vision and strategy that we believe will drive growth in shareholder value over the long term.

We are committed to three core values:

1. Creating a safe, positive and inclusive workplace environment
2. Engaging all stakeholders and the broader community with respect, integrity and honesty
3. Fostering a high performance culture that values the contribution of all team members

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board provides strategic leadership for the Company and operates within the scope of a robust corporate governance framework. Its purpose is to ensure the delivery of long-term shareholder value, which involves setting the culture, values and practices that operate throughout the business, and defining the strategic goals that the Company implements in its business plans. The board defines a series of matters reserved for its decision and has approved terms of reference for its Audit and Remuneration Committees to which certain responsibilities are delegated. The chair of each committee reports to the board on the activities of that committee.

For the financial year ended 30 June 2018, the Board met nine times in relation to normal operational matters.

Corporate Governance Statement, continued

Committees and Governance Structures

The Audit Committee monitors the integrity of financial statements, oversees risk management and control, monitors the effectiveness of the internal audit function and reviews external auditor independence. The Audit Committee comprises Alex Borrelli, Clive Latcham and Gervaise Heddle.

The Remuneration Committee sets and reviews the compensation of executive directors including the setting of targets and performance frameworks for cash- and share-based awards. The Remuneration Committee comprises Alex Borrelli and Clive Latcham.

The Executive Team, consisting of the Executive Directors, operates as a management committee, chaired by the CEO, which reviews operational matters and performance of the business, and is responsible for significant management decisions while delegating other operational matters to individual managers within the business.

The Chairman has overall responsibility for corporate governance and in promoting high standards throughout the Company. He leads and chairs the board, ensuring that committees are properly structured and operate with appropriate terms of reference, ensures that performance of individual Directors, the board and its committees are reviewed on a regular basis, leads in the development of strategy and setting objectives, and oversees communication between the Company and its shareholders.

The CEO provides leadership and management of the Company, leads the development of objectives, strategies and performance standards as agreed by the board, monitors, reviews and manages key risks and strategies with the board, ensures that the assets of the Company are maintained and safeguarded, leads on investor relations activities to ensure communications and the Company's standing with shareholders and financial institutions is maintained, and ensures that the board is aware of the views and opinions of employees on relevant matters.

The Executive Directors are responsible for implementing and delivering the strategy and operational decisions agreed by the board, making operational and financial decisions required in the day-to-day operation of the Company, providing executive leadership to managers, championing the Company's core values and promoting talent management.

The Independent Non-Executive Directors contribute independent thinking and judgement through the application of external experience and knowledge, scrutinises the performance of management, provides constructive challenge to the Executive Directors and ensures that the Company is operating within the governance and risk framework approved by the board.

The Company Secretary is responsible for providing clear and timely information flow to the board and its committees and supports the board on matters of corporate governance and risk.

The matters reserved for the board are:

- Setting long-term objectives and commercial strategy;
- Approving annual operating and capital expenditure budgets;
- Changing the share capital or corporate structure of the Company;
- Approving half year and full year results and reports;
- Approving dividend policy and the declaration of dividends;
- Approving major new exploration programmes, investments, disposals, and other capital projects;
- Approving resolutions to be put to general meetings of shareholders and the associated documents or circulars; and
- Approving changes to the board structure.

The board has approved the adoption of the QCA Code as its governance framework against which this statement has been prepared and will monitor the suitability of this Code on an annual basis and revise its governance framework as appropriate as the Company evolves.

Corporate Governance Statement, continued

Internal controls

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

Insurance

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

Treasury Policy

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

Securities Trading

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

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board recognises that meaningful engagement with its shareholders is integral to the continued success of the Company. Over the past 12 months, members of the Board have sought to actively engage with shareholders on a number of occasions, through meetings, presentations and investor shows (as described in Principle 2).

Over the next 12 months, the Board expects to maintain a regular dialogue with investors that will provide investors with updates on company performance and any changes to the corporate governance structures and/or policies.

The Board keeps investors informed through updates on the Investor Relations section of the Company's website.

By order of the board

Alex Borrelli

Chairman

1 November 2018

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

Opinion

We have audited the financial statements of Greatland Gold plc (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 30 June 2018 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity, and the related notes 1 to 25, including the accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2018 and of the Group's and the Parent Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Key audit matters

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

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

Carrying value of intangible non-current assets – Exploration properties

The Group's intangible exploration properties represent a significant asset on its statement of financial position totalling £1,233,648 as at 30 June 2018.

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

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

How the Matter was addressed in the Audit

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

- Expiring, or imminently expiring, rights to tenure;
- A lack of budgeted or planned exploration and evaluation spend on the areas of interest;
- Discontinuation of, or a plan to discontinue, exploration activities in the areas of interest;
- Insufficient data exists to suggest the carrying value of exploration properties is likely to be recovered in full through successful development or sale.

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

In addition, we obtained the expenditure budget for the period to 31 October 2019 and assessed that there is reasonable forecasted expenditure to confirm continued exploration spend into the areas of interest indicating that Management are committed to the projects. We also reviewed AIM announcements and Board meeting minutes for the year and subsequent to year end for exploration activity to identify any indicators of impairment.

We also assessed the disclosures included in the financial statements in relation to exploration properties.

