



**Annual Report to Shareholders
Year Ended 30 June 2019**

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This Annual Report covers Latitude Consolidated Limited (“Latitude” or the “Company”) and its wholly owned subsidiaries (the “Group”). The financial report is presented in Australian currency. Latitude Consolidated Limited is a company limited by shares, incorporated and domiciled in Australia.



CORPORATE INFORMATION

Directors:

Mr Timothy Moore
Non-Executive Chairman

Mr Morgan Barron
Non-Executive Director

Mr Roger Steinepreis
Non-Executive Director

Mr Nick Castleden
Non-Executive Director

Ms Kim Eckhof
Non-Executive Director

Company Secretary:

Mr Harry Miller (*Appointed 1 August 2018*)

Mr Chris Huish (*Resigned 1 August 2018*)

Home Securities Exchange:

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

ASX Code: LCD

Share Registry:

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PERTH WA 6000
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WEST PERTH WA 6005

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Solicitors:

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

Auditors:

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
PERTH WA 6000

DIRECTORS' REPORT

Your Directors are pleased to submit the financial statements of the Group consisting of Latitude Consolidated Limited and the entities it controlled during the period for the financial year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors report is as follows:

DIRECTORS

The names and details of Directors in office at any time during the financial year are:

Mr Timothy J Moore – Bachelor of Business UTS Sydney

Non-Executive Chairman – (Appointed 23 April 2004)

EXPERIENCE AND EXPERTISE

Mr Moore has extensive offshore experience investing in a number of industries including media, technology and resources. Mr Moore also holds several other Board positions with private companies.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

Mr Morgan Barron – Bachelor of Commerce University of Western Australia, C.A. S.A. Fin

Non-Executive Director – (Appointed 6 November 2012)

EXPERIENCE AND EXPERTISE

Mr Barron is a Chartered Accountant and has over 15 years' experience in corporate advisory. Mr Barron has advised and guided many companies undertaking fundraising activities and corporate matters.

Mr Barron is a member of the Institute of Group Directors and is a Director and shareholder of Ventnor Capital Pty Ltd and Ventnor Securities Pty Ltd which specialises in the provision of ASX Companies corporate advisory services.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Non-Executive Director – I Synergy Group Limited

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Non-Executive Director – Eneabba Gas Limited (resigned 22 September 2016)

Non-Executive Director – Murray Cod Australia Limited (resigned 26 June 2017)

Mr Roger Steinepreis – Bachelor of Jurisprudence and Bachelor of Laws: University of Western Australia

Non-Executive Director – (Appointed 6 November 2012)

EXPERIENCE AND EXPERTISE

Mr Steinepreis graduated from the University of Western Australia where he completed his law degree. Mr Steinepreis was admitted as a barrister and solicitor of the Supreme Court of Western Australia in 1987 and has been practicing as a lawyer for in excess of 25 years. Mr Steinepreis is the legal adviser to a number of public companies on a wide range of corporate related matters. His areas of practice focus on company restructures, initial public offerings and takeovers.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Non-Executive Chairman - Apollo Consolidated Limited

Non-Executive Director – Talon Petroleum Limited (resigned 30 June 2019)

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

DIRECTORS (CONTINUED)

Mr Nick Castleden

Non-Executive Director – (Appointed 21 June 2017)

EXPERIENCE AND EXPERTISE

Mr Castleden is a geologist with over 20 years of experience in the mineral exploration and development industry. Mr Castleden has worked in various exploration, geological and management roles with well-regarded Australian mining companies including Mt Isa Mines, Perilya Mines, MPI Mines, LionOre, and with corporate firm Verona Capital. Mr Castleden has extensive operational experience in Africa, North and South America and across Australia. Mr Castleden also has specific experience in Western Australian gold, nickel and base metal exploration businesses including participating in the discovery and delineation of gold and nickel sulphide deposits that have progressed from feasibility studies through to successful mining operations.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Managing Director - Apollo Consolidated Limited (appointed 4 August 2009)
Non-Executive Director – TNT Mines Limited (appointed 1 Nov 2017)

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

Ms Kim Eckhof

Non-Executive Director – (Appointed 18 June 2018)

EXPERIENCE AND EXPERTISE

Ms Eckhof has a wealth of corporate advisory and equity capital markets experience, having worked previously at Azure Capital in Perth and RFC Ambrian in London. Kim is currently working with Medea Natural Resources in London, a corporate advisory firm focused on strategic, equity and debt advisory to natural resource companies.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

COMPANY SECRETARY

Mr Harry Miller

Company Secretary – (Appointed 1 August 2018)

EXPERIENCE AND EXPERTISE

Mr Miller has an audit and compliance background across a number of sectors including junior resource companies. He acts as company secretary for various listed and private companies. Mr Miller holds a Bachelor of Commerce in Finance and Economics and a Master of Professional Accounting.

PRINCIPAL ACTIVITIES

Latitude is an exploration company domiciled in Australia and focused on unlocking highly prospective exploration opportunities in Zimbabwe targeting exposure to the rapidly growing global battery metals sector.

RESULTS

The loss attributable to members of the Group for the year ended 30 June 2019 amounted to \$1,335,370 (2018: \$1,518,734).

DIVIDENDS

There were no dividends paid or declared during the year.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Withdrawal of the Pilbara Conglomerate Gold Exploration Tenure

On 17 January 2019, the Company's subsidiary, Latitude Consolidated Holdings Pty Ltd officially withdrew the application for the Pilbara Exploration License E45/5050. The acquisition of the 100% interest in the Exploration License took place on 30 October 2017, however due to a lengthy legal objection that resulted in unlikely success, it was decided that it was in the Group's best interest to withdraw the Application.

Mbeta Project

On 25 July 2019, the Group completed the acquisition of the majority 70% interest in the Mbeta Lithium Project ("Mbeta") located in Southern Zimbabwe. The Mbeta Project comprises approx. 18km² of mineral claims, considered to be highly prospective for lithium and associated elements.

The Mbeta Project is located in an area approximately 40km southwest of Gwanda, near Nyambe Hill, as seen in Figure 1. The district has seen minor historical lithium and tantalum mining and the project area is considered under-explored, yet highly prospective, for lithium and associated elements.

Mbeta comprises 13 mineral claims with a combined area of 18km² and lies in gently-undulating, lightly cropped terrain with good access from Gwanda via tarmac and all-weather gravel roads. Reported historical lithium mineralisation is hosted by several elongated pegmatite bodies close to the transition zone between a local greenstone belt and surrounding basement granites and gneisses.



Figure 1: Mbeta Project Location Map

Site visit to Mbeta

Several members of the board made a site visit to the Mbeta project location in Zimbabwe at the beginning of the financial year. The visit concluded that Mbeta pegmatites had a strong structural control in which pegmatites had filled the space opened up by faulting within a clear linear feature shown in figure 2 below.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (CONTINUED)

The target area lies within the transition zone between greenstone lithologies to the northwest and granite and gneisses to the southeast and transgresses the project area over a strike length of at least 5km including the historic Mbeta workings in the northeast. See figure 2 below. In addition, pegmatites were observed to be outcropping at regular intervals along the linear feature

