MARQUEE RESOURCES
LIMITED

Annual Report

for the year ended 30 June 2018

CONTENTS

CORPORATE INFORMATION

ABN 94 616 200 312

Directors

Mr Mark Ashley	Non-Executive Chairman
Mr Charles Thomas	Managing Director
Mr George Henderson	Non-Executive Director

Company secretary

Mrs Anna MacKintosh

Registered and Principal Office

22 Townshend Road
Subiaco WA 6008

Telephone: 08 6380 2470
Website: www.marqueeresources.com.au

Share register

Security Transfer Registry
770 Canning Highway
Applecross WA 6153
Telephone: 08 9315 2333
Facsimile: 08 9315 2233

Solicitors

Edwards Mac Scovell
Level 7, 140 St George's Terrace
Perth WA 6000

Bankers

NAB
100 St. Georges Terrace
Perth WA 6000

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Securities Exchange Listing

Marquee Resources Limited shares are listed on the Australian Securities Exchange (ASX: MQR)

CHAIRMANS REPORT

Dear Shareholder

The management team at Marquee, led by Charles Thomas, has worked hard and diligently over the past 12-months building on the foundational base and positioning our Company for growth in the longer-term, always with shareholders best interest at the forefront of their strategies and decisions.

It's been a tough 12-months for the ASX resource sector and in fact for the international resource sector.

This has clearly influenced Marquee's share price over this year, but it is pleasing to see that our performance has been above the average, with Marquee's price having increased by over 12% over the past 12-months compared to the Metals and Mines Index (ASX), which has increased by 10% over the same period.

The past years highlight was clearly the successful consolidation of the mining concessions of the Werner Lake region of Ontario, Canada (first announced in December 2017), with our focus on their cobalt potential, providing Marquee with ultimate control of an important and highly prospective region for Cobalt.

Our initial drill program has confirmed the potential significance of this region and we are well advanced into phase 2 of the drilling campaign.

I would also like to recognize the tremendous support provided to Charles Thomas and his team by GTT Ventures Pty Ltd, who's guidance and support, effectively from the conception of Marquee, has been amazing.

I would also like to mention George Henderson who joined the Marquee board in February 2018 whose contribution in establishing the Company's strategic direction and corporate governance is significant.

I would also like mention Paul Sarjeant our General Manager based in North America, who joined Marquee on a full time basis in March 2018 and is responsible for developing and managing the exploration and commercial strategies at Werner Lake.

In closing, I would like to thank you, our shareholders for your continued support, patience and commitment, and look forward to reporting to you this time next year on our progress for the year ahead.

Mark Ashley
Chairman

DIRECTOR'S REPORT

Your directors present their report together with the financial statements of the Group consisting of Marquee Resources Limited ("the Company") and the entities it controlled during the year for the financial year ended 30 June 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

Directors

The names of directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mark J Ashley FMCA (Non-Executive Chairman)

Experience and expertise	Mr Ashley is a senior resource executive with an over 30-year career launching, turning around, and optimising internationally listed organisations mostly in Mining and Natural Resource Sectors. Mr Ashley has a wide ranging and in-depth knowledge of the technical, commercial and financial aspects of the Resource sector (precious metals, base metals and bulk commodities) having held senior executive roles of a number of internationally listed entities including Normandy Mining, Cluff Resources, LionOre Mining International, Kagara Zinc, Apex Minerals and many others. He has significant international experience having worked in London, Shanghai, Turkey, Africa, Australia and now the USA. Mr Ashley is a citizen of the USA, Australia and the UK and currently resides in California.
Other current directorships	Tonogold Resources Inc OTC (USA)
Former listed directorships in last 3 years	Vangold Resources Inc TSVX (Canada)

Mr Charles Thomas B.Com (Managing Director)

Experience and expertise	Mr Thomas holds a Bachelor of Commerce from UWA majoring in Corporate Finance. Mr Thomas is an Executive Director of GTT a boutique corporate advisory firm based in Australia. Mr Thomas has worked in the financial service industry for more than a decade and has extensive experience in capital markets as well as the structuring of corporate transactions. Mr Thomas has significant experience sitting on numerous ASX boards spanning the mining, resources and technology space.
Other current directorships	Non-executive director of Vikings Mines Ltd (ASX.VKA) Non-executive director Toptung Ltd (ASX.TTW)
Former listed directorships in last 3 years	Non-executive director Force Commodities Ltd (ASX.4CE) Non-executive director Search Party Group Limited (formerly Applabs technologies) (ASX.SP1) Non-executive director AVZ Minerals Ltd (ASX.AVZ) Non-executive director Liberty Resources Ltd (ASX.LBY) Non-executive director XTV Networks Ltd (ASX.XTV)

Mr George Henderson (Non-Executive Director) appointed 21 February 2018

Experience and expertise	Mr Henderson is a corporate lawyer with over 7 years of experience. He is currently a Partner in the corporate team at Edwards Mac Scovell. George primarily works in mergers and acquisitions, capital raisings and regulatory compliance, and has particular experience in the resources sector. George graduated from the University of Western Australia with degrees in Law and Commerce (Corporate Finance and Financial Accounting).
Other current directorships	Nil
Former listed directorships in last 3 years	Nil

DIRECTOR'S REPORT cont.

Mr Jason Bontempo (Non-Executive Director) resigned 21 February 2018

Experience and expertise	Mr Bontempo has 20 years' experience in public company management, corporate advisory and investment banking. He qualified as a chartered accountant with Ernst & Young. Mr Bontempo has worked primarily in Australia and the UK providing corporate advice around the financing of resource companies on both the ASX and AIM markets including resource asset acquisitions and divestments. Mr Bontempo has also served on the board and the executive management of minerals and resources public companies focusing on advancing and developing mineral resource assets and business development.
Other current directorships	Director Orca Energy Ltd (ASX.OGY) Director Red Emperor Resources Ltd (ASX.RMP) Director Cobalt One Limited (ASX.CO1)
Former listed directorships in last 3 years	Glory Resources Ltd (ASX.GLY) Tianshan Gioldfields (ASX.TGF) Red Mountain Mining (ASX.RMX)

Company Secretary

Anna MacKintosh B.Com (UWA) CPA

Anna MacKintosh has over 26 years' commercial experience including 11 years with BHP, 10 years with AFSL holder Kirke Securities Ltd as Compliance Manager, Finance Manager and Responsible Executive. Since then Ms MacKintosh has been the Company Secretary/CFO for listed entity Kalia Limited (formerly GB Energy Ltd) (ASX: KLH), Financial Controller for Force Commodities (ASX: 4CE) and previously XTV Networks Ltd (ASX: XTV) and Applabs Technologies Ltd (ASX: ALA). She is also currently Company Secretary of TAO Commodities Ltd (ASX.TAO) and Baraka Energy & Resources Ltd (ASX.BKP)

Interests in the shares and options of the Company and related bodies corporate
The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of options over ordinary shares	Performance Rights
Mr Mark Ashley	Nil	3,000,000	1,000,000
Mr Charles Thomas	1,000,000	5,333,333	5,000,000
Mr George Henderson	10,000	Nil	1,000,000

There are no unpaid amounts on the shares issued.