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of any misstatements identified. Based on professional judgement, we determined overall materiality for the group financial statements as a whole to be £100,000 this equating to circa 2% of Gross Assets and circa 5.5% of the loss for the year with a lower materiality set at £50,000 for exploration properties.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

Rowan J. Palmer (Senior Statutory Auditor)
for and on behalf of Chapman Davis LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
1 November 2018

Group statement of comprehensive income
for the year ended 30 June 2018

| | Notes | Year ended 30 June 2018 | Year ended 30 June 2017 |
|---|-------|----------------------------|----------------------------|
| | | £ | £ |
| Revenue | 2 | - | - |
| Exploration costs | | (1,021,493) | (557,848) |
| Administrative expenses | | (818,943) | (694,186) |
| Operating loss | | (1,840,436) | (1,252,034) |
| Finance revenue | | 3,891 | 1,500 |
| Loss before taxation | 3 | (1,836,545) | (1,250,534) |
| Income tax expense | 4 | - | - |
| Loss for the year | | (1,836,545) | (1,250,534) |
| Other comprehensive income | | | |
| Exchange differences on translation of foreign operations | | (74,867) | 29,240 |
| Other comprehensive income for the year net of taxation | | (74,867) | 29,240 |
| Total comprehensive income for the year attributable to equity holders of the parent company | | (1,911,412) | (1,221,294) |
| Loss per share - basic and diluted | 8 | (0.07) pence | (0.07) pence |

All operations are considered to be continuing.

Group balance sheet
as at 30 June 2018

| | Note | 30 June 2018 | | 30 June 2017 | |
|-----------------------------|------|--------------|------------------|--------------|------------------|
| | | £ | £ | £ | £ |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Tangible assets | 9 | 41,877 | | - | |
| Intangible assets | 10 | 1,233,648 | | 671,515 | |
| | | | 1,275,525 | | 671,515 |
| Current assets | | | | | |
| Cash and cash equivalents | 17 | 3,597,101 | | 930,500 | |
| Trade and other receivables | 12 | 79,061 | | 51,793 | |
| Total current assets | | | 3,676,162 | | 982,293 |
| TOTAL ASSETS | | | 4,951,687 | | 1,653,808 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 13 | (685,322) | | (118,829) | |
| TOTAL LIABILITIES | | | (685,322) | | (118,829) |
| NET ASSETS | | | 4,266,365 | | 1,534,979 |
| EQUITY | | | | | |
| Called-up share capital | 14 | 1,193,329 | | 1,091,598 | |
| Share premium reserve | | 11,558,818 | | 7,042,627 | |
| Share based payment reserve | 15 | 243,472 | | 328,060 | |
| Retained earnings | | (8,950,444) | | (7,223,363) | |
| Other reserves | | 221,190 | | 296,057 | |
| TOTAL EQUITY | | | 4,266,365 | | 1,534,979 |

These financial statements were approved by the Board of Directors on 1 November 2018 and signed on its behalf by:

Alex Borrelli
Chairman

Gervaise Heddle
Chief Executive Officer

Group statement of changes in equity
for the year ended 30 June 2018

| | Share capital | Share premium account | Share based payment reserve | Retained earnings | Other reserves | Total |
|--|---------------|-----------------------|-----------------------------|-------------------|----------------|-------------|
| | £ | £ | £ | £ | £ | £ |
| As at 30 June 2016 | 1,041,614 | 5,720,907 | 277,533 | (6,062,883) | 266,817 | 1,243,988 |
| Loss for the year | - | - | - | (1,250,534) | - | (1,250,534) |
| Currency translation differences | - | - | - | - | 29,240 | 29,240 |
| Total comprehensive income | - | - | - | (1,250,534) | 29,240 | (1,224,294) |
| Share option charge | - | - | 140,581 | - | - | 140,581 |
| Transfer on exercise of options and warrants | - | - | (90,054) | 90,054 | - | - |
| Share capital issued | 49,984 | 1,359,695 | - | - | - | 1,409,679 |
| Cost of share issue | - | (37,975) | - | - | - | (37,975) |
| Total contributions by and distributions to owners of the Company | 49,984 | 1,321,720 | 50,527 | 90,054 | - | 1,512,285 |
| As at 30 June 2017 | 1,091,598 | 7,042,627 | 328,060 | (7,223,363) | 296,057 | 1,534,979 |
| Loss for the year | - | - | - | (1,836,545) | - | (1,836,545) |
| Currency translation differences | - | - | - | - | (74,867) | (74,867) |
| Total comprehensive income | - | - | - | (1,836,545) | (74,867) | (1,911,412) |
| Share option charge | - | - | 24,876 | - | - | 24,876 |
| Transfer on exercise of options and warrants | - | - | (109,464) | 109,464 | - | - |
| Share capital issued | 101,731 | 4,591,658 | - | - | - | 4,693,389 |
| Cost of share issue | - | (75,467) | - | - | - | (75,467) |
| Total contributions by and distributions to owners of the Company | 101,731 | 4,516,191 | (84,588) | 109,464 | - | 4,642,798 |
| As at 30 June 2018 | 1,193,329 | 11,558,818 | 243,472 | (8,950,444) | 221,190 | 4,266,365 |

Group statement of changes in equity
for the year ended 30 June 2018, continued

| Other reserves | Merger reserve | Foreign currency translation reserve | Total other reserves |
|-----------------------------------|----------------|--|----------------------|
| | £ | £ | £ |
| As at 30 June 2016 | 225,000 | 41,817 | 266,817 |
| Currency translation differences | - | 29,240 | 29,240 |
| Total comprehensive income | - | 29,240 | 29,240 |
| As at 30 June 2017 | 225,000 | 71,057 | 296,057 |
| Currency translation differences | - | (74,867) | (74,867) |
| Total comprehensive income | - | (74,867) | (74,867) |
| As at 30 June 2018 | 225,000 | (3,810) | 221,190 |