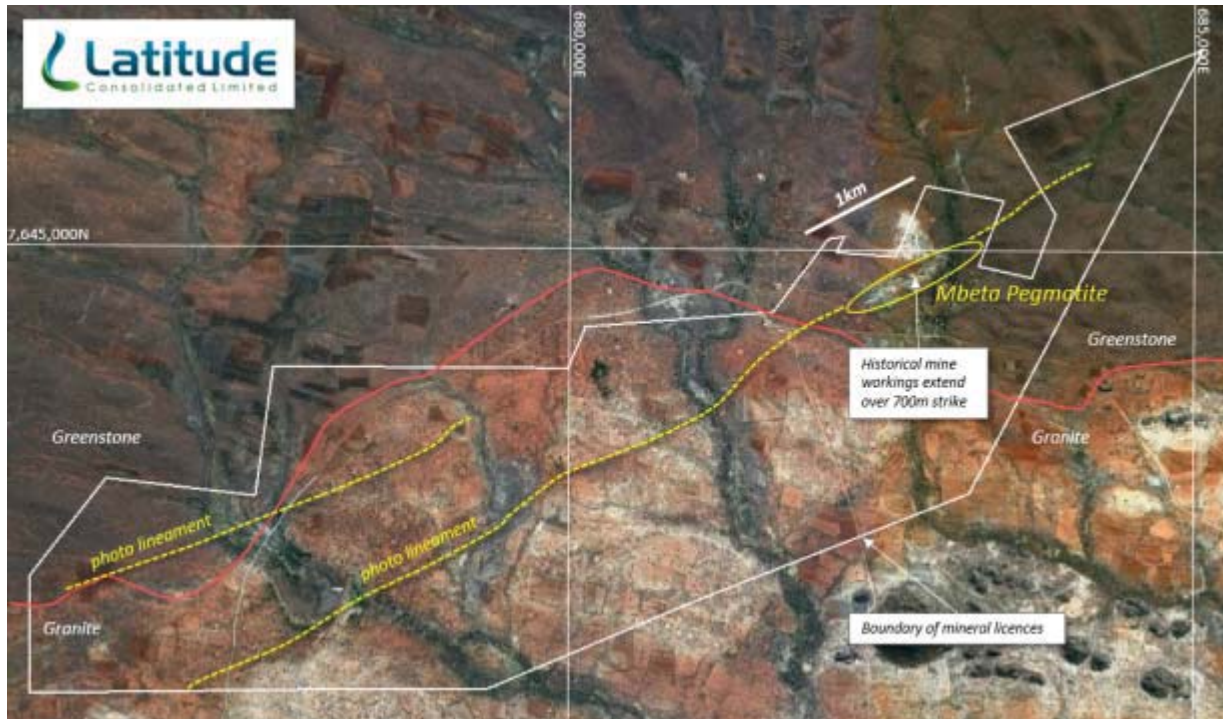


Figure 2: Mbeta Project – Photo image showing permits boundary, geological contacts, and the location of historic lithium pegmatite workings and associated photo-lineament

CORPORATE EVENTS

Resignation and Appointment of Company Secretary

On 3 August 2018 the Group announced the resignation of Chris Huish and the appointment of Harry Miller as Company Secretary. Harry Miller now carries out all roles as Company Secretary of the Group.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group that occurred during the financial year not otherwise disclosed in this report or the financial statements.

LIKELY DEVELOPMENTS & EXPECTED RESULTS OF OPERATIONS

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Group that were not finalised at the date of this report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Directors believe that the Group has, in all material respects, complied with all particular and significant environmental regulations relevant to its operations.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (CONTINUED)

The Group's operations are subject to various environmental regulations under the Federal and State Laws of Australia. The majority of the Groups ceased activities involved low level disturbance associated with exploration drilling programs. Approvals, licences and hearings and other regulatory requirements are performed as required by the management of the Group for each permit or lease in which the Group has an interest.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 25 July 2019, Latitude completed the acquisition of a 70% interest in the Mbeta Lithium Project in Southern Zimbabwe. Latitude paid US\$50,000 (AUD\$71,089) in full to Zimbabwean national Robert David Hutchings upon the Mbeta claims being transferred to the JVCO.

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE GROUP

As at the date of this report, the interests of the Directors in ordinary shares and unlisted options of the Group were:

Directors	Shares		Options	
	<i>Held Directly</i>	<i>Held Indirectly</i>	<i>Held Directly</i>	<i>Held Indirectly</i>
Mr Timothy Moore	154,037	6,971,458	-	1,000,000
Mr Morgan Barron	-	5,850,395	-	1,000,000
Mr Roger Steinepreis	1,812,930	17,239,260	1,000,000	-
Mr Nick Castleden	2,551,113	-	-	1,000,000
Mrs Kim Eckhof	1,000,000	-	1,000,000	-
TOTAL	5,518,080	30,061,113	2,000,000	3,000,000

MEETINGS OF DIRECTORS

During the financial year, there were 5 meetings of Directors, held with the following attendances:

Directors	Meetings Attended	Meetings Eligible To Attend
Mr Timothy Moore	5	5
Mr Morgan Barron	5	5
Mr Roger Steinepreis	5	5
Mr Nick Castleden	4	5
Mrs Kim Eckhof	5	5

Additionally, there were 4 Circular Resolutions passed in the 2019 financial year.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and Key Management Personnel of the Group for the year ended 30 June 2019. The information contained in this report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

This remuneration report details the remuneration arrangements for Key Management Personnel (“KMP”) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group, and includes the following specified executives in the Group:

Key Management Personnel

Directors:

- Mr Timothy Moore (Non-Executive Chairman)
- Mr Morgan Barron (Non-Executive Director)
- Mr Roger Steinepreis (Non-Executive Director)
- Mr Nick Castleden (Non-Executive Director)
- Mrs Kim Eckhof (Non-Executive Director)

Remuneration Policy

The Group’s performance relies heavily on the quality of its Key Management Personnel. The Group has therefore designed a remuneration policy to align Director and Executive reward with business objectives and shareholder value.

Executive reward is linked to shareholder value by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group’s financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain high calibre management personnel and Directors to run and manage the Group.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director remuneration is separate and distinct.

REMUNERATION REPORT (CONTINUED)

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities and acknowledge that current Director remuneration is below market rates. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

During the year ended 30 June 2019 no external remuneration consultants were used.

The maximum aggregate amount of fees per annum that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting.

Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group and are able to participate in employee incentive option plans that may exist from time to time.

Executive Remuneration

Executive Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

All Key Management Personnel are remunerated on a consultancy basis based on services provided by each person. The Board reviews Key Management Personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The fixed remuneration of the Group's Key Management Personnel is detailed in the table on pages 10 and 11.

Variable Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and Key Management Personnel. Currently, this is facilitated through the issue of options to Key Management Personnel to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth.

Principles used to determine the nature and amount of variable remuneration: relationship between remuneration and group performance.

The overall level of Executive reward takes into account the performance of the Group over a number of years, with greater emphasis given to the current and prior year. The main performance criteria used in determining the executive reward remuneration is increasing shareholder value through aligning the Group with high quality exploration assets. Due to the nature of the Group's principal activities the Directors assess the performance of the Group with regard to the price of the Group's ordinary shares listed on the ASX, and the market capitalisation of the Group.

Directors and Executives may be issued options to encourage the alignment of personal and shareholder interests. Options issued to Directors may be subject to market based price hurdles and vesting conditions and the exercise price of options is set at a level that encourages the Directors to focus on share price appreciation. The Group believes this policy will be effective in increasing shareholder wealth. Key Management Personnel are also entitled to participate in the employee share and option arrangements.

On the resignation of Directors, any vested options issued as remuneration are retained by the relevant party.

The Board may exercise discretion in relation to approving incentives such as options, performance rights or performance shares. The policy is designed to reward Key Management Personnel for performance that results in long-term growth in shareholder value.

REMUNERATION REPORT (CONTINUED)

Non-Executive Director Remuneration

During the year the Board completed a self-performance evaluation at a Director and Board level.

Service Contracts

Remuneration and other terms of employment for Executives are formalised in executive service agreements. Major provisions of the agreements existing at balance date relating to remuneration are set out below.

Non-Executive Directors

Upon appointment to the Board, all Non-Executive Directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the policies and terms, including compensation, relevant to the office of Director.

The key terms of the Non-Executive Director service agreements are as follows:

- Term of Agreement – ongoing subject to annual review.
- Directors' Fees of \$30,000 per annum plus statutory superannuation (if applicable).
- There is no notice period stipulated to terminate the contract by either party.

Voting and comments made at the Group's last Annual General Meeting

Latitude Consolidated Ltd received over 99.9% of 'yes' votes on its Remuneration Report for the financial year ending 30 June 2018. The Group received no specific feedback on its Remuneration Report at the Annual General Meeting.

Remuneration of Key Management Personnel

Details of the remuneration of the Directors and the Key Management Personnel of Latitude Consolidated Limited are set out in the following table.