The Company currently has 9 million unlisted options (all held by Directors/previous Director) on issue that are escrowed until 14 March 2019, 8 million listed options issued via a Non-renounceable Entitlement Offer in September 2017 and 5,785,714 unlisted options issued in June 2018.

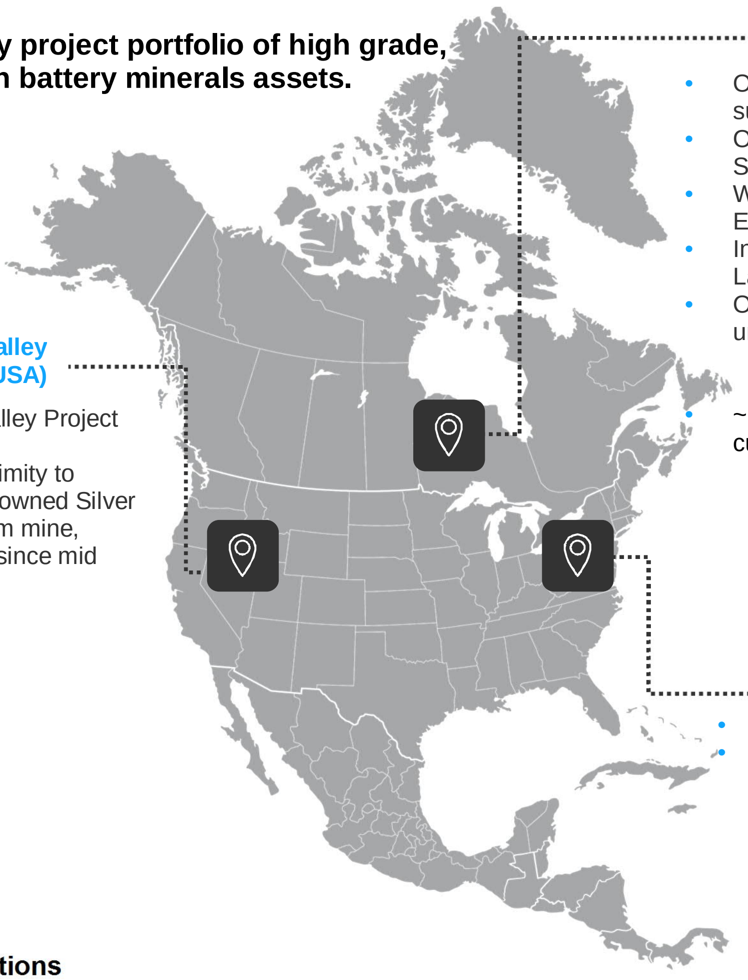
Dividends
No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

DIRECTORS' REPORT cont.

Principal Activities

Marquee Resources is a mineral explorer that has interests in the Ontario Cobalt Projects (Werner Lake, Skeleton Lake) and the Clayton Valley Lithium Project (Nevada, USA)

Complementary project portfolio of high grade, North American battery minerals assets.



Werner Lake (Ontario, Canada)

- One of the largest, high grade cobalt sulphide resources in Canada.
- Option to acquire up to 70% by Spending $2,500,000
- Werner Lake and Werner Lake East/West Projects now consolidated.
- Includes previously operating Werner Lake Mine.
- Over 40,000m of drilling previously undertaken at Werner Lake;
  - NI 43-101 resource of 79,000 tonnes @ 0.43% (b)
- ~6,000m diamond drilling program currently underway

Clayton Valley (Nevada, USA)

- Clayton Valley Project (Lithium).
- Close proximity to Albemarle owned Silver Peak lithium mine, producing since mid 1940s.

Skeleton Lake (Ontario, Canada)

- Skeleton Lake Project (Cobalt).
- Large land holding in highly prospective Mulligan cobalt area.

Review of operations

<u>Clayton Valley Project (USA)</u>

Marquee Resources completed its maiden drilling program at its Clayton Valley Lithium Project in Nevada, USA. In early July Harris Exploration Drilling and Associates began mobilising the rig at the site and drilling officially commenced.

Final analyses of the program were announced to the market on 26 September 2017.

Analysis received from 10-foot water samples collected from hole AUS-2 drilled by conventional rotary by Harris Exploration Drilling to a total depth of 2000 feet. Hole AUS-1 drilled by reverse circulation was lost to caving.

The reportable intervals of Lithium previously reported were:

Depth	Interval
1010-1080	70 feet at 4.8 mg/L high of 8.7 mg/L
1090-1200	110 feet at 6.7 mg/L high of 11.6 mg/L
1250-1260	10 feet at 2.9 mg/L
1340-1350	10 feet at 5.5 mg/L

While MQR believes that analyses of Drill hole Aus-2, are marginal in the strictest sense, these results have opened up the South-Eastern Clayton Valley to an expanded potential because MQR believes that these analyses are too high to readily be explained other than by the Clayton Valley lithium brine formation process. The results are marginal, but geologically significant.

DIRECTOR'S REPORT cont.

The company believes that geologically, hole AUS-2 could potential re-write the geology of South-Eastern Clayton Valley. It encountered unexpected and significant thicknesses of the same rocks which host lithium brines. MQR believes the mineral potential remains open as do the actual boundaries of the sedimentary basin of Clayton Valley.

The company in conjunction with its consultant geologist has been assessing the best course of action for the Clayton Valley Project.