Company balance sheet
as at 30 June 2018

| | Note | 30 June 2018 | | 30 June 2017 | |
|-----------------------------|------|--------------|-----------|--------------|-----------|
| | | £ | £ | £ | £ |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Investment in subsidiary | 11 | | 50,000 | | 50,000 |
| Current assets | | | | | |
| Cash and cash equivalents | 17 | 2,753,575 | | 910,588 | |
| Trade and other receivables | 12 | 3,488,649 | | 1,293,411 | |
| Total Current Assets | | | 6,242,224 | | 2,203,999 |
| TOTAL ASSETS | | | 6,292,224 | | 2,253,999 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Trade and other payables | 13 | (69,108) | | (98,963) | |
| TOTAL LIABILITIES | | | (69,108) | | (98,963) |
| NET ASSETS | | | 6,223,116 | | 2,155,036 |
| EQUITY | | | | | |
| Called-up share capital | 14 | 1,193,329 | | 1,091,598 | |
| Share premium reserve | | 11,558,818 | | 7,042,627 | |
| Share based payment reserve | 15 | 243,472 | | 328,060 | |
| Merger reserve | | 225,000 | | 225,000 | |
| Retained earnings | | (6,997,503) | | (6,532,249) | |
| TOTAL EQUITY | | | 6,223,116 | | 2,155,036 |

These financial statements were approved by the Board of Directors on 1 November 2018 and signed on its behalf by:

Alex Borrelli
Chairman

Gervaise Heddle
Chief Executive Officer

Company statement of changes in equity
for the year ended 30 June 2018

| | Called up share capital | Share premium account | Share based payment reserve | Retained earnings | Merger reserve | Total |
|---|-------------------------------|-----------------------------|-----------------------------------|----------------------|-------------------|-----------|
| | £ | £ | £ | £ | £ | £ |
| As at 30 June 2016 | 1,041,614 | 5,720,907 | 277,533 | (5,891,387) | 225,000 | 1,373,667 |
| Loss for the year | - | - | - | (730,916) | - | (730,916) |
| Total comprehensive income | - | - | - | (730,916) | - | (730,916) |
| Share option charge | - | - | 140,581 | - | - | 140,581 |
| Transfer on exercise of options and warrants | - | - | (90,054) | 90,054 | - | - |
| Share capital issued | 49,984 | 1,359,695 | - | - | - | 1,409,679 |
| Cost of share issue | - | (37,975) | - | - | - | (37,975) |
| Total contributions by and distributions to owners of the Company | 49,984 | 1,321,720 | 50,527 | 90,054 | - | 1,512,285 |
| As at 30 June 2017 | 1,091,598 | 7,042,627 | 328,060 | (6,532,249) | 225,000 | 2,155,036 |
| Loss for the year | - | - | - | (574,718) | - | (574,718) |
| Total comprehensive income | - | - | - | (574,718) | - | (574,718) |
| Share option charge | - | - | 24,876 | - | - | 24,876 |
| Transfer on exercise of options and warrants | - | - | (109,464) | 109,464 | - | - |
| Share capital issued | 101,731 | 4,591,658 | - | - | - | 4,693,389 |
| Cost of share issue | - | (75,467) | - | - | - | (75,467) |
| Total contributions by and distributions to owners of the Company | 101,731 | 4,516,191 | 84,588 | 109,464 | - | 4,642,798 |
| As at 30 June 2018 | 1,193,329 | 11,558,818 | 243,472 | (6,997,503) | 225,000 | 6,223,116 |

Group cash flow statement
for the year ended 30 June 2018

| | Notes | Year ended 30 June 2018 | Year ended 30 June 2017 |
|--|-------|----------------------------|----------------------------|
| | | £ | £ |
| Cash flows from operating activities | | | |
| Operating loss | | (1,840,436) | (1,252,034) |
| (Increase)/Decrease in trade & other receivables | | (27,268) | 36,637 |
| Increase/(Decrease) in trade & other payables | | 566,494 | 50,698 |
| Depreciation | | 7,584 | 1,405 |
| Share option charge | | 24,876 | 140,580 |
| Net (decrease) in cash and cash equivalents from operating activities | | (1,268,750) | (1,022,714) |
| Cash flows from investing activities | | | |
| Interest received | | 3,891 | 1,500 |
| Disposal of fixed assets | | - | 7,251 |
| Payments to acquire intangible assets | | (361,711) | (319,011) |
| Payments to acquire tangible assets | | (49,267) | - |
| Net cash (out)flows used in investing activities | | (407,087) | (310,260) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 4,443,988 | 1,409,679 |
| Transaction costs of issue of shares | | (75,467) | (37,975) |
| Net cash inflows from financing activities | | 4,368,521 | 1,371,704 |
| Net increase in cash and cash equivalents | 17 | 2,692,684 | 38,730 |
| Cash and cash equivalents at the beginning of period | | 930,500 | 883,478 |
| Exchange (loss)/gain on cash and cash equivalents | | (26,083) | 8,292 |
| Cash and cash equivalents at end of period | 17 | 3,597,101 | 930,500 |

During the year shares in the Company totalling £249,401 were issued for the acquisition of intangible assets (see note 14). This amount represents material non-cash flows and is excluded from the cash flow statement.

Company cash flow statement
for the year ended 30 June 2018

| | Notes | Year ended 30 June 2018 | Year ended 30 June 2017 |
|--|-------|----------------------------|----------------------------|
| | | £ | £ |
| Cash flows from operating activities | | | |
| Operating loss | | (574,818) | (731,074) |
| Decrease in trade & other receivables | | 4,163 | 49,703 |
| (Decrease)/Increase in trade & other payables | | (29,855) | 37,168 |
| Share option charge | | 24,876 | 140,581 |
| Net (decrease) in cash and cash equivalents from operations | | (575,634) | (503,622) |
| Cash flows from investing activities | | | |
| Interest received | | 100 | 158 |
| Loans to subsidiary | | (1,950,000) | (810,000) |
| Net cash (outflows) used in investing activities | | (1,949,900) | (809,842) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 4,443,988 | 1,409,679 |
| Transaction costs of issue of shares | | (75,467) | (37,975) |
| Net cash flows from financing activities | | 4,368,521 | 1,371,704 |
| Net increase in cash and cash equivalents | 17 | 1,842,987 | 58,240 |
| Cash and cash equivalents at the beginning of period | | 910,588 | 852,348 |
| Cash and cash equivalents at end of period | 17 | 2,753,575 | 910,588 |

During the year shares in the Company totalling £249,401 were issued for the acquisition of intangible assets by the subsidiary company, Greatland Pty Ltd (see note 14). This amount represents material non-cash flows and is excluded from the cash flow statement.