2019	Short Term Benefits		Post-Employment Benefits	Share Based Payments	Total	Performance Related
	Salary, Fees & Consulting	Non-Monetary	Super-annuation	Options/Perf. Rights		
Key Management Personnel	\$	\$	\$	\$	\$	%
Non-Executive Directors						
Mr Timothy Moore ⁽¹⁾	98,750	-	-	-	98,750	-
Mr Morgan Barron ⁽¹⁾	30,000	-	2,850	-	32,850	-
Mr Roger Steinepreis ⁽¹⁾	30,000	-	-	-	30,000	-
Mr Nick Castleden ⁽¹⁾	30,000	-	-	-	30,000	-
Ms Kim Eckhof	31,250	-	-	-	31,250	-
Total	220,000	-	2,850	-	222,850	-

REMUNERATION REPORT (CONTINUED)

2018	Short Term Benefits		Post-Employment Benefits	Share Based Payments	Total	Performance Related %
	Key Management Personnel	Salary, Fees & Consulting \$	Non-Monetary \$	Super-annuation \$		
Non-Executive Directors						
Mr Timothy Moore ⁽¹⁾	30,000	-	-	15,572	45,572	34
Mr Morgan Barron ⁽¹⁾	30,000	-	2,850	15,572	48,422	32
Mr Roger Steinepreis ⁽¹⁾	30,000	-	-	15,572	45,572	34
Mr Nick Castleden ⁽¹⁾	30,000	-	-	15,572	45,752	34
*Ms Kim Eckhof	-	-	-	15,572	15,572	100
Total	120,000	-	2,850	77,860	200,710	

* Ms Kim Eckhof appointed 18 June 2018

Share-Based Compensation to Key Management Personnel

There was no share based compensation to any Key Management Personnel in the year ended 30 June 2019.

Share Holdings of Key Management Personnel

The number of ordinary shares of Latitude Consolidated Limited held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally-related entities for the year ended 30 June 2019 is as follows:

Directors	Held at 1-Jul-18	Movement During the Year	Options Exercised	Held at 30-Jun-19
Mr Timothy Moore	7,125,495	-	-	7,125,495
Mr Morgan Barron	5,850,395	-	-	5,850,395
Mr Roger Steinepreis	19,052,190	-	-	19,052,190
Mr Nick Castleden	2,551,113	-	-	2,551,113
Mrs Kim Eckhof	1,000,000	-	-	1,000,000
Total	35,579,193	-	-	35,579,193

Option Holdings of Key Management Personnel

The number of options over ordinary shares in Latitude Consolidated Limited held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally-related entities for the year ended 30 June 2019 is as follows:

REMUNERATION REPORT (CONTINUED)

Directors	Held at 1-Jul-18	Options Expired	Granted as Remuneration	Held at 30-Jun-19	Vested and Exercisable at 30-Jun-19
Mr Timothy Moore	1,000,000	-	-	1,000,000	1,000,000
Mr Morgan Barron	1,000,000	-	-	1,000,000	1,000,000
Mr Roger Steinepreis	1,000,000	-	-	1,000,000	1,000,000
Mr Nick Castleden	1,000,000	-	-	1,000,000	1,000,000
Mrs Kim Eckhof	1,000,000	-	-	1,000,000	1,000,000
Total	5,000,000	-	-	5,000,000	5,000,000

Other Related Party Transactions

All transactions with other related parties are made on normal commercial terms and conditions and at deemed market rates.

Ventnor Capital Pty Ltd (Mr Morgan Barron – Non-Executive Director)

Ventnor Capital Pty Ltd, a company of which Mr Morgan Barron is a Director, provided office accommodation, bookkeeping, CFO, financial accounting, company secretarial and corporate services in relation to the administration of the Group during the year.

A total amount of \$94,169 (2018: \$128,978) was paid to Ventnor Capital Pty Ltd for providing all of the above services for the year ended 30 June 2019. A total amount of \$7,766 (2018: \$Nil) was owed to Ventnor Capital Pty Ltd as at 30 June 2019.

Steinepreis Paganin Lawyers & Consultants (Mr Roger Steinepreis – Non-Executive Director)

Steinepreis Paganin Lawyers & Consultants, a company of which Mr Roger Steinepreis is a Partner, provided general legal advice and services to the Group during the year. A total amount of \$23,649 (2018: \$40,091) was paid to Steinepreis Paganin Lawyers & Consultants during the year. A total amount of \$635 (2018: \$14,258) was owed to Steinepreis Paganin Lawyers & Consultants as at 30 June 2019.

Cratonix Pty Ltd (Mr Nick Castleden – Non-Executive Director)

Cratonix Pty Ltd, a company of which is related to Nick Castleden through his spouse, provided general exploration services to the Group during the year. A total amount of \$Nil (2018: \$8,300) was paid to Cratonix Pty Ltd during the year. There was \$Nil amount outstanding at 30 June 2019 (2018: \$Nil)

Darjeeling Pty Ltd (Mr Timothy Moore – Non-Executive Chairman)

Darjeeling Pty Ltd, a company of which Timothy Moore is a Director, provided general executive services to the Group during the year. A total amount of \$8,969 (2018: \$15,500) was paid to Darjeeling Pty Ltd during the year. There was \$Nil amount outstanding at 30 June 2019 (2018: \$Nil)

*****END OF AUDITED REMUNERATION REPORT*****

AUDITOR

Grant Thornton Audit Pty Ltd continues in office in accordance with Section 327 of the *Corporation Act 2001*.

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Grant Thornton Audit Pty Ltd did not provide any non-audit services to the Group during the current or prior year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2019 has been received and can be found on page 21.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

SHARE OPTIONS

At 30 June 2019 there were 22,188,000 (2018: 24,188,000) share options on issue. During the year 2,000,000 options expired unexercised (2018: Nil) and no options were exercised (2018: Nil).

Unlisted Options over Ordinary Shares

At the date of this report the following unlisted options over ordinary shares in Latitude Consolidated Limited are on issue and outstanding:

	No. of Options	Exercise Price	Expiry Date
Unlisted Options	1,250,000	\$0.10	31-Aug-19
Unlisted Options	1,250,000	\$0.08	24-Nov-19
Unlisted Options	988,000	\$0.08	24-Nov-19
Unlisted Options	2,000,000	\$0.15	30-Nov-19
Unlisted Options	250,000	\$0.08	30-Nov-19
Unlisted Options	1,200,000	\$0.15	24-Nov-20
Unlisted Options	2,000,000	\$0.25	30-Nov-20
Unlisted Options	12,500,000	\$0.05	31-May-21
Unlisted Options	750,000	\$0.25	24-Nov-21
Total	22,188,000		

These options do not entitle the holders to participate in any share issue of the Group or any other body corporate.



ACN: 080 939 135

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'Timothy Moore', written in a cursive style.

Mr Timothy Moore
Chairman
Perth
25 September 2019



ACN: 080 939 135

Competent Person's Statement:

The information in this document that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation compiled by or under the supervision of Mr Nicholas Castleden, a Competent Person who is a member of the Australian Institute of Geoscientists a "Recognized Professional Organization" (RPO) included in a list that is posted on the ASX website from time to time. Mr Castleden has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 editions of the Australian Code for Reporting Exploration Results Mineral Resources and Ore Reserves. Latitude Consolidated confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the initial announcement continue to apply and have not materially changed. Latitude Consolidated confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

CORPORATE GOVERNANCE STATEMENT

Latitude Consolidated Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Group has adopted systems of control and accountability as the basis for the administration of corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Group's needs. The Corporate Governance Statement has been structured with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments 3rd edition to the extent that they are applicable to the Group.

Information about the Group's corporate governance practices are set out below.

THE BOARD OF DIRECTORS

The Group's Constitution provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

If the Group's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Group's activities will be determined within the limitations imposed by the Constitution and as circumstances demand.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and application of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Group's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities. Performance was evaluated continuously during the reporting period.

Directors are initially appointed by the full Board, subject to election by shareholders at the next Annual General Meeting. Under the Group's Constitution the tenure of a Director (other than Managing Director, and only one Managing Director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for the year and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the appointment may be revoked on notice. Written agreements with each Director and Senior Executive setting out the terms of their appointment is obtained at election.

The Company Secretary is accountable directly to the board, through the chair, on all matters to do with proper board functioning. The Group encourages the external auditor to attend and address any security holder questions relevant to the audit.

COMMITTEES OF THE BOARD

The whole Board acts as the Audit Committee given the limited size of the Group and Board.

The role of the Audit Committee is to:

- (a) Monitor the integrity of the financial statements of the Group, reviewing significant financial reporting judgements;
- (b) Review the Group's internal financial control systems and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;

COMMITTEES OF THE BOARD (CONTINUED)

- (c) Monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services; and
- (d) Perform such other functions as assigned by law, the Group's constitution, or the Board.

The Board has established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

Given the current size of the Board, the Group does not have a remuneration committee. The Board as a whole reviews remuneration levels on an individual basis, the size of the Group making individual assessment more appropriate than formal remuneration policies. In doing so, the Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.

There is no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Group, it is not considered that a separate nomination committee would add any substance to this process.

INDEPENDENCE

Given the Group's present size and scope, it is currently not the Group's policy to have a majority of independent Directors. Directors have been selected to bring specific skills and industry experience to the Group. The Board has an expansive range of relevant industry experience, financial, legal and other skills and expertise to meet its objectives.