Canadian Cobalt Projects

Marquee Resources, following shareholder approval at the general meeting held on 21 February 2018, completed the acquisition of Canadian Co27 Pty Ltd (**Co27**). The Company also confirmed that completion had occurred under the agreements for the Werner Lake Project, the Werner Lake / East Project and the Skeleton Project. In accordance with the agreements, the Company issued a total of 11,000,000 shares between the relevant sellers on the 14th March 2018.

CO27 was party to the following agreement to acquire interests in the following cobalt project:

- An agreement with Global Energy Metals Corp. (GEMC) to earn up to a 70% interest in the Werner Lake West Project;
- An agreement with Caamo Capital Corp., Gino Chitaroni and Blackstone Development Inc. to acquire a 100% interest in the Skeleton Lake Project; and
- An agreement with Perry Vern English to acquire a 100% interest in the Werner Lake East/West Project.

Project Summary

Werner Lake Project(a)

- Indicated Mineral Resource of 79,400 Tonnes at 0.43% Co (b)
- 40,000+ m of diamond drilling previously completed
- Mineralised zones remain open in all directions and MQR intend to aggressively explore its additional potential to expand its resource
- Total mine production was reported at 143,386 lbs of cobalt grading approximately 2.2% cobalt and 0.75 % copper (Hughes 2010a).

Werner Lake East/West Project

- Unification of Werner Lake Area undertaken to explore additional high-grade cobalt mineralised zones throughout the Werner Lake Geological Belt.
- Exploration to be undertaken to confirm extension of Mine Trend to East and West

Skeleton Lake Project (Mulligan Area) (c)

- The claims surround and abut Meteoric Resources NL (MEI:ASX), Mulligan and Mulligan East Cobalt Property
- Historical assays at the neighbouring Foster Marshall Ag-Co project returned high-grade up to 4.5% Cobalt and 87oz/t Silver (www.suprememetalscorp.com)

(a) Historical information sourced from Global Energy Metals and Superior Exploration Ltd exploration reports

(b) This work was based on a technical report AGP Mining Consultants, Sept 6, 2017 titled "NI 43-101 Resource Estimate for the Werner Lake Project, Werner Lake Ontario" for Global Energy Metals Corp ("GEMC"), conforming to CIM technical standards and NI 43-101 reporting standards for resources estimates. MQR deems this resource still relevant because economic parameters have not negatively changed significantly since publication date and MQR has confidence in the estimate based on review of technical data. There are no more recent estimates or data available. To upgrade this work from a historical or foreign estimate to a current mineral resource, MRQ will review the data set and complete additional drilling and modeling work to verify the historic or foreign estimate as a current mineral resource. A qualified person has not done sufficient work to classify the historical or foreign estimate as current mineral resources or reserves under JORC (2012) standards, and the issuer is not treating the historical or foreign estimate as a current mineral resources or reserves.

(c) The Mulligan cobalt occurrence is contiguous to the Skeleton Lake project and is an extremely important indicator with respect to the surrounding geology.

Drilling Program Werner Lake

In the June 2018 quarter the Company prepared for its maiden drilling campaign at the Werner Lake Cobalt project. As announced to ASX, this exploration program started on June 28th 2018 and will continue in earnest in the September quarter of 2018.

Phase 1 of the Company's drilling program consisted of approximately 2,000m of diamond drilling.

Initially, drilling was focused on the Werner Lake West area where the bulk of the NI 43-101 Mineral Resource of 79,400 Tonnes at 0.43% Co (b) has been delineated. Planned drill holes will test depth extension of the mineralised zone(s), confirm historic drill intercepts and will attempt to convert areas of Inferred mineralisation to Indicated category.

DIRECTOR'S REPORT cont.

Phase 2 drilling continues to test the down dip/down plunge potential of the mineralised zone at both the Werner Lake West and the Old Mine Site areas.

Assay results of the Phase 1 drilling program were released to the market on the 15th August 2018.

Corporate

- The Company conducted a pro-rata non-renounceable entitlement offer of options which closed on Thursday, 7 September 2017. The purpose of this Offer was to implement the offer of Options proposed in the company's prospectus dated 8 February 2017. A total of 8 million listed options were issued, raising $80,000 before costs.
- The Company held its Annual General Meeting on 21st November 2017 and all resolutions were passed on a show of hands.
- The Company held a General Meeting of shareholders on the 21st February 2018. All resolutions were passed.
- The Company held a General Meeting of shareholders on the 8th June 2018. All resolutions were passed.
- On the 18th June 2018, the company completed Tranche 2 (which was subject to shareholder approval) of a placement lead managed by Hartleys Ltd resulting in the issue of 3,988,928 fully paid ordinary shares in the Company at $0.35 per share to raise gross proceeds of $1,369,125, as well as 3,785,714 options exercisable at $0.50 which were free attaching options to shares issued under the placement (Tranche 1 & 2) on a 1 for 2 basis.
- Further to the newly acquired interest in Canada, the Company announced the appointment of the highly experienced Mr Paul Sarjeant to its Canadian in-country management team. Mr Sarjeant has primary responsibility for the implementation of the upcoming exploration program at the Werner Lake Cobalt project ("Werner Lake") located in Ontario, Canada.

Significant changes in the state of affairs

Marquee Resources, following shareholder approval at the general meeting held on 21 February 2018, completed the acquisition of Canadian Co27 Pty Ltd (**Co27**). The Company also confirmed that completion had occurred under the agreements for the Werner Lake Project, the Werner Lake / East Project and the Skeleton Project. In accordance with the agreements, the Company issued a total of 11,000,000 shares between the relevant sellers on the 14th March 2018. Refer to review of operations section for further information.

Significant events after reporting date

The Company released on the 15th August 2018 assay results from drill holes at its newly acquired interest in the Werner Lake cobalt project. There are no further matters reported.

Likely developments and expected results

The company continues to review a number of potential resource acquisitions with a particular focus on brownfields exploration and production assets.

Environmental regulation

In the course of its normal exploration activities, the Group adheres to environmental regulations imposed on it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Group has complied with all material environmental requirements during the financial year. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Group

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

DIRECTORS' REPORT cont.

Remuneration report (Audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Marquee Resources Limited for the financial year ended 30 June 2018. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

Key Management Personnel

Directors

Mr Mark Ashley	Non Executive Chairman
Mr Charles Thomas	Managing Director
Mr George Henderson	Non-Executive Director appointed 21 February 2018
Mr Jason Bontempo	Non-Executive resigned 21 February 2018

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The Board has the authority and responsibility for planning, directing and controlling the activities of the company and the Group, including directors of the company and of the senior management. Compensation levels for directors and senior management of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives.