Notes to financial statements for the year ended 30 June 2018

1 Principal accounting policies

1.1 Authorisation of financial statements and statement of compliance with IFRS

The group financial statements of Greatland Gold plc for the year ended 30 June 2018 were authorised for issue by the board on 1 November 2018 and the balance sheets signed on the board's behalf by Mr Gervaise Heddle and Mr Alex Borrelli. Greatland Gold plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM.

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

Adoption of new and revised Accounting Standards

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

1.2 Significant accounting judgments, estimates and assumptions

Significant accounting estimates and assumptions

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

Impairment of goodwill and intangibles with indefinite useful lives

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

Share-based payment transactions

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

1.3 Basis of preparation

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

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

Going Concern

The consolidated entity has incurred a loss before tax of £1,836,545 for the year ended 30 June 2018, and had a net cash outflow of £1,925,239 from operating and investing activities. At that date there were net current assets of £2,990,840. The loss resulted almost entirely from exploration costs and associated administrative related costs.

The Directors are confident in the Company's ability to raise new finance from stock markets if this is required during 2018 and the Group has demonstrated a consistent ability to do so. This includes a share issuance of 212,000,000 placing shares for gross proceeds of £2,650,000 as announced by the Company on 27 July 2018.

Notes to financial statements
for the year ended 30 June 2018, continued

1.3 Basis of preparation, continued

cont

The Group's cash flow forecast for the 12 months ending 31 October 2019 highlights adequate funding at current levels of projected expenditure to last well into 2020. The Board of Directors are confident that sufficient funding is in place to meet all its operational and exploration commitments over the next twelve months and to remain cash positive for the whole period.

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

1.4 Basis of consolidation

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

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

1.5 Goodwill

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

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

1.6 Non-current asset investments

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

1.7 Cash and cash equivalents

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

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

1.8 Income tax and deferred taxation

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

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

1.9 Tangible fixed assets

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

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

Notes to financial statements for the year ended 30 June 2018, continued

1.10 Foreign currencies

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

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

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

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

1.11 Other income

The Group had no other income during the periods ending 30 June 2018 and 30 June 2017. Previous years consisted of a grant from the state government of Western Australia. Government grants are accounted for on a receipts basis.

1.12 Finance costs/revenue

Borrowing costs are recognised as an expense when incurred.

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

1.13 Trade and other receivables

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

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

1.14 Financial instruments

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

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

1.15 Trade and other payables

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

Notes to financial statements for the year ended 30 June 2018, continued

1.16 Earnings per share

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

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

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

1.17 Exploration and development expenditure

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

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

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

1.18 Share based payments

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

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

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

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

Notes to financial statements
for the year ended 30 June 2018, continued

2 Revenue and segmental analysis

The Group's prime business segment is mineral exploration.

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

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

| | UK | Australia | Total |
|-----------------------------------|-----------|-------------|-------------|
| Year ended 30 June 2018 | £ | £ | £ |
| Revenue | | | |
| Total segment revenue | - | - | - |
| Total consolidated revenue | | | - |
| Result | | | |
| Segment results | (574,818) | (1,265,618) | (1,840,436) |
| Loss before tax and finance costs | | | (1,840,436) |
| Interest receivable | | | 3,891 |
| Loss on disposal of investments | | | - |
| Loss before taxation | | | (1,836,545) |
| Taxation expense | | | - |
| Loss after taxation | | | (1,836,545) |

| | UK | Australia | Total |
|----------------------------------|-----------|-----------|-----------|
| Year ended 30 June 2018 | £ | £ | £ |
| Assets and liabilities | | | |
| Segment assets | 2,787,522 | 2,164,165 | 4,951,687 |
| Total assets | | | 4,951,687 |
| Segment liabilities | (69,108) | (616,214) | (685,322) |
| Total liabilities | | | (685,322) |
| Other segment information | | | |
| Capital expenditure | - | 660,380 | 660,380 |
| Depreciation | - | 7,584 | 7,584 |

Notes to financial statements
for the year ended 30 June 2018, continued

| | | | | |
|----------|---|-----------|------------------|--------------|
| 2 | Revenue and segmental analysis, continued | UK | Australia | Total |
| | Year ended 30 June 2017 | £ | £ | £ |
| | Revenue | | | |
| | Total segment revenue | - | - | - |
| | Total consolidated revenue | | | - |
| | Result | | | |
| | Segment results | (731,074) | (520,960) | (1,252,034) |
| | Loss before tax and finance costs | | | (1,252,034) |
| | Interest receivable | | | 1,500 |
| | Loss on disposal of investments | | | - |
| | Loss before taxation | | | (1,250,534) |
| | Taxation expense | | | - |
| | Loss after taxation | | | (1,250,534) |
| | | UK | Australia | Total |
| | Year ended 30 June 2017 | £ | £ | £ |
| | Assets and liabilities | | | |
| | Segment assets | 948,698 | 705,110 | 1,653,808 |
| | Total assets | | | 1,653,808 |
| | Segment liabilities | (98,964) | (19,865) | (118,829) |
| | Total liabilities | | | (118,829) |
| | Other segment information | | | |
| | Capital expenditure | - | 319,130 | 319,130 |
| | Depreciation | - | 1,405 | 1,405 |
| 3 | Loss on ordinary activities before taxation | | 2018 | 2017 |
| | | | £ | £ |
| | Loss on ordinary activities before taxation is stated after charging: | | | |
| | Auditors' remuneration – audit | | 15,000 | 15,000 |
| | Depreciation | | 7,584 | 1,405 |
| | Directors' emoluments | | 611,326 | 391,725 |

Auditors' remuneration for audit services above excludes AU\$5,100 (2017: AU\$5,100) charged by Charles Foti (Australia) relating to the audit of the subsidiary company.