When determining the independent status of each Director the board has considered whether the Director:

- Is a substantial shareholder of the Group or an officer of, or otherwise associated directly with, a substantial shareholder of the Group.
- Is employed, or has previously been employed in an executive capacity by the Group, and there has not been a period of at least three years between ceasing such an employment and serving on the Board.
- Has within the last three years been a principal of a material professional adviser or a material consultant to the Group, or an employee materially associated with the services provided.
- Is a material supplier or customer of the Group or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Has a material contractual relationship with the Group other than as a Director.

APPOINTMENTS TO OTHER BOARDS

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

INDEPENDENT PROFESSIONAL ADVICE

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Group's expense. With the exception of expenses for legal advice in relation to Directors' rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

GENDER DIVERSITY

In support of successfully executing our Strategy and achieving our objectives, we aim to recruit, develop and retain talented, diverse and motivated workforce that shares our Group's values. The Board and management have developed diversity objectives for the Group.

At Latitude Consolidated we aspire to a workforce profile which reflects as far as possible the talent available

GENDER DIVERSITY (CONTINUED)

in the communities in which we work. This requires us to achieve workforce diversity in all its forms, including as to gender, age, geographical location, race and ethnicity, religion, and cultural background. We will ensure that our policies and procedures enable and support a diverse workforce.

We believe that drawing our workforce from a diverse pool will give us the best talent and most effectively deliver our strategy to achieve diversification of our workforce.

- Focus on increasing female participation in management and all other levels of the organisation.
- Monitor and report the number of females within the organisation.
- Continue to tolerate and respect differences in ethnicities and religious practices and belief of all employees.
- Reviewing the means by which we recruit new employees and setting appropriate diversification goals to facilitate the recruitment of diversity within all levels of the organisation.

This Diversity Policy is also supported by internal processes that will set out measurable objectives to support the achievement of diversity across the Group.

The Group currently has one female Board members and one female employee.

CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Group. Such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The Directors recognise that mineral exploration is a business with inherent risks and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Group.

CODE OF CONDUCT

The Group has adopted a Code of Conduct for the Group's executives that promote the highest standards of ethics and integrity in carrying out their duties to the Group.

The Code of Conduct can be found on the Group's website at www.latitudeconsolidated.com.au.

CONTINUOUS DISCLOSURE

The Group's Board aims to ensure that the market is properly informed of all information that must be disclosed under the ASX Listing Rules (Listing Rule 3.1 in particular).

There must at all times be a system in place to collect and process information that could realistically be disclosed. The ultimate determination as to whether or not to disclose in doubtful cases may be made by the

Board and/or Chairman, taking into account the overall situation of the Group and, if necessary, legal or other advice. To assist in this regard, and, where appropriate, to determine whether information must be disclosed, the Group has established a Continuous Disclosure Compliance Committee ('Compliance Committee') to deal with continuous disclosure issues. The Compliance Committee consists of the Chairman and Group Secretary and, when available, any other Director.

The obligation to keep 'management' fully informed of any significant internal issue relating to or affecting the Group is central to the training and development of all Latitude Consolidated Limited employees and contractors and consultants.

RISK MANAGEMENT SYSTEMS

The identification and management of risk, including calculated risk-taking activity is viewed by management as an essential component in creating shareholder value.

Management is responsible for developing, maintaining and improving the Group's risk management and internal control system. Management provides the board with periodic reports identifying areas of potential risks and the safeguards in place to efficiently manage material business risks. These risk management and internal control systems are in place to protect the financial statements of the entity from potential misstatement, and the Board is responsible for satisfying itself annually, or more frequently as required, that management has developed a sound system of risk management and internal control.

Strategic and operational risks are reviewed at least annually as part of the forecasting and budgeting process. The Group has identified and actively monitors risks inherent in the industry in which the Group operates.

The Board also receives a written assurance from the Company Secretary that to the best of their knowledge and belief, the declaration provided to the Board in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control, and that the system is operating effectively in relation to financial reporting risks. The Board notes that due to its nature, internal control assurance from the Company Secretary can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in internal control procedures.

COMMUNICATION WITH SHAREHOLDERS

The Group respects the rights of its shareholders and to facilitate the effective exercise of those rights in the Group is committed to:

- Communicating effectively with shareholders;
- Providing shareholders with ready access to balanced and understandable information about the Group and corporate proposals; and
- Making it easier for shareholders to participate in General Meetings of the Group.

The Group sees its website www.latitudeconsolidated.com.au as an important tool for effective communication and all information disclosed to ASX is posted on the Group's website as soon as practicable after disclosure.

The Board encourages full participation of Shareholders at Annual General and General Meetings and uses these meetings to assist Shareholders in understanding the Group's objectives and strategies in relation to its business activities.

COMMUNICATION WITH SHAREHOLDERS

The Board encourages Shareholders to discuss Group issues with Directors and to facilitate this contact provides details of authorised Group contacts on all disseminated information.

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

The Board has reviewed its current practices in light of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments 3rd edition with a view to making amendments where applicable after considering the Group's size and the resources it has available.

As the Group's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the ASX Corporate Governance Guidelines with which the Group does not comply:

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE (CONTINUED)

ASX Principle	Reference/comment
Principle 2: Structure the Board to add value	
2.1 The Board should establish a nomination committee.	Given the size of the Board there is no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Group, it is not considered that a separate nomination committee would add any substance to this process.
2.4 A majority of the Board should be independent Directors and the chair should be an independent Director.	Given the Group's present size and scope, it is currently not Company policy to have a majority of independent Directors. Directors have been selected to bring specific skills and industry experience to the Group. Mr Roger Steinepreis and Mr Morgan Barron are considered not to be independent by virtue of being a partner or director of a material adviser to the Group, Mr Timothy Moore, Mr Nick Castleden and Ms Kim Eckhof are deemed not to be independent to the Group.
Principle 4: Safeguard integrity in financial reporting	
4.1 The Board should establish an audit committee.	The Group does not have an Audit Committee. The Board believes that, with only five Directors on the Board, the Board itself is the appropriate forum to deal with this function.
Principle 7: Recognise and manage risk	
7.1-2 The Board should establish a risk committee.	The Group does not have a risk committee. The Board believes that, with only five Directors on the Board, the Board itself is the appropriate forum to deal with this function. The board continuously reviews and addresses risks facing the Group.
Principle 8: Remunerate fairly and responsibly	
8.1 The Board should establish a remuneration committee.	Given the current size of the Board, the Group does not have a remuneration committee. The Board as a whole reviews remuneration levels on an individual basis, the size of the Group making individual assessment more appropriate than formal remuneration policies. In doing so, the Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.

Auditor's Independence Declaration

To the Directors of Latitude Consolidated Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Latitude Consolidated Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 25 September 2019

ACN-130 913 594

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Interest revenue		62,469	3,621
Fair value gain (loss) on available for sale assets	8	(522,654)	29,375
Compliance costs		-	(4,500)
Consulting and professional fees		(189,815)	(246,657)
Depreciation expense		-	(465)
Directors' benefit expense		(220,000)	(122,000)
Employee benefits expense		(2,851)	(2,850)
Exploration & evaluation expenditure	9	(336,783)	(478,774)
Insurance expense		(19,969)	(15,946)
Loss on sale of fixed asset		-	(1,185)
Loss on sale of exploration & evaluation expenditure asset	10	-	(485,751)
Other expenses		(24,071)	(55,128)
Rent expense		-	(15,124)
Share based payments		-	(77,860)
Share registry costs		(7,960)	(20,268)
Travel expenses		(73,734)	(25,222)
Loss from continuing operations		(1,335,370)	(1,518,734)
Income tax expense	5	-	-
Loss after income tax expense		(1,335,370)	(1,518,734)
Other Comprehensive Income for the year:			
Other comprehensive income for the year, net of income tax		-	-
Total Comprehensive Loss for the year attributed to members of Latitude Consolidated Limited		(1,335,370)	(1,518,734)
Total Basic and Diluted Loss per share – cents per share - for the year attributable to members of Latitude Consolidated Limited			
Basic and Diluted Loss per share – cents per share		(0.49)	(1.09)

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at year ended 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	3,320,100	4,256,402
Trade and other receivables	7	49,683	60,993
Available for sale financial assets	8	228,283	750,938
Total Current Assets		3,598,066	5,068,333
TOTAL ASSETS		3,598,066	5,068,333
LIABILITIES			
Current Liabilities			
Trade and other payables	11	85,643	220,542
Total Current Liabilities		85,643	220,542
TOTAL LIABILITIES		85,643	220,542
NET ASSETS / (LIABILITIES)		3,512,423	4,847,791
EQUITY			
Issued capital	12	36,816,609	36,816,609
Share based payments reserve	12	500,977	500,977
Accumulated losses		(33,805,163)	(32,469,795)
TOTAL EQUITY		3,512,423	4,847,791

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.