Remuneration levels are not dependent upon any performance criteria as the Company and the Group are not generating a profit.

Remuneration committee

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The aggregate level ($250,000) was set at the time of the company's incorporation and has not changed since.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors for the year ended 30 June 2018 is detailed in page 10 of this report.

Executive director remuneration

Remuneration consists of fixed remuneration and share based payments detailed in the remuneration table.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices.

DIRECTORS' REPORT cont.

The Committee has access to external, independent advice where necessary. No consultants were engaged during the reporting year.

Share based payment arrangements

Options

In the previous financial year, directors were granted options to purchase ordinary shares at an exercise price determined by the Board with regard to the market value of the shares when it resolved to offer the options.

Each share option converts into one ordinary share of the Company on exercise. No amounts were paid to the Company by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry.

The options, vested immediately upon grant, however they are subject 24 months escrow (14 March 2019). The expiry date of the options is 10/03/2020.

Performance Rights

Directors were granted Performance Rights at a shareholders meeting held on 8 June 2018. These Performance Rights were granted to incentivise performance by linking the benefit to the share price of the company.

Each Performance Right is exercisable into a Share for $0.001 in the event that it vests within 3 years of being granted (8 June 2021). The vesting conditions are as follows:

Class A	The Company achieving a VWAP of $0.75 over a 20 trading day period
Class B	The Company achieving a VWAP of $1.00 over a 20 trading day period

Each Director was granted Performance Rights as follows:

Director	Class A	Class B	Total	Valuation
Charles Thomas	2,500,000	2,500,000	**5,000,000**	**$1,592,500**
Mark Ashley	500,000	500,000	**1,000,000**	**$318,500**
George Henderson	500,000	500,000	**1,000,000**	**$318,500**

Refer to Note 15c for assumptions in valuation.

Use of remuneration consultants
The Company did not employ the services of remuneration consultants during the financial year.

The remuneration of the Company Directors and executives is detailed in page 13 of this report.

DIRECTORS' REPORT cont.

Employment Contracts

Mark Ashley – Non Executive Chairman
The key terms of Mr Ashley's contract are:

- Chairman Fees of $60,000 per annum plus statutory superannuation. Any additional consulting work is charged at $150 per hour (excl GST).
- No termination benefits

Charles Thomas –Managing Director
The key employment terms of Mr. Thomas's service contract are:

- Executive Director fee of $150,000 per annum plus statutory superannuation and approved employment expenses.
- Termination Notice 6 months by either party.

George Henderson – Non-Executive Director
The key employment terms of Mr Henderson's contract are:

- Director's fee of $36,000 per annum
- No termination benefits

DIRECTORS' REPORT cont.

Remuneration of Key Management Personnel

Key Management Personnel remuneration for the year ended 30 June 2018 and period ended 30 June 2017

	Short-term employment benefits		Post-employment benefit	Equity		
	Salary & fees	Bonus	Superannuation	Share based payments	Total	Remuneration consisting of SBP%
30 June 2018	$	$	$	$	$	%
Directors						
M Ashley	86,452	-	6,270	318,500	411,222	77.45
C Thomas	150,000	-	14,250	1,592,500	1,756,750	90.65
G Henderson (i)	12,857	-	1,221	318,500	332,578	95.77
J Bontempo (ii)	25,459	-	-	-	25,459	0
Total	274,768	-	21,741	2,229,500	2,526,009	88.26

(i) Appointed 21 February 2018
(ii) Resigned 21 February 2018

	Short-term employment benefits		Post-employment benefit	Equity		
	Salary & fees	Bonus	Superannuation	Share based payments	Total	Remuneration consisting of SBP%
30 June 2017	$	$	$	$	$	%
Directors						
M Ashley (i)	35,040	-	-	387,000	422,040	91.70
C Thomas (ii)	35,000	-	1,900	627,000	663,900	94.44
J Bontempo (i)	13,140	-	-	154,000	167,140	92.14
R Tassone(iii)	-	-	-	-	-	-
P Glovac (iii)	-	-	-	-	-	-
Total	83,180	-	1,900	1,168,000	1,253,080	93.21

(i) Appointed 13 March 2017
(ii) Appointed 30 November 2016
(iii) Resigned 13 March 2017

No member of key management personnel appointed during the year received a payment as part of his or her consideration for agreeing to hold the position.

Bonuses

No bonuses were granted during the year.

Shareholdings of Key Management Personnel

30 June 2018	Balance at beginning of year Number	Granted as remuneration Number	On Exercise of Options Number	Net Change Other Number	Balance at end of year Number
Directors					
Mr Mark Ashley	-	-	-	-	-
Mr Charles Thomas	1,542,500	-	-	-	1,542,500
Mr George Henderson [(i)]	-	-	-	10,000	10,000
Mr Jason Bontempo[(ii)]	125,000	-	-	-	125,000

(i) At the time of appointment 21 Feb 2018
(ii) At time of resignation 21 Feb 2018

All equity transactions with key management have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

DIRECTORS' REPORT cont.

Option holdings of Directors

In the 30 June 2017 financial period, Mark Ashley and Jason Bontempo (former Director) were granted 3 million and one million options respectively (series 1 exercise price $0.30 with an expiry of 10/03/2020). C Thomas was issued 5 million options (series 2 exercise price $0.30 with an expiry of 10/03/2020). All options are escrowed until 14/03/2019. See Note 15 for further information.

30 June 2018	Balance at beginning of year Number	Granted as remuneration Number	Options exercised Number	Net Change Other Number	Balance at end of year Number	Grant Value	Percentage vested
Directors							
Mr Mark Ashley Series 1	3,000,000	-	-	-	3,000,000	$0.1290	100%
Mr Charles Thomas Series 2	5,000,000	-	-	-	5,000,000	$0.1254	100%
Listed Options[(ii)] C Thomas	-	-	-	333,333	333,333	$0.001	100%
Mr Jason Bontempo (Former director) Series 1 [(i)]	1,000,000	-	-	-	1,000,000	$0.1290	100%
Mr George Henderson	-	-	-	-	-	-	-

(i) Balance on resignation
(ii) Purchased by Director under Entitlement Offer

No Options were Exercised during 2018 financial year.