Notes to financial statements
for the year ended 30 June 2018, continued

4 Taxation

| | 2018 | 2017 |
|--------------------------------------|----------|----------|
| Analysis of charge in year | £ | £ |
| Tax on profit on ordinary activities | - | - |

Factors affecting tax charge for year

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

| | 2018 | 2017 |
|--|--------------------|-------------|
| | £ | £ |
| Loss on ordinary activities before tax | (1,836,545) | (1,250,534) |
| Standard rate of corporation tax in the UK | 19% | 20% |
| | £ | £ |
| Loss on ordinary activities multiplied by the standard rate of corporation tax | (348,944) | (250,107) |
| Effects of: | | |
| Expenses not deductible for tax: | | |
| Share option charge | 4,726 | 42,174 |
| Future tax benefit not brought to account | 344,218 | 207,933 |
| Income tax expense | - | - |

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

5 Employee information (excluding directors)

| | 2018 | 2017 |
|-------------------------------|----------------|---------------|
| Staff costs comprised: | £ | £ |
| Wages and salaries | 103,171 | - |
| Bonus | 27,285 | - |
| Pension | 5,899 | - |
| Share options | 5,654 | - |
| | 142,009 | - |
| | Number | Number |
| Exploration | 2 | - |

Of the total Staff costs above, £115,628 arises from work on the Exploration Properties and has been expensed to the Income Statement as exploration costs.

6 Dividends

No dividends were paid or proposed by the Directors. (2017: £Nil)

Notes to financial statements
for the year ended 30 June 2018, continued

| 7 Directors' emoluments: | 2018 | 2017 | | | | | |
|--|-------------------------|-------------------------|----------------|------------------|-----------------------|--|----------------|
| | £ | £ | | | | | |
| Directors' remuneration | 611,326 | 391,725 | | | | | |
| | | | | | | | |
| | Directors' remuneration | Pension /Superannuation | Bonus | Consultancy fees | Share options granted | Pro rata shares issued: salary sacrifice | Total |
| 2018 | £ | £ | £ | £ | £ | £ | £ |
| <u>Executive directors</u> | | | | | | | |
| Callum Baxter | 160,434 | 14,204 | 92,187 | - | 7,915 | - | 274,740 |
| Alex Borrelli | 38,000 | 406 | 12,500 | - | 3,392 | - | 54,298 |
| Gervaise Heddle | 160,434 | 14,204 | 92,187 | - | 7,915 | - | 274,740 |
| <u>Non-executive directors</u> | | | | | | | |
| Michael McNeilly (resigned 25 October 2017) | 7,548 | - | - | - | - | - | 7,548 |
| | 366,416 | 28,814 | 196,874 | - | 19,222 | - | 611,326 |

Of the total Directors' remuneration allocated to administrative costs in the income statement, 75% (or £200,118) for Callum Baxter and 25% (or £66,706) for Gervaise Heddle has been allocated to exploration costs in the income statement for the year.

| 2017 | £ | £ | £ | £ | £ | £ | £ |
|--|----------|----------|----------|----------------|---------------|---------------|----------------|
| <u>Executive directors</u> | | | | | | | |
| Callum Baxter | - | - | - | 93,750 | 28,018 | 18,000 | 139,768 |
| Alex Borrelli | - | - | - | 28,500 | 14,009 | 13,125 | 55,634 |
| Gervaise Heddle | - | - | - | 110,750 | 28,018 | - | 138,768 |
| <u>Non-executive directors</u> | | | | | | | |
| Michael McNeilly (appointed 10 February 2017) | - | - | - | 13,088 | 13,342 | - | 26,430 |
| Paul Johnson (resigned 14 August 2016) | - | - | - | - | - | 13,125 | 13,125 |
| A R M Bell (resigned 14 August 2016) | - | - | - | - | - | 18,000 | 18,000 |
| | - | - | - | 246,088 | 83,387 | 62,250 | 391,725 |

Consultancy fees in respect of Callum Baxter were payable to Baxter Geological, a company of which he is a director, and which provided his services.

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

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

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

Notes to financial statements
for the year ended 30 June 2018, continued

7 Directors' emoluments, continued

On 6 April 2016 the Company's directors proposed to swap a proportion of their salary for the next twelve months in exchange for shares in the Company. Under this proposal, a total of 47,428,570 shares at 0.175 pence per share were issued at a cost of £83,000. In the year to 30 June 2017 £62,250 was expensed and £20,750 was expensed in the previous year.

Also, see note 21 for related party transactions.