ACN: 080 939 135

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

For the year ended 30 June 2019

	2018	Note	Issued Capital	Reserve	Accumulated Losses	Total Equity
			\$	\$	\$	\$
Total Equity at 30 June 2017			33,431,399	329,827	(30,974,561)	2,786,665
Loss for the year			-	-	(1,518,734)	(1,518,734)
Total other comprehensive income			-	-	-	-
Total Comprehensive Loss for the Year			-	-	(1,518,734)	(1,518,734)
Capital raised (net of costs)			3,385,210	-	-	3,385,210
Share based payments			-	194,650	-	194,650
Expired performance rights			-	(23,500)	23,500	-
Total Equity at 30 June 2018			36,816,609	500,977	(32,469,795)	4,847,791
2019						
Loss for the year			-	-	(1,335,370)	(1,335,368)
Total other comprehensive income			-	-	-	-
Total Comprehensive Loss for the Year			-	-	(1,335,370)	(1,335,368)
Total Equity at 30 June 2019			36,816,609	500,977	(33,805,165)	3,512,423

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

ACN: 080 939 135

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Interest received		62,469	3,621
Payments to suppliers and employees		(661,988)	(447,161)
Payments relating to project analysis and due diligence		-	(4,500)
Net cash used in operating activities	15	(599,519)	(448,040)
Cash flows from investing activities			
Proceeds from sale of exploration and evaluation assets		-	1,000,000
Payments for exploration expenditure		(336,783)	(569,707)
Proceeds from sale of plant and equipment		-	3,000
Net cash (used) / provided by in investing activities		(336,783)	433,293
Cash flows from financing activities			
Proceeds from issues of shares and options		-	3,630,000
Capital raising costs		-	(128,000)
Net cash provided by financing activities		-	3,502,000
Net (decrease) / increase in cash and cash equivalents		(936,302)	3,487,253
Cash and cash equivalents at the beginning of the year		4,256,402	769,149
Cash and cash equivalents at the end of the year	6	3,320,100	4,256,402

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 1: REPORTING ENTITY

Latitude Consolidated Limited is a listed public Company incorporated and domiciled in Australia. The consolidated financial statements of the Group as at and for the year ended 30 June 2019 comprises of the Company and its subsidiaries (together referred to as the “consolidated entity” or “Group”).

A description of the nature of the Group’s operations and its principal activities is included in the Directors’ Report which does not form part of this financial report.

The financial statements were authorised by the Board of Directors on the date of signing the Directors’ Declaration.

NOTE 2: BASIS OF PREPARATION

This consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Latitude Consolidated Limited is a for-profit entity statements prepared on accruals basis under the historical cost convention except for the revaluation of properties, investments and derivatives

Latitude Consolidated Limited is the Group’s Ultimate Parent Company. Latitude Consolidated Limited is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Ground Floor, 16 Order Street, West Perth, WA, 6005, Australia.

The consolidated financial statements for the year ended 30 June 2019 were approved and authorised for issue by the Board of Directors on 24 September 2019.

Going Concern

These financial statements have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of \$1,335,370 (2018: \$1,518,734) and reported cash outflows from operating activities of \$599,521 (2018: \$448,040). The Directors are confident that the Group can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis. Should the Group be unable to undertake the initiatives disclosed above, there is uncertainty which may cast doubt whether the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts nor to the amounts or classification of liabilities that may be necessary should the Group and consolidated entity not be able to continue as a going concern.

NOTE 2: BASIS OF PREPARATION (CONTINUED)

Significant Accounting Estimates and Assumptions

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

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 year end are:

(i) Impairment of Capitalised Exploration and Evaluation Expenditure

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

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, results and net assets will be reduced in the year in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, results and net assets will be reduced in the period in which this determination is made.

(ii) Recoverability of Potential Deferred Tax Assets

The Group recognises deferred income tax assets in respect of tax losses to the extent that it is probable that the future utilisation of these losses are considered probable. Assessing the future utilisation of these losses requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, this could result in significant changes to the deferred income tax assets recognised, which would in turn impact the financial results.

(iii) Share-based Payment Transactions

The Group measures the cost of equity-settled transactions with management and other parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the Board of Directors using the Black-Scholes valuation method, taking into account the terms and conditions upon which the equity instruments were granted. The assumptions in relation to the valuation of the equity instruments are detailed in Note 14: Share-Based Payments. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently.

(a) Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options, are recognised as a deduction from equity, net any tax effects. Dividends on ordinary shares are recognised as a liability in the year in which they are declared.

(b) Exploration Expenditure

Exploration and evaluation costs, including the costs of acquiring permits and licenses, are capitalised as exploration and evaluation assets on an area of interest basis in the Consolidated Statement of Financial Position. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (a) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (b) activities in the area of interest have not at the reporting date reached a state which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to development expenditure.

(c) Cash and Cash Equivalents

For the purposes of presentation in the statement of Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Assets

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except of those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cashflows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost
- Fair value through profit or loss (FVPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within our expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AAS8 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model financial assets

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective using hedging instruments, for which the hedge accounting requirements apply.

There are no FVOCI instruments for the Group.

Impairment of Financial assets

AASB 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below. The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income Tax

Current and deferred tax is recognised as an expense or income in the profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the Consolidated Statement of Financial Position liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the Consolidated Statement of Financial Position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(f) Share Based Payments

The fair value at grant date of options granted to directors and contractors is recognised as a share based payment expense, with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

(g) Dividend and Revenue

Dividend revenue from investments is recognised when the Group's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Trade Payables

Trade and other payables are stated at amortised cost, which approximates fair value due to the short term nature of these liabilities.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to executives.

(k) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Directors, acting as chief operating decision makers. The Directors are responsible for allocating resources and assessing the performance of the operating segment.

(l) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2019. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June 2019.

All transactions and balances between the Group companies are eliminated on consolidation, including unrealised gains or losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

(n) New and Revised Standards that are effective for these financial statements

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period, resulting in no changes to accounting policy changes and no changes to recognition and measurement. Various other Standards and Interpretations were on issue but were not yet effective at the date of authorisation of the financial report. The issue of these Standards and Interpretations does not affect the Groups present policies and operations. The Directors anticipate that the adoption of these Standards and Interpretations in future periods will not materially affect the amounts recognised in the financial statements of the Group but may change the disclosure presently made in the financial statements of the Group.

AASB 15 Revenue from contracts with customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue related interpretations. The new Standard has been applied as at 1 January 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 January 2018 and comparatives not restated.

The adoption of this standard has had no impact on the current or previous reporting period and as such there have been no adjustments to the opening balance of retained earnings.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The adoption of this standard has had no impact on the current or previous reporting period.

(o) Accounting standards and interpretations issued but not yet effective

AASB 16 Leases

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 31 December 2018 are outlined in the table below:

New/revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods ending on or after)	Likely impact on initial application
AASB 16 Leases	AASB 117 Leases <i>Int. 4 Determining whether an Arrangement contains a Lease</i> <i>Int. 115 Operating Leases—Lease Incentives</i> <i>Int. 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>	AASB 16: <ul style="list-style-type: none"> replaces AASB 117 Leases and some lease-related Interpretations requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases provides new guidance on the application of the definition of lease and on sale and lease back accounting largely retains the existing lessor accounting requirements in AASB 117 requires new and different disclosures about leases 	1 January 2019	When this standard is first adopted for the year ending 31 December 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

NOTE 4: LOSS PER SHARE

	2019	2018
	\$	\$
Basic and diluted loss per share – cents	(0.49)	(1.09)
Loss used in the calculation of basic and diluted loss per share	(1,335,370)	(1,518,734)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share ¹	275,179,002	138,882,846
Weighted average number of options outstanding	12,030,466	12,030,466
Less: anti-dilutive options	(12,030,466)	(12,030,466)
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted loss per share ¹	275,179,002	138,882,846

¹ The 22,188,000 options outstanding as at 30 June 2019 (2018: 24,188,000) were not taken into account in the calculation of the weighted average number of ordinary shares as they are considered anti-dilutive.