Performance Rights holdings of Directors

30 June 2018	Balance at beginning of year Number	Granted as remuneration Number	Options exercised Number	Net Change Other Number	Balance at end of year Number	Grant Value	Percentage vested
Directors							
Mr Mark Ashley							
Class A	-	500,000	-	-	500,000	$0.331	0%
Class B	-	500,000	-	-	500,000	$0.306	0%
Mr Charles Thomas							
Class A	-	2,500,000	-	-	2,500,000	$0.331	0%
Class B	-	2,500,000	-	-	2,500,000	$0.306	0%
Mr George Henderson							
Class A	-	500,000	-	-	500,000	$0.331	0%
Class B	-	500,000	-	-	500,000	$0.306	0%

DIRECTORS' REPORT cont.

Other transactions with Key Management Personnel

A share based payment was made to Directors and Company Secretary by the granting of Performance Rights approved by shareholders 8 June 2018. Four million Class A Rights (vesting hurdle $0.75 VWAP) and four million Class B Rights (vesting hurdle of $1.00 VWAP). Refer to the Remuneration Report for further details.

Further payments to GTT Ventures Pty Ltd (a company of which Charles Thomas is a Director and shareholder) included the following:
Consultancy Fees $126,000
Rent $48,898

Loans to Key Management Personnel

There are no loans to key management personnel.

End of Audited Remuneration Report

DIRECTORS' REPORT cont.

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors meetings	
Number of meetings held:	3	
Number of meetings attended:		
Mr Mark Ashley	3	
Mr Charles Thomas	3	
Mr George Henderson	1	Appointed 21 Feb 2018
Mr Jason Bontempo	2	Resigned 21 Feb 2018

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

Auditor's Independence and Non-Audit Services
Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA), to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 13 and forms part of this directors' report for the year ended 30 June 2018.

Non-Audit Services
No non-audit services were provided during the year by the auditor other than what has been disclosed in Note 21. The Company may deploy the auditors for non-audit services in the future.

Signed in accordance with a resolution of the directors.

Dated: 28 September 2018

Charles Thomas
Managing Director

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Australia

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF MARQUEE RESOURCES LIMITED

As lead auditor of Marquee Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Marquee Resources Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 28 September 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
Continuing operations			
Interest income	2	25,002	12,329
Administrative expenses	2	(885,974)	(282,482)
Staff expenses		(322,700)	(87,601)
Depreciation expense		(2,284)	(44)
Share Based Payment	15a	(2,548,000)	(1,168,000)
Loss before income tax expense		(3,733,957)	(1,525,798)
Income tax benefit	3	-	-
Loss after income tax for the year		(3,733,957)	(1,525,798)
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		30,836	(27,973)
Other comprehensive income/(loss) for the year, net of tax		30,836	(27,973)
Total comprehensive loss for the year attributable to owners of the parent		(3,703,121)	(1,553,771)
Basic loss per share for the year attributable to the members of Marquee Resources Ltd (cents per share)	5	(13.074)	(7.398)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents	6	3,273,437	2,697,003
Trade and other receivables	7	56,017	55,966
Prepayments	8	26,069	24,308
		3,355,523	2,777,277
Total current assets		3,355,523	2,777,277
Non-current assets			
Property, plant and equipment	9	19,187	6,670
Deferred exploration and evaluation expenditure	10	5,966,453	593,994
Total non-current assets		5,985,640	600,664
Total assets		9,341,163	3,377,941
Liabilities			
Current liabilities			
Trade and other payables	11	177,791	80,508
Accruals	11	105,537	42,000
Total current liabilities		283,328	122,508
Total liabilities		283,328	122,508
Net assets		9,057,835	3,255,433
Equity			
Issued capital	12	10,295,726	3,666,204
Reserves	14	4,021,864	1,115,027
Accumulated losses	14	(5,259,755)	(1,525,798)
Total equity		9,057,835	3,255,433

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

Consolidated	Notes	Issued capital $	Option premium reserve $	Share-based payment reserve $	Foreign currency translation reserve $	Accumulated Losses $	Total equity $
Balance at 30 Nov 2016		100	-	-	-	-	100
Loss for the period						(1,525,798)	(1,525,799)
Exchange differences arising on translation of foreign operations		-	-	-	(27,973)	-	(27,973)
Total comprehensive loss for the period		-	-	-	(27,973)	(1,525,798)	(1,553,772)
Transactions with owners in their capacity as owner							
Share Issues		4,800,000	-	-	-	-	4,800,000
Share Issue Costs		(1,133,896)	-	-	-	-	(1,133,896)
Recognition of share-based payments	14	-	1,143,000	-	-	-	1,143,000
Balance as at 30 June 2017		3,666,204	1,143,000	-	(27,973)	(1,525,798)	3,255,433
Balance at 1 July 2017		3,666,204	1,143,000	-	(27,973)	(1,525,798)	3,255,433
Loss for the year		-	-	-	-	(3,733,957)	(3,733,957)
Exchange differences arising on translation of foreign operations		-	-	-	30,836	-	30,836
Total comprehensive loss for the year		-	-	-	30,836	(3,733,957)	(3,703,121)
Transactions with owners in their capacity as owner							
Issue of Shares Placement		2,650,000	-	-	-	-	2,650,000
Issue of shares on acquisition of Canadian CO27 Pty Ltd		4,400,000	-	-	-	-	4,400,000
Share Issue Costs		(420,478)	-	-	-	-	(420,478)
Issue of Options		-	328,000	-	-	-	328,000
Recognition of share-based payments		-	-	2,548,000	-	-	2,548,000
Balance at 30 June 2018		10,295,726	1,471,000	2,548,000	2,863	(5,259,755)	9,057,834

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,093,327)	(382,081)
Interest received		25,002	6,289
Net cash (outflows) from operating activities	6	(1,068,325)	(375,792)
Cash flows from investing activities			
Exploration and evaluation expenditure		(892,922)	(111,595)
Payment for plant and equipment		(14,801)	(6,714)
Net cash (outflows) from investing activities		(907,723)	(118,309)
Cash flows from financing activities			
Proceeds from issue of shares		2,730,000	3,500,000
Payments for share issue costs		(177,518)	(308,896)
Net cash inflows from financing activities		2,552,482	3,191,104
Net increase/(decrease) in cash and cash equivalents		576,434	2,697,003
Cash and cash equivalents at the beginning of the year		2,697,003	-
Cash and cash equivalents at the end of the year	6	3,273,437	2,697,003

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This General Purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Going Concern
The financial statements have been prepared on a going concern basis.