8 Loss per share

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

| | 2018 £ | 2017 £ |
|--|---|-------------------------------|
| Loss for the period | (1,836,545) | (1,250,534) |
| <hr/> | | |
| Weighted average number of Ordinary shares of £0.001 in issue | 2,773,225,653 (0.07) pence | 1,694,378,384 (0.07) pence |
| Loss per share – basic | | |
| <hr/> | | |
| Weighted average number of Ordinary shares of £0.001 in issue inclusive of outstanding options | 2,773,225,653 | 1,694,378,384 |

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

Notes to financial statements
for the year ended 30 June 2018, continued

9 Tangible fixed assets – Group

| | Motor vehicle £ | Equipment £ | Total £ |
|------------------------------------|-----------------------|----------------|------------|
| Cost | | | |
| At 30 June 2017 | - | - | - |
| Disposals during the period | - | - | - |
| Additions during the period | - | 49,267 | 49,267 |
| Foreign exchange rate fluctuations | - | - | - |
| At 30 June 2018 | - | 49,267 | 49,267 |
| Depreciation | | | |
| At 30 June 2017 | - | - | - |
| Disposals during the period | - | - | - |
| Charge for the period | - | 7,584 | 7,548 |
| Foreign exchange rate fluctuations | - | (194) | (194) |
| At 30 June 2018 | - | 7,390 | 7,390 |
| Net book value | | | |
| At 30 June 2018 | - | - | - |
| At 30 June 2017 | - | 41,877 | 41,877 |
| Cost | | | |
| At 30 June 2016 | 28,008 | 4,792 | 32,800 |
| Disposals during the period | (30,086) | (5,148) | (35,234) |
| Additions during the period | - | - | - |
| Foreign exchange rate fluctuations | 2,078 | 356 | 2,434 |
| At 30 June 2017 | - | - | - |
| Depreciation | | | |
| At 30 June 2016 | 21,736 | 3,006 | 24,742 |
| Disposals during the period | (24,753) | (3,230) | (27,983) |
| Charge for the period | 1,405 | - | 1,405 |
| Foreign exchange rate fluctuations | 1,612 | 224 | 1,836 |
| At 30 June 2017 | - | - | - |
| Net book value | | | |
| At 30 June 2017 | - | - | - |
| At 30 June 2016 | 6,272 | 1,786 | 8,058 |

Notes to financial statements
for the year ended 30 June 2018, continued

| | | | |
|-----------|--|------------------|------------------|
| 10 | Intangible non-current assets – Group | 2018 | 2017 |
| | | £ | £ |
| | Exploration properties | | |
| | At 30 June 2017 | 1,302,309 | 962,948 |
| | Additions during the period | 611,112 | 319,130 |
| | Foreign exchange rate fluctuations | (48,979) | 20,231 |
| | At 30 June 2018 | <u>1,864,442</u> | <u>1,302,309</u> |
| | Impairment | | |
| | At 30 June 2017 | (630,794) | (630,794) |
| | Charge for the period | - | - |
| | Foreign exchange rate fluctuations | - | - |
| | At 30 June 2018 | <u>(630,794)</u> | <u>(630,794)</u> |
| | Net book amount | | |
| | At 30 June 2018 | <u>1,233,648</u> | 671,515 |
| | At 30 June 2017 | <u>671,515</u> | <u>332,154</u> |

Impairment review

As at 30 June 2018, the Directors carried out an impairment review of the exploration properties and considered an impairment charge was not required (2017: £nil). However, during the year £1,021,493 (2017: £557,848) of exploration related costs have been charged directly to the Income Statement as these costs were deemed non-beneficial to the future value of the exploration properties. Costs directly related to exploration programmes that, in the opinion of the Directors, are considered to add value to the respective exploration properties are capitalised. During the year, the largest capitalised additions related to the exploration programmes conducted at the Paterson project which includes the Havieron and Black Hills licences, as announced in July 2017 and November 2017 respectively.

| | | | |
|-----------|--|--|---------------|
| 11 | Non-current asset investments in subsidiary - Company | | £ |
| | Cost | | |
| | At 30 June 2017 | | 50,000 |
| | Impairment of investment | | - |
| | At 30 June 2018 | | <u>50,000</u> |
| | Net book amount | | |
| | At 30 June 2018 | | <u>50,000</u> |
| | At 30 June 2017 | | <u>50,000</u> |

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

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

Notes to financial statements
for the year ended 30 June 2018, continued

| 12 | Trade and other receivables | Group | | Company | |
|----|---|---------------|---------------|------------------|------------------|
| | | 2018 £ | 2017 £ | 2018 £ | 2017 £ |
| | Current trade and other receivables: | | | | |
| | Prepayments | 34,058 | 38,109 | 33,946 | 38,109 |
| | Other debtors | 45,003 | 13,684 | - | - |
| | Loans due from subsidiary | - | - | 3,454,703 | 1,255,302 |
| | Total | 79,061 | 51,793 | 3,488,649 | 1,293,411 |

The loan due from subsidiary was interest free throughout the period and has no fixed repayment date. No provision £nil (2017: £nil) has been made against this loan.

| 13 | Trade and other payables | Group | | Company | |
|----|--|----------------|----------------|---------------|---------------|
| | | 2018 £ | 2017 £ | 2018 £ | 2017 £ |
| | Current trade and other payables: | | | | |
| | Trade creditors | 615,818 | 89,012 | 24,786 | 69,146 |
| | Accruals | 44,050 | 29,817 | 44,050 | 29,817 |
| | Employee Benefits | 25,454 | - | 272 | - |
| | Total | 685,322 | 118,829 | 69,108 | 98,963 |