NOTE 5: INCOME TAX

Major components of income tax expense for the periods ended 30 June 2019 and 30 June 2018 are:

	2019	2018
	\$	\$
Income statement		
<i>Current income</i>		
Current income tax charge (benefit)	(148,878)	(340,766)
Current income tax not recognised	148,878	340,766
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	133,758	214,968
Deferred tax benefit not recognised	(133,758)	(214,968)
Income tax expense (benefit) reported in income statement	<u>-</u>	<u>-</u>

A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the Periods ended 30 June 2019 and 30 June 2018 is as follows:

Accounting profit (loss) before tax from continuing operations	(1,335,370)	(1,518,734)
Accounting profit (loss) before income tax	<u>(1,335,370)</u>	<u>(1,518,734)</u>

NOTE 5: INCOME TAX (CONTINUED)

	2019	2018
	\$	\$
At the statutory income tax rate of 30% (2018: 30%)	(400,611)	(455,620)
Add:		
Non-deductible expenditure ⁽¹⁾	119,836	23,378
Temporary differences and losses not recognised	297,476	567,558
Less:		
Tax amortisation of capital raising costs	(16,701)	(135,316)
At effective income tax rate of 0% (2017: 0%)	<u>-</u>	<u>-</u>
Income tax expense reported in income statement	<u>-</u>	<u>-</u>

⁽¹⁾ Non-deductible expenses includes foreign exchange loss and entertainment expenses.

The net deferred tax asset arising from the tax losses has not been recognised as an asset in the Consolidated Statement of Financial Position because recovery is not probable.

The taxation benefit of tax losses not brought to account will only be obtained if:

- (i) Assessable income is derived of a nature and of an amount sufficient to enable the benefits to be realised; conditions for deductibility imposed by the law are complied with; and
- (ii) No changes in tax legislation adversely affect the realisation of the benefit from deductions.

NOTE 6: CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash at bank ⁽¹⁾	3,320,100	4,256,402
	<u>3,320,100</u>	<u>4,256,402</u>

⁽¹⁾ Cash at bank is subject to floating interest rates at an effective interest rate of 1.88% (2018: 0.14%).

NOTE 7: TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
Other receivables	43,300	40,688
Prepaid expenses	6,383	20,305
	<u>49,683</u>	<u>60,993</u>

The above amounts are short term and do not bear interest and their carrying amount is equivalent to their fair value. The Group's exposure to credit and market risks related to trade and other receivables are disclosed in Note 18.

NOTE 8: AVAILABLE FOR SALE FINANCIAL ASSETS

	2019	2018
	\$	\$
Listed ordinary shares	212,500	662,500
Unlisted options	15,783	88,438
	228,283	750,938

A reconciliation of the fair value movements in the available for sale asset is set out below:

Balance at beginning of the year	750,938	-
Additions	-	721,563
Revaluations	(522,655)	29,375
Balance at end of the year	228,283	750,938

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE

	2019	2018
	\$	\$
Mbeta lithium and other Zimbabwean exploration expenses	331,164	430,859
Australian tenements	5,619	47,915
	336,783	478,774

As at 30 June 2019, all exploration expenditure relating to the areas of interest in Zimbabwe and in Western Australia were expensed until further development of these projects takes place. This is consistent with the Group's accounting policy where costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

NOTE 10: EXPLORATION AND EVALUATION ASSET

	2019	2018
	\$	\$
Exploration and evaluation asset – at cost	-	-

A reconciliation of the carrying amounts of exploration and evaluation expenditure is set out below:

Balance at the start of the year	-	2,116,779
Capitalised exploration and evaluation expenditure during the year	-	90,535
Sale of exploration and evaluation capitalised	-	(2,207,314)
Capitalised exploration written off during the year	-	-
Balance at the end of the year	-	-

This is consistent with the Group's accounting policy where costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have

NOTE 10: EXPLORATION AND EVALUATION ASSET (CONTINUED)

not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Ultimate recoupment of these costs is dependent on successful development and commercial exploration or alternatively sale of the respective areas of interest.

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial report. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or by entering new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended. There are no exploration commitments as at 30 June 2019 (2018: \$Nil).

NOTE 11: TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Trade payables ⁽¹⁾	14,454	65,485
Other payables	745	35,748
Accruals	70,444	119,309
Total Trade and Other Payables	85,643	220,542

⁽¹⁾ Trade payables are non-interest bearing and are normally settled on 30-day terms.

The above amounts do not bear interest and their carrying amount is equivalent to their fair value.

NOTE 12: ISSUED CAPITAL & RESERVES

(a) Issued Capital	2019 No.	2019 \$	2018 No.	2018 \$
Fully paid ordinary shares	275,179,002	36,816,609	275,179,002	36,816,609

(b) Movements in fully paid shares on issue	Date	Issue Price	No.	\$
Balance as at 1 July 2017			131,179,002	33,431,399
Tranche 1 placement	24/04/2018	\$0.025	19,676,840	491,921
Tranche 2 placement	19/06/2018	\$0.025	118,323,160	2,958,079
Acquisition of project	22/06/2018	\$0.03	6,000,000	180,000
Share issue costs			-	(244,790)
Balance as at 30 June 2018			275,179,002	36,816,609
Balance as at 30 June 2019			275,179,002	36,816,609

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each

NOTE 12: ISSUED CAPITAL & RESERVES (CONTINUED)

shareholder has one vote on a show of hands.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Group does not have a limited amount of authorised capital and issued shares do not have a par value.

(c) Reserves	2019	2018
	\$	\$
Options Reserve	500,977	500,977
	500,977	500,977
Options Reserve	No.	\$
Balance as at 1 July 2017	11,688,000	306,327
Issued to Directors	5,000,000	77,860
Issued to consultant	7,500,000	116,790
Balance as at 30 June 2018	24,188,000	500,977
Expiry of unlisted options	(2,000,000)	-
Balance as at 30 June 2019	22,188,000	500,977
Performance Rights Reserve		
Balance as at 1 July 2017	9,000,000	23,500
Expiry of performance rights	(5,000,000)	(23,500)
Balance as at 30 June 2018	4,000,000	-
Balance as at 30 June 2019	4,000,000	-

Nature and Purpose of Reserve

The reserve is used to recognise the fair value of all options, performance shares and Performance rights on issue but not yet exercised.

Terms of Performance Shares:

- a. Class A Performance Shares – converting 1:1 into fully paid ordinary shares upon the delineation of an additional 100,000 ounce JORC resource on the Project tenements by the Group at a minimum grade cut-off of 1.0 g/t Au, by 31 August 2018; and
- b. Class B Performance Shares – converting 1:1 into fully paid ordinary shares upon the Group completing its first commercial ‘gold pour’ from mining production at the tenements by 31 August 2019.

No accounting value has been assigned to the Performance Shares issued to the inability to reliably measure the value.

Options valuations during the period

No options were granted during the year ended 30 June 2019. The Group uses the Black Scholes method and the valuation model inputs to determine the fair value at the grant date. These are listed as follows for options currently on issue:

NOTE 12: ISSUED CAPITAL & RESERVES (CONTINUED)

Class	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
1	01/09/2016	31/08/2019	0.045	0.10	172%	-	1.43%	0.036
2	26/11/2015	24/11/2021	0.029	0.25	172%	-	2.27%	0.023
3	26/11/2015	24/11/2020	0.029	0.15	172%	-	2.27%	0.026
4	26/11/2015	24/11/2019	0.029	0.08	172%	-	2.17%	0.025
5	26/11/2015	24/11/2019	0.029	0.08	172%	-	2.17%	0.025
7	05/12/2016	30/11/2019	0.047	0.15	172%	-	1.94%	0.036
8	05/12/2016	30/11/2020	0.047	0.25	172%	-	2.08%	0.039
9	05/12/2016	30/11/2019	0.047	0.08	172%	-	1.94%	0.039
10	20/06/2018	31/05/2021	0.03	0.05	100%	-	2.12%	0.0156

As at 30 June 2019 the Group had a total of 22,188,000 (2018: 24,188,000) unlisted options on issue with a weighted average exercise price of 9.92 cents (2018: 9.76 cents). The weighted average remaining contractual life of all share options outstanding at the end of the year is 1.51 years (2018: 2.33 years).

During the year ended 30 June 2019, no options over shares were exercised (2018: Nil).

Capital Management

When managing capital, the Board's objective is to ensure the Group continues as a going concern as well as to maximise the returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board is constantly reviewing the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, the Board may issue new shares, return capital to shareholders or sell assets to reduce debt.