Historical Cost Convention
The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Critical accounting estimates
The preparation of the financial statements 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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1e.

Comparative Information
The 30 June 2017 comparative period information covers the period from incorporation (being 30 November 2016) to 30 June 2017 and therefore is not comparable throughout the financial statement (different period lengths).

Functional and presentation currency
The functional currency of the Group is measured using the currency of the primary economic environment in which the entity operates (United States and Canada), however the financial statements are presented in Australian dollars, which is the economic environment that the parent operates.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2018
In the year ended 30 June 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont.

Standard Reference	Application Date	Nature of Change	Impact on Company's financial report
IFRS 9 Financial Instruments	Annual reporting periods beginning on or after 1 January 2018	IFRS 9 amends the classification and measurement of financial assets and liabilities. Financial assets will either be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL. All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss. Gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	The Company has considered this standard and identified there will be minimal impact on the financial statements.
IFRS 15 Revenue from Contracts with Customers	Annual reporting periods beginning on or after 1 January 2018	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risk and rewards as is currently the case under IAS 18 Revenue.	The Company has early adopted this standard with minimal impact on the financial statements.

Standard Reference	Application Date	Nature of Change	Impact on Company's financial report
IFRS 16 Leases	Annual reporting periods beginning on or after 1 January 2019	If a lessee has significant operating leases outstanding at the date of initial application, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments. This will increase EBITDA as operating leases that were previously expensed will be amortised as a right-of-use asset, and an interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under the existing standard. This trend will reverse in the later years. There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.	The Company has considered this standard and identified there will be minimal impact on the financial statements.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2018.

As a result of this review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Group accounting policies.

(c) Statement of compliance
The financial report was authorised for issue by the directors on 27 September 2018.The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

(d) Basis of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Marquee Resources Limited ('Company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the period then ended. Marquee Resources Limited and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from intra-Group transactions have been eliminated in full.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(e) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Asset Acquisition:

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. Asset's acquired during the period were exploration expenditure.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model. For equity instruments with market based vesting conditions, a Barrier 1 Valuation model is used.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Impairment of exploration expenditure

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. When assessing impairment of exploration and evaluation assets, the carrying amount of exploration and evaluation is compared to its recoverable amount. The estimated recoverable amount is used to determine the extent of the impairment loss (if any).

As at 30 June 2018 the Directors reviewed the Group's exploration portfolio for indicators of impairment. As a result of this review, the Board made that decision that no impairment was required in the current year's accounts. Refer to Note 10 also.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Marquee Resources Limited.

(g) Foreign currency translation
The functional currency of the Group is measured using the currency of the primary economic environment in which the entity operates (United States and Canada), however the financial statements are presented in Australian dollars, which is the economic environment that the parent operates.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

As at the reporting date the assets and liabilities of this subsidiary are translated into the presentation currency of Marquee Resources Limited at the rate of exchange ruling at the reporting date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

In addition, in relation to the partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

(h) Revenue recognition
Revenue is measured at fair value of the consideration received or receivable.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Goods and Services taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Impairment of tangible and intangible assets other than goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(m) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the Statement of Profit or Loss and other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(n) Financial assets

Classification

The consolidated entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the Statement of Profit or Loss and Other Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Statement of Profit or Loss and Other Comprehensive Income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in Statement of Profit or Loss and Other Comprehensive Income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income as part of revenue from continuing operations when the consolidated entity's right to receive payments is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Fair value
The fair values of quoted investments are based on last trade prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment
The consolidated entity assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

(o) Property, plant and equipment
Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment	3 - 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the cost of sales line item.

Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(t) Share-based payment transactions

Equity settled transactions

The Group in a previous financial year provided benefits to employees of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). During the current year, share based payment in the form of Performance Rights were granted to Directors and the Company Secretary. Refer to Note 15c for further information.

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share. Refer Note 5.

(u) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(v) Loss per share

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

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

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

(w) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(x) Parent entity financial information

The financial information for the parent entity, Marquee Resources Limited, disclosed in Note 19 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the parent entity's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

NOTE 2: REVENUE AND EXPENSES

	2018 $	2017 $
Revenue		
Interest income	25,002	12,329
	25,002	**12,329**

	2018 $	2017 $
Administrative Expenses		
Legal Fees	136,031	25,677
Consultancy Fees	323,173	73,068
Travel & Accommodation	75,366	76,705
Other	351,404	107,032
Total administrative expenses	885,974	282,482

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3: INCOME TAX

Income tax recognised in profit or loss
The major components of tax expense are:

	2018	2017
	$	$
Current tax expense/(income)	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-
	-	-

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

	2018	2017
	$	$
Accounting loss before tax from continuing operations	(3,733,957)	(1,525,798)
Gain before tax from discontinued operations	-	-
Accounting loss before income tax	(3,733,957)	(1,525,798)
Income tax benefit calculated at 27.5%	(1,026,838)	(419,594)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenditure/(Non-assessable income)	902,259	362,746.30
Difference in overseas tax rates		-
Effect of unused tax losses not recognised as deferred tax assets	124,579	56,848.15
Income tax benefit reported in the consolidated statement of comprehensive income	0	0
Income tax attributable to discontinued operations	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% payable by Australian corporate entities on taxable profits under Australian tax law.

Unrecognised deferred tax assets
Deferred tax assets have not been recognised in respect of the following items:

	2018	2017
	$	$
Tax losses – revenue	204,251	71,991
Tax losses – capital	-	-
Deductible temporary differences	79,898	52,680
	284,149	124,671

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits thereof.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

Information reported to the Group's Board of Directors for the purposes of resource allocation and assessment of performance is more specifically focused on the exploration and development of mineral resource projects. The Group's reportable segments under AASB8 are therefore as follows:

- Exploration and evaluation - Nevada
- Exploration and evaluation - Canada
- Other sector

Exploration and evaluation – Nevada refers to the Clayton Valley Project Exploration licenses (EL's) held in Nevada USA. The Group holds a 100% interest in these licences through Sovereign Gold Nevada Inc, a wholly owned subsidiary of Marquee Resources Limited.