Notes to financial statements
for the year ended 30 June 2018, continued

14 Share capital

| <i>Called up, allotted, issued and fully paid</i> | Number | £ |
|--|----------------------|------------------|
| As at 30 June 2017, Ordinary shares of £0.001p each | 1,984,945,081 | 1,091,598 |
| <i>Issued during the year</i> | | |
| On 17 July 2017, at a price of £0.02p, for cash | 4,000,000 | 400 |
| On 25 July 2017, at a price of £0.02p, for acquisition of Havieron Project | 65,490,000 | 6,549 |
| On 03 August 2017, at a price of £0.0375p, for cash | 1,600,000 | 160 |
| On 14 August 2017, at a price of £0.0375p, for cash | 189,066,668 | 18,907 |
| On 14 August 2017, at a price of £0.045p, for cash | 116,071,429 | 11,607 |
| On 20 September 2017, at a price of £0.045p, for cash | 166,666,667 | 16,666 |
| On 13 October 2017, at a price of £0.02p, for cash | 85,000,000 | 8,500 |
| On 13 October 2017, at a price of £0.056p, for cash | 22,142,855 | 2,214 |
| On 16 October 2017, at a price of £0.056p, for cash | 8,928,571 | 893 |
| On 19 October 2017, at a price of £0.056p, for cash | 25,000,000 | 2,500 |
| On 19 October 2017, at a price of £0.056p, for cash | 14,679,363 | 1,468 |
| On 20 October 2017, at a price of £0.07p, for cash | 55,555,555 | 5,556 |
| On 23 October 2017, at a price of £0.07p, for cash | 99,555,556 | 9,956 |
| On 25 October 2017, at a price of £0.02p, for cash | 13,000,000 | 1,300 |
| On 25 October 2017, at a price of £0.056p, for cash | 34,033,213 | 3,403 |
| On 25 October 2017, at a price of £0.07p, for cash | 4,666,667 | 467 |
| On 26 October 2017, at a price of £0.04p, for cash | 14,000,000 | 1,400 |
| On 26 October 2017, at a price of £0.056p, for cash | 12,749,208 | 1,275 |
| On 26 October 2017, at a price of £0.07p, for cash | 3,333,333 | 333 |
| On 27 October 2017, at a price of £0.056p, for cash | 1,785,715 | 179 |
| On 27 October 2017, at a price of £0.07p, for cash | 1,333,334 | 133 |
| On 30 October 2017, at a price of £0.07p, for cash | 2,222,222 | 222 |
| On 31 October 2017, at a price of £0.056p, for cash | 26,931,072 | 2,693 |
| On 02 November 2017, at a price of £0.056p, for cash | 25,000,000 | 2,500 |
| On 02 November 2017, at a price of £0.07p, for cash | 10,000,000 | 1,000 |
| On 06 November 2017, at a price of £0.1799p, for acquisition of Black Hills Gold Project | 6,500,000 | 650 |
| On 13 December 2017, at a price of £0.02p, for cash | 5,000,000 | 500 |
| On 05 January 2018, at a price of £0.02p, for cash | 3,000,000 | 300 |
| As at 30 June 2018, Ordinary shares of £0.001p each | 3,002,256,509 | 1,193,329 |

Total share options in issue

As at 30 June 2018 there were 205 million unexercised options over Ordinary shares; 50 million exercisable at 0.2 pence per share in issue, 25 million exercisable at 0.5 pence per share in issue, 75 million exercisable at 0.28 pence for share in issue and 55 million exercisable at 0.7 pence per share in issue (2017: 214 million).

Notes to financial statements
for the year ended 30 June 2018, continued

15 Share based payments

The Company has an employee share option plan to enable the issue of options as part of the remuneration of key management personnel and directors to enable them to purchase ordinary shares in the Company. Under the plan, 60 million options were granted for no cash consideration and were granted for a period of three years expiring 18 August 2020. 5 million of those options expired on 24 October 2017.

| | Granted during the period | At 30 June 2017 | Share options exercised | Exercisable at 30 June 2018 | Exercise price (pence) | Date from which exercisable | Expiry date |
|------------|---------------------------|-----------------|-------------------------|-----------------------------|------------------------|-----------------------------|-------------|
| CN Baxter | - | 25,000,000 | - | 25,000,000 | 0.2p | 20 Apr 2016 | 20 Apr 2019 |
| CN Baxter | - | 28,000,000 | - | 28,000,000 | 0.28p | 18 Jan 2017 | 18 Jul 2020 |
| CN Baxter | 17,500,000 | - | - | 17,500,000 | 0.7p | 18 Aug 2017 | 18 Feb 2021 |
| ARM Bell | - | 17,000,000 | (17,000,000) | - | - | - | - |
| P Johnson | - | 8,000,000 | (8,000,000) | - | - | - | - |
| A Borrelli | - | 25,000,000 | - | 25,000,000 | 0.2p | 20 Apr 2016 | 20 Apr 2019 |
| A Borrelli | - | 14,000,000 | - | 14,000,000 | 0.28p | 18 Jan 2017 | 18 Jul 2020 |
| A Borrelli | 7,500,000 | - | - | 7,500,000 | 0.7p | 18 Aug 2017 | 18 Feb 2021 |
| G Heddle | - | 25,000,000 | - | 25,000,000 | 0.5p | 27 May 2016 | 27 May 2019 |
| G Heddle | - | 28,000,000 | - | 28,000,000 | 0.28p | 18 Jan 2017 | 18 Jul 2020 |
| G Heddle | 17,500,000 | - | - | 17,500,000 | 0.7p | 18 Aug 2017 | 18 Feb 2021 |
| G Cryan | - | 5,000,000 | - | 5,000,000 | 0.28p | 18 Jan 2017 | 18 Jul 2020 |
| G Cryan | 5,000,000 | - | - | 5,000,000 | 0.7p | 18 Aug 2017 | 18 Feb 2021 |
| M McNeilly | - | 14,000,000 | (14,000,000) | - | - | - | - |
| B Wasse | 7,500,000 | - | - | 7,500,000 | 0.7p | 18 Aug 2017 | 18 Feb 2021 |
| | 55,000,000 | 189,000,000 | (39,000,000) | 205,000,000 | | | |

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

| Options issued | 60 million share options |
|--------------------------------|--------------------------|
| Grant date | 18 August 2017 |
| Fair value at measurement date | 0.0415 pence |
| Share price at grant date | 0.063 pence |
| Exercise price | 0.07 pence |
| Expected volatility | 139% |
| Option life | 36 months |
| Expected dividends | 0.00% |
| Risk free interest rate | 0.50% |
| Fair value of options granted | £24,876 |