The Group was not subject to any externally imposed capital requirements during the year.

NOTE 13: SHARE BASED PAYMENT

No share based payments were made during the year ended 30 June 2019 (2018: \$77,860).

NOTE 14: OPERATING CASH FLOW

	2019 \$	2018 \$
Reconciliation of Loss for the Year to Net Cash Flows provided by Operations		
Loss for the year	(1,335,370)	(1,518,734)
<u>Adjustments for:</u>		
Depreciation expense	-	465
Sale of exploration and evaluation assets	-	485,751
Share based payments	-	77,860
Revaluation expense	522,654	(29,375)
Exploration & evaluation expenditure	336,783	478,774
Loss on sale of fixed asset	-	1,185
<u>Changes in assets and liabilities:</u>		
(Increase) / decrease in trade receivables and other assets	11,310	(26,674)
Decrease in available for sale financial assets	-	400
Increase / (decrease) in trade and other payables	(134,898)	82,308
Net cash flows used in operations	(599,521)	(448,040)

NOTE 15: RELATED PARTY TRANSACTIONS

(a) Key Management Personnel Compensation

Information on remuneration of all Directors and Key Management Personnel is contained in the Remuneration Report within the Directors' Report.

The aggregated compensation paid to Directors and Key Management Personnel of the Group is as follows:

	2019 \$	2018 \$
Short-term employee benefits	220,000	327,127
Post-employment benefits	2,850	2,850
Share based payments	-	77,860
	222,850	407,837

(b) Loans to Key Management Personnel

No loans have been made to key management personnel, including their personally related parties, of Latitude Consolidated Limited.

(c) Other Related Party Transactions

Transactions with other related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

Ventnor Capital Pty Ltd (Mr Morgan Barron – Non-Executive Director)

Ventnor Capital Pty Ltd, a company of which Mr Morgan Barron is a Director, provided office accommodation, bookkeeping, CFO, financial accounting services, company secretarial support, corporate services and executive services in relation to the administration of the Company during the year. Ventnor Capital also provided Due diligence, project evaluation and corporate transaction services during the year.

A total amount of \$94,169 (2018: \$128,978) was paid to Ventnor Capital Pty Ltd for providing all of the above services for the year ended 30 June 2018. There was \$7,766 outstanding to Ventnor Capital Pty Ltd as at 30 June 2019 (2018: \$Nil).

Ventnor Securities Pty Ltd (Mr Morgan Barron – Non-Executive Director)

Ventnor Securities Pty Ltd, a company of which Mr Morgan Barron is a Director, provided capital raising support to the Group during the year.

There were no transactions with Ventnor Securities Pty Ltd for the year ended 30 June 2018 (2018: \$Nil). There was no amount outstanding at 30 June 2019 (2018: \$nil).

Steinepreis Paganin Lawyers & Consultants (Mr Roger Steinepreis – Non-Executive Director)

Steinepreis Paganin Lawyers & Consultants, a company of which Mr Roger Steinepreis is a Partner, provided general legal advice and services to the Group during the year. A total amount of \$23,649 (2018: \$40,091) was paid to Steinepreis Paganin Lawyers & Consultants during the year. A total amount of \$635 (2018: \$14,258) was owed to Steinepreis Paganin Lawyers & Consultants as at 30 June 2019.

Cratonix Pty Ltd (Mr Nick Castleden – Non-Executive Director)

Cratonix Pty Ltd, a company of which is related to Nick Castleden through his spouse, provided general exploration services to the Group during the year. There were no transactions with Cratonix Pty Ltd for the year ended 30 June 2019 (2018: \$8,300). There was no amount outstanding at 30 June 2019 (2018: \$nil).

NOTE 15: RELATED PARTY TRANSACTIONS (CONTINUED)

Darjeeling Pty Ltd (Mr Timothy Moore – Non-Executive Chairman)

Darjeeling Pty Ltd, a company of which Timothy Moore is a Director, provided general executive services to the Group during the year. A total amount of \$8,969 (2018: \$15,500) was paid to Darjeeling Pty Ltd during the year. There was no amount outstanding at 30 June 2019 (2018: \$Nil)

NOTE 16: AUDITOR'S REMUNERATION

	2019	2018
	\$	\$
<i>Amounts Payable to Auditor</i>		
Audit and review services - payable to Grant Thornton Audit Pty Ltd	30,561	33,848
	30,561	33,848

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

NOTE 17: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, receivables, payables and related party loans.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified.

The Group manages its exposure to key financial risks, including interest rate, credit and liquidity risks in accordance with the Group's risk management policy. The primary objective of the policy is to reduce the volatility of cash flows and asset values arising from such movements.

The Group uses different methods to measure and manage the different types of risks to which it is exposed. These include monitoring the levels of exposure to interest rate risk, ageing analysis and monitoring of credit allowances to manage credit risk and the use of future cash flow forecasts to monitor liquidity risk.

(b) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

(c) Categorisation of Financial Instruments

Details of each category in accordance with Australian Accounting Standard AASB 139 *Financial Instruments: Recognition and Measurement* are disclosed either on the face of the Consolidated Statement of Financial Position or in the notes.

(e) Credit Risk

(i) Exposure to Credit Risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)

	2019	2018
	\$	\$
Cash and cash equivalents	3,320,100	4,256,402
Trade and other receivables	49,683	60,993
Available for sale financial assets	228,283	750,938
	3,598,066	5,068,333

(ii) Interest Rate Risk

The Company's maximum exposure to interest rates at the reporting date was:

	Interest Rate Exposure					Total
	Range of Effective Interest Rate (%)	Carrying Amount \$	Variable Interest Rate \$	Non Interest Bearing \$	Floating Interest Rate \$	
2019						
Financial Assets - Current						
Cash and cash equivalents	1.88%	3,320,100	3,320,100	-	-	3,320,100
2018						
Financial Assets - Current						
Cash and cash equivalents	0.14%	4,256,402	4,256,402	-	-	4,256,402

(iii) Trade and Other Receivables

The Company's maximum exposure to credit risk for trade and other receivables at the reporting date was:

	Carrying Amount \$	Not past due and not impaired \$	Past due but not impaired			Impaired Financial Assets \$
			1-3 Months \$	3 Months to 1 Year \$	1 Year to 5 Years \$	
2019						
Financial Assets - Current						
Trade and other receivables	49,683	49,683	-	-	-	-
2018						
Financial Assets - Current						
Trade and other receivables	60,993	60,993	-	-	-	-

(f) Liquidity Risk

(i) Exposure to Liquidity Risk

The carrying amount of the Company's financial liabilities represents the maximum liquidity risk. The Company's maximum exposure to liquidity risk at the reporting date was:

NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)

	2019 \$	2018 \$
Financial Liabilities - Current		
Trade and other payables	85,643	220,542
Total Financial Liabilities	85,643	220,542

(ii) Contractual Maturity Risk

The following table discloses the contractual maturity analysis at the reporting date:

	Carrying Amount	Less than 1 month	1-3 Months	Maturity Dates		
				3 Months to 1 Year	1 Year to 5 Years	Over 5 Years
	\$	\$	\$	\$	\$	\$
2019						
Financial Liabilities - Current						
Trade and other payables	85,643	85,643	-	-	-	-
2018						
Financial Liabilities - Current						
Trade and other payables	220,542	220,542	-	-	-	-

(g) Market Risk

(i) Currency Risk

The Company is not exposed to any foreign currency risk at the report date.

(ii) Interest Rate Risk

The Company's only exposure to interest rate risk is Cash as set out in Note 17(e)(ii).

(iii) Other Price Risk

There are no other price risks of which the Company is aware.

(iv) Sensitivity Disclosure Analysis

Taking into account past performance, future expectations and economic forecasts, the Company believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Reserve Bank of Australia).

It is considered that 100 basis points is a 'reasonably possible' estimate of potential variations in the interest rate.

The following table discloses the impact on net operating result and equity for each category of financial instrument held by the Company at year end as presented to key management personnel, if changes in the relevant risk occur.

NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)

	Carrying Amount \$	Interest Rate Risk			Equity \$
		Profit \$	+1% Equity \$	-1% Profit \$	
2019					
Financial Assets - Current					
Cash and cash equivalents	3,320,100	33,201	33,201	(33,201)	(33,201)
2018					
Financial Assets - Current					
Cash and cash equivalents	4,256,402	42,564	42,564	(42,564)	(42,564)

NOTE 18: FAIR VALUE MEASUREMENT

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the Consolidated Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
Assets				
Available for sale financial assets	212,500	15,783	-	228,283
	212,500	15,783	-	228,283

The options granted (representative of level 2 available for sale financial assets) were valued using the Black Scholes method and the valuation inputs used to determine the fair value at grant date, are as follows:

No of Options	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
3,125,000	11/05/2018	11/05/2021	0.053	0.08	98.13%	-	2.16%	0.0283

NOTE 19: EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 25 July 2019, Latitude completed the acquisition of a 70% interest in the Mbeta Lithium Project in Southern Zimbabwe. Latitude paid US\$50,000 (AUD\$71,089) in full to Zimbabwean national Robert David Hutchings upon the Mbeta claims being transferred to the JVCO.

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

NOTE 20: CONTINGENT ASSETS AND LIABILITIES

The Directors are not aware of any contingent assets or liabilities that may arise from the Company's operations as at 30 June 2019 (2018: Nil).

NOTE 21: SEGMENT REPORTING

The Company has identified one operating segment based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The Company operates in Australia (exploration) and Zimbabwe (exploration) however at this stage prepares reports internally that reflect exploration totals in both regions as a total sum as opposed to preparing separate reports.

NOTE 22: PARENT ENTITY INFORMATION

Information relating to Latitude Consolidated Limited (the Parent Entity)

	2019 \$'000	2018 \$'000
Statement of financial position		
Current assets	3,598,066	5,068,333
Total assets	3,598,066	5,068,333
Current liabilities	85,643	220,542
Total liabilities	85,643	220,542
Net assets	3,512,243	4,847,791
Issued capital	36,816,609	36,816,609
Reserve	500,977	500,977
Retained earnings	(33,805,165)	(32,469,795)
Total equity	3,512,243	4,847,791
Statement of profit or loss and other comprehensive income		
Profit for the year	(1,335,370)	(1,518,734)
Other comprehensive income	-	-
Total comprehensive income	(1,335,370)	(1,518,734)

NOTE 23: INTEREST IN SUBSIDIARIES

Set out below are details of the subsidiaries held directly by the Group:

Name of the subsidiary	Country of the incorporation and principal place of business	Principal activity	30 June 2019	30 June 2018
Latitude Consolidated Holdings Pty Ltd	Australia	Mineral exploration	100%	100%

DIRECTOR'S DECLARATION

In the Directors' opinion:

- (a) the accompanying financial statements set out on pages 23 to 26 and the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the year ended on that date; and
 - ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2019.

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

On behalf of the Directors



Mr Timothy Moore
Chairman

Perth
25 September 2019

Independent Auditor's Report

To the Members of Latitude Consolidated Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Latitude Consolidated Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report 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 that there are no key audit matters to be communicated in our report.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors' for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 9 to 13 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Latitude Consolidated Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 25 September 2019

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

SHAREHOLDINGS

The issue capital of the Company at 20 September 2019 is 275,179,002 ordinary fully paid shares. All ordinary shares carry one vote per share.

TOP 20 SHAREHOLDERS AS AT 20 SEPTEMBER 2019

	No. of Shares Held	% Held
1 MCNEIL NOMINEES PTY LIMITED	32,740,278	11.90
2 CROESUS MINING PTY LTD	14,300,000	5.20
3 HAVELOCK MINING INVESTMENT LTD	13,747,912	5.00
4 VIMINALE PTY LTD	9,417,706	3.42
5 BLUEKNIGHT CORPORATION PTY LTD	8,000,000	2.91
6 RANCLAND HOLDINGS PTY LTD	6,000,000	2.18
7 TUKDAH PTY LTD	5,478,999	1.99
8 CELERY PTY LTD	5,271,655	1.92
9 BNP PARIBAS NOMINEES PTY LTD	4,445,759	1.62
10 TALLTREE HOLDINGS PTY LTD	4,000,000	1.45
10 OAKHURST ENTERPRISES PTY LTD	4,000,000	1.45
10 NEWHAT INVESTMENTS LIMITED	4,000,000	1.45
10 DR GEORG H SCHNURA	4,000,000	1.45
10 ARMoured FOX CAPITAL PROPRIETARY LIMITED	4,000,000	1.45
11 RIVERVIEW CORPORATION PTY LTD	3,363,661	1.22
12 RIVERVIEW CORPORATION PTY LTD	3,354,685	1.22
13 MR EDWARD FRANK DAVISON	3,024,530	1.10
14 VIRGIN PTY LTD	3,000,000	1.09
14 MR MARK GASSON	3,000,000	1.09
14 MR KLAUS PETER ECKHOF	3,000,000	1.09
15 MR GLENN BRUCE PARKER & MR JOHN GRAHAM SMITH	2,906,536	1.06
16 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,838,479	1.03
17 MRS FIFI J SMITH	2,631,578	0.96
18 CROESUS MINING PTY LTD	2,500,000	0.91
18 REPLAY HOLDINGS PTY LTD	2,500,000	0.91
19 MR MICHAEL PETER HETRELEZIS	2,310,344	0.84
20 OPEKA DALE PTY LTD	2,300,000	0.84
20 MR ALFREDO VARELA	2,300,000	0.84
	158,432,122	57.57%

Shares Range

Shares Range	No. of Holders	No. of Shares
100,001 and Over	204	267,761,236
10,001 to 100,000	153	7,189,802
5,001 to 10,000	17	127,349
1,001 to 5,000	29	88,275
1 to 1,000	99	12,340
	502	275,179,002

Number holding less than a marketable parcel	212	1,618,673
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Shareholders by Location

Australian holders
Overseas holders

	No. of Holders	No. of Shares
Australian holders	480	237,921,263
Overseas holders	22	37,257,739
	502	275,179,002

VOTING RIGHTS

The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2019

	No. of Shares Held	% Held
MCNEIL NOMINEES PTY LIMITED	32,740,278	11.90%
CROESUS MINING PTY LTD	14,300,000	5.20%
HAVELOCK MINING INVESTMENT LTD	13,747,912	5.00%

OPTION HOLDINGS

The Company has the following classes of options on issue at 20 September 2019 as detailed below. Options do not carry any rights to vote.

Class		Terms	No. of Options
LCD-OP3	Unlisted Options	Exercisable at 0.15c expiring on or before 30 November 2019	2,000,000
LCD-OP4	Unlisted Options	Exercisable at 0.25c expiring on or before 30 November 2020	2,000,000
LCD-OP5	Unlisted Options	Exercisable at 0.08c expiring on or before 24 November 2019	1,250,000
LCD-OP6	Unlisted Options	Exercisable at 0.15c expiring on or before 24 November 2020	1,200,000
LCD-OP7	Unlisted Options	Exercisable at 0.25c expiring on or before 24 November 2021	750,000
LCD-OP8	Unlisted Options	Exercisable at 0.08c expiring on or before 24 November 2019	988,000
LCD-OP9	Unlisted Options	Exercisable at 0.08c expiring on or before 30 November 2019	250,000
LCD-OP10	Unlisted Options	Exercisable at 0.05c expiring on or before 31 May 2021	12,500,000
			20,938,000

ACN: 080 939 135

Options Range

1 – 1,000
1,001 – 5,000
5,001 – 10,000
10,001 – 100,000
100,001 and over

Unlisted Options	
No. of Holders	No. of Options
-	-
-	-
-	-
-	-
18	20,938,000
18	20,938,000

The following Option holders hold more than 20% of a particular class of the Company's Unlisted Options.

Holder	LCD-OP3	LCD-OP4	LCD-OP5	LCD-OP6
Vaportrail Pty Ltd	-	-	-	-
Seefeld Investments Pty Ltd	-	-	-	-
Maincost Pty Ltd	1,000,000	1,000,000	-	-
Gazzard Investments Pty Ltd	1,000,000	1,000,000	-	-
Michael Edwards	-	-	750,000	750,000
Alan Downie	-	-	500,000	450,000

Holder	LCD-OP7	LCD-OP8	LCD-OP9	LCD-OP10
Michael Edwards	750,000	-	-	
Alan Downie	-	-	-	
Joel Ives	-	494,000	-	
Brett Tucker	-	494,000	-	
Read Corporate	-	-	250,000	
DJ Carmichael				7,500,000

SCHEDULE OF MINING & EXPLORATION TENEMENTS

Project/Tenements	Location	Held at year end	Acquired in the year	Disposed in the year
Mt Burges	WA			
E15/1587 - Granted		100%	-	-