Exploration and evaluation – Canada refers to three projects in Canada, Werner Lake, Werner Lake East /West and Skeleton Lake. Refer to review of operations in the Director's Report for further information.

The other sector relates to head office operations, including cash management. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment information

The following table presents revenue and profit information and certain asset and liability information regarding business segments for the period ended 30 June 2018 and 30 June 2017

30 June 2018	Exploration and Evaluation – Canada $	Exploration and Evaluation – Nevada USA $	Other $	Consolidated $
Revenue				
Total segment revenue	-	-	25,002	25,002
Segment results				
Segment Result	(4,174)	-	(3,729,783)	(3,733,957)
Segment assets				
Segment assets	5,267,275[(i)]	872,142	3,201,746	9,341,163
Segment liabilities				
Segment liabilities	161,378	-	121,950	283,328

(i) Includes $4.4 million relating to the issue of 11 million shares to the sellers of Canadian CO27 Pty Ltd and accompanying projects

Cash flow information				
Net cash flow from operating activities	(4,174)	-	(1,064,151)	(1,068,325)
Net cash flow from investing activities	(614,774)	(278,148)	(14,801)	(907,723)
Net cash flow from financing activities	-	-	2,552,482	2,552,482

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 4 Segment Reporting cont.

30 June 2017	Exploration and Evaluation – Canada $	Exploration and Evaluation – Nevada USA $	Other $	Consolidated $
Revenue				
Total segment revenue	-	-	12,329	12,329
Segment results				
Segment Result	-	-	(1,525,798)	(1,525,798)
Segment assets				
Segment assets	-	593,994	2,783,947	3,377,941
Segment liabilities				
Segment liabilities	-	-	122,508	122,508
Cash flow information				
Net cash flow from operating activities	-	-	(375,792)	(375,792)
Net cash flow from investing activities	-	(111,595)	(6,714)	(118,309)
Net cash flow from financing activities	-	-	3,191,104	3,191,104

NOTE 5: LOSS PER SHARE

Basic loss per share	2018 Cents per share	2017 Cents per share
Continuing operations	(13.074)	(7.398)
Total basic loss per share	(13.074)	(7.398)

Diluted loss per share	2018 Cents per share	2017 Cents per share
Continuing operations	(10.694)	(7.398)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 5. Loss per share cont.

Basic loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	2018 $	2017 $
Loss	(3,733,957)	(1,525,798)
Loss from continuing operations	(3,733,957)	(1,525,798)

	2018 Number	2017 Number
Weighted average number of ordinary shares for Basic earnings per share	28,560,578	20,625,000
Diluted earnings per share	34,916,743	20,625,000

NOTE 6: CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank and on hand	3,273,437	2,697,003

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

Reconciliation of loss for the year to net cash flows from operating activities

	2018 $	2017 $
Loss for the period	(3,733,957)	(1,525,798)
Depreciation and amortisation	2,284	44
Other non cash items	(74,497)	9,069
Unrealised foreign exchange	30,836	(27,973)
Share based payment	2,548,000	1,168,000
(Increase)/decrease in assets:		
Trade and other receivables	(52)	55,866
Other current assets	(1,761)	24,308
Increase/(decrease) in liabilities:		
Trade and other payables	160,821	(79,308)
Net cash from operating activities	(1,068,325)	(375,792)

Non-Cash Investing Activity

	2018	2017
Issue of shares to acquire asset	4,400,000	450,000
	4,400,000	450,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7: TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
Other receivables	11,180	6,140
GST/HST receivables	44,837	49,826
	56,017	55,966

NOTE 8: OTHER FINANCIAL ASSETS

	2018 $	2017 $
Current		
Prepayments – D&O Insurance/ directors fees	26,069	24,308

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2018 Consolidated Plant and equipment $	2017 Consolidated Plant and equipment $
Gross carrying amount		
Open Balance	6,714	-
Additions	14,801	6,714
Disposals	-	-
Balance at 30 June	21,515	6,714
Accumulated depreciation and impairment		
Open Balance	44	-
Depreciation expense	2,284	44
Disposals	-	-
Balance at 30 June	2,328	44
Carrying value		
30 June	19,187	6,670

The useful life of the assets was estimated as follows for 2018:

Plant and equipment	3 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 10: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2018 $	2017 $
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	593,994	-
Asset acquired – refer to Note 13	4,797,206	450,000
Exploration expenditure	576,384	161,222
Foreign Exchange	(1,131)	(17,228)
Impaired exploration expenditure	-	-
Total exploration and evaluation expenditure	5,966,453	593,994

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 11: TRADE AND OTHER PAYABLES (CURRENT)

	2018 $	2017 $
Trade payables (*i*)	129,446	55,211
Credit Card	2,656	25,297
Accruals	105,537	42,000
Payroll provisions/payables	45,689	-
	283,328	122,508

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

Information regarding the interest rate, foreign exchange and liquidity risk exposure is set out in Note 16.

NOTE 12: ISSUED CAPITAL

	Number	2018 $	Number	2017 $
Ordinary shares issued and fully paid	42,571,428	10,295,726	24,000,000	3,666,204
Treasury Shares – MQR Shareholding Trust (i)	(6,564,683)	(2,625,873)	-	-
Total	36,006,745	7,669,853	24,000,000	3,666,204

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(i) A wholly owned subsidiary, MQR Shareholding Co. Pty Ltd was established as the trustee for the MQR Shareholding Trust on 14 March 2018 to hold MQR ordinary shares issued as part of the share consideration for the acquisition of Canadian CO27 Pty Ltd in escrow for the benefit of Syracuse Capital Pty Ltd. The escrow period expires 14 March 2019 and the transfer of ordinary shares is subject to shareholder approval which was obtained at the Shareholders Meeting held 8 June 2018.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Movement in ordinary shares on issue

	2018		2017	
	Number	$	Number	$
Balance at beginning of period	24,000,000	3,666,204	100	100
IPO March 2017	-	-	17,500,000	3,500,000
Director Shares March 2017	-	-	125,000	25,000
Sovereign Gold Nevada acquisition	-	-	2,249,900	450,000
Broker Pool shares June 2017	-	-	4,125,000	825,000
CO27 acquisition shares	11,000,000	4,400,000	-	-
Placement tranche 1 and tranche 2	7,571,428	2,650,000	-	-
Capital Raising Costs	-	(420,478)	-	(1,133,896)
Balance at end of period	42,571,428	10,295,726	24,000,000	3,666,204

Share options
The Company during the current financial period made an equity-based payment as follows. Refer to Note 15.