Notes to the financial statements for the year ended 30 June 2018, continued

15 Share based payments, continued

Furthermore, the 25 million share options issued to SPARK Advisory Partners Limited, the Company's Nominated advisers, on 06 June 2016 were exercised on 19 October 2017.

| | Granted during the period | At 30 June 2017 | Share options exercised | Exercisable at 30 June 2018 | Exercise price | Date from which exercisable | Expiry date |
|---------------------------------|---------------------------|-----------------|-------------------------|-----------------------------|----------------|-----------------------------|-------------|
| SPARK Advisory Partners Limited | - | 25,000,000 | (25,000,000) | - | - | - | - |
| | - | 25,000,000 | (25,000,000) | - | | | |

The fair value of the share options expensed during the year was £24,876 (2017: £140,582); £109,464 in respect of the exercised share options was transferred to reserves (2017: £90,054).

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

16 Nature and purpose of reserves – Other reserves

Merger Reserve

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

Foreign currency translation reserve

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

Available for sale financial asset reserve

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

| 17 Cash and cash equivalents – Group | 30 June 2018 | Currency adjustments | Net Cash flow | 30 June 2017 |
|--------------------------------------|--------------|----------------------|---------------|--------------|
| | £ | | | £ |
| Cash at bank and in hand | 3,597,101 | (26,083) | 2,692,684 | 930,500 |
| Total cash and cash equivalents | 3,597,101 | (26,083) | 2,692,684 | 930,500 |

| Cash and cash equivalents – Company | 30 June 2018 | Currency adjustments | Net Cash flow | 30 June 2017 |
|-------------------------------------|--------------|----------------------|---------------|--------------|
| | £ | | | £ |
| Cash at bank and in hand | 2,753,575 | - | 1,842,987 | 910,588 |
| Total cash and cash equivalents | 2,753,575 | - | 1,842,987 | 910,588 |

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

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

Notes to the financial statements for the year ended 30 June 2018, continued

18 Commitments

As at 30 June 2018, the Company had entered into the following commitment:

Exploration commitments

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

19 Significant agreements and transactions

There were no significant agreements and transactions to report other than that reported in Note 20.

20 Events after the reporting period

Post-Balance Sheet Capital Raise and issue of options

On 27 July 2018 the Company announced that it had raised £2,650,000 through a placing of 212,000,000 new ordinary shares of 0.1 pence each at a subscription price of 1.25 pence per Ordinary Share. Under this placing, warrants to subscribe for a further 212,000,000 new Ordinary Shares in the Company were issued at an exercise price of 2.0p per warrant, within a 12 month exercise period, potentially raising a further £4,240,000 for the Company should these warrants be exercised.

On 7 September 2018 the Company announced that it had issued a total of 79,000,000 options to directors and key employees; 39,500,000 options at 1.4p per share option and 39,500,000 options at 2.0p per share option. Each option has a 12 month vesting period and entitles the holder upon exercise to one ordinary share of 0.1 pence in the capital of the Company. All options have a life of three years from the vesting date and all options will vest immediately upon a change of control event.

On 17 September 2018 the Company announced that it had commenced its second planned drilling programme at Havieron and DDH1 Drilling Pty Ltd (“DDH1”) had been re-appointed to conduct this drilling programme. DDH1 agreed to accept part payment of its drill programme fees in the form of shares and warrants in the Company. Subsequently, Greatland has issued DDH1, as part payment for drilling services and in consideration for an amount of £142,045.45, or approximately \$250,000 Australian Dollars, 11,363,636 ordinary shares of 0.1 pence each in Greatland Gold plc. Additionally, each DDH1 share issued has an accompanying unlisted and non-transferrable warrant to subscribe for an additional Greatland new ordinary share at a price of 2.0p at any time within the 12 months following admission to trading of the DDH1 shares (representing the issue of a total of 11,363,636 warrants). Should all of these warrants be exercised, £277,272.72 in funds will be paid by DDH1 to the Company at a price of 2.0p.

21 Related party transactions

The sub licence agreement to share the rental, service costs and other outgoings of an office with Regency Mines plc and Red Rock Resources plc at an agreed fee of £6,000 per quarter, excl. VAT was terminated on 1 December 2017. The total cost to the Company to 1 December 2017 was £12,000 (2017: £28,800). The Company has made alternative office arrangements with an unrelated party.

Remuneration of key management personnel

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

| | 2018 | 2017 |
|------------------------------|---------|---------|
| | £ | £ |
| Short-term employee benefits | 592,104 | 246,088 |
| Share based payments | 24,876 | 150,640 |
| Key management personnel | 136,355 | 26,050 |
| | 753,335 | 422,788 |

Notes to financial statements
for the year ended 30 June 2018, continued

22 Financial instruments – Group

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

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

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

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

| Cash and short term deposits | 30 June 2018 | 30 June 2017 |
|-------------------------------------|---------------------|--------------|
| | £ | £ |
| Sterling | 2,753,575 | 910,588 |
| Australian Dollars | 843,526 | 19,912 |
| At 30 June 2018 | 3,597,101 | 930,500 |

The financial assets comprise interest earning bank deposits.

23 Contingent liabilities

Acquisition of Havieron Project

Under the terms of the agreement for the acquisition of the Havieron Gold Project an initial payment of A\$25,000 in cash and 65,490,000 ordinary shares (see note 14) of 0.1 pence each in the Company were made. However, a second payment of 145,530,000 ordinary shares of 0.1 pence (approximately value of A\$500,000) each will be made upon a “Decision to Mine”.

24 Control

There is considered to be no ultimate controlling entity.

25 Retained earnings of the parent Company

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent Company has not been separately presented in these accounts. The parent Company loss for the period was £574,718 (2017 £730,916).