	2018		2017	
	Number	$	Number	$
Balance at beginning of period	9,000,000	1,143,000	-	-
Options granted March 2017 (Directors)	-	-	4,000,000	516,000
Options granted to Director June 2017	-	-	5,000,000	627,000
Entitlement Issue of Options Sep 2017	8,000,000	80,000	-	-
Broker Options in lieu of fees June 2018	2,000,000	248,000	-	-
Free attaching options to Placement June 2018	3,785,714	-	-	-
Balance at end of period	22,785,714	1,471,000	9,000,000	1,143,000

Performance Rights
The Company during the financial granted 8 million Performance Rights to Directors and Company Secretary.

	2018	
	Number	$
Balance at beginning of period	-	-
Performance Rights Granted 18 June 2018		
Class A	4,000,000	1,324,000
Class B	4,000,000	1,224,000
Balance at end of period	8,000,000	2,548,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 13: ACQUISITION OF ASSETS

Acquisition of Canadian CO27 Pty Ltd

Following a Meeting of shareholders in February 2018, approval was obtained for the Company to acquire 100% of the voting shares in Canadian CO27 Pty Ltd (CO27). This entity had three project agreements to acquire interests in the following projects:

- an agreement with Global Energy Metals Corp (GEMC) to earn up to a 70% interest in the Werner Lake Project;
- an agreement with Perry Vern English to acquire a 100% interest in the Werner Lake East/West Project; and
- an agreement with Caamo Capital Corp., Gino Chitaoni and Blackstone Development Inc. to acquire a 100% interest in the Skeleton Lake Project.

A Share Purchase Agreement with Canadian CO27 Pty Ltd was entered into and the purchase price payable for the acquisition of 100% of the shares CO27 and the accompanying projects was:

- A$200,000 plus US$150,000 (A$197,205) in cash which includes non-refundable deposits (A$51,406) to carry out due diligence;
- 11 million shares in the company valued at $4,400,000 based on 40 cents per share (of which 6,564,683 shares were issued to MQR Shareholding Co. Pty Ltd) ; and
- A 1.5% net smelter royalty on each Project.

Purchase consideration comprises:

	$
11,000,000 fully paid ordinary share	4,400,000
Werner Lake earn in agreement deposit and cash consideration	200,001
Werner Lake east/west deposit and cash consideration	31,905
Skeleton Lake deposit and cash consideration	165,300
Net assets acquired	4,797,206

NOTE 14: RESERVES AND ACCUMULATED LOSSES

Reserves

Movements in reserves were as follows:

2018	Option premium reserve $	Equity based payment reserve $	Foreign currency translation reserve $	Total $
Balance at beginning of year	1,143,000	-	(27,973)	1,115,027
Equity based payment (options)	328,000	-	-	328,000
Equity based payment (performance rights)	-	2,548,000	-	2,548,000
Currency translation differences	-	-	30,837	30,837
Balance at end of year	1,471,000	2,548,000	2,864	4,021,864

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Option premium reserve	Share based payment reserve	Foreign currency translation reserve	Total
2017	$	$	$	$
Balance at beginning of period	-	-	-	-
Equity based payment (options)	1,143,000	-	-	1,143,000
Currency translation differences	-	-	(27,973)	(27,973)
Balance at end of period	1,143,000	-	(27,973)	1,115,027

Nature and purpose of reserves

Share based payment and option premium reserve
The share based payment reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. The option premium reserve arises on the grant of share options for consideration.

Foreign currency translation reserve
Exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.

Accumulated Losses
Movements in accumulated losses were as follows:

	2018	2017
	$	$
Balance at beginning of period	(1,525,798)	-
Net loss for the period	(3,733,957)	(1,525,798)
Balance at end of period	(5,259,755)	(1,525,798)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 15: SHARE BASED PAYMENT PLANS

15.a Expenses arising from share based payments
Total expenses arising from share based payments transactions recognised during the period as part of employee benefit expense were as follows

	2018 $	2017 $
Options issued to Directors (see also Note 15 b for detail)	-	1,143,000
Shares issued to Directors	-	25,000
Performance Rights Issued to Director and Company Sec (See Note 15c)	2,548,000	-
Total share based payments	2,548,000	1,168,000
Shares issued to Director via associated entity (GTT Ventures), offset to equity	-	200,000
Options issued to brokers, offset to equity (i)	248,000	625,000

(i) A total of 2 million options were issued as means to remunerate Brokers for services provided to the Company in relation to the Placement that took place in March 2018 (tranche 1) and June 2018 (tranche 2).

15.b Employee Share Options
Options issued to Directors are not issued under an Employee Share Option Plan and are subject to approval by shareholders.

The following share-based payment arrangements were in place during the current period:

Series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
Directors					
1. Options issued 14/3/2017 (escrowed until 14/3/2019)	4,000,000	14/3/2017	10/3/2020	$0.30	$0.1290
2 Options issued 16/6/2017 (escrowed until 14/3/2019)	5,000,000	22/4/2017	10/3/2020	$0.30	$0.1254

The fair value of the unlisted options was determined using the Black Scholes Method. Inputs used to determine the valuation were:

Series 1	Series
Number of Options: 4,000,000 Share Price: $0.20 Exercise Price: $0.30 Expected Volatility: 120% Expiry date (years): 3 Expected dividend yield: nil Risk free rate: 1.91%	Number of Options: 5,000,000 Share Price: $0.20 Exercise Price: $0.30 Expected Volatility: 120% Expiry date (years): 2.8 Expected dividend yield: nil Risk free rate: 1.91%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The following table illustrates the number and weighted average exercise prices of, and movements in, share options on issue during the 2017 and 2018 periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 15: Share Payment Plans cont.

	2018		2017	
		Weighted average exercise price		Weighted average exercise price
	Number	$	Number	$
Outstanding at the beginning of period	9,000,000	$0.30	-	-
Granted during the period	-	-	9,000,000	$0.30
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of period	9,000,000	$0.30	9,000,000	$0.30
Vested and exercisable at the end of period	9,000,000	-	9,000,000	-

No options expired during the periods covered by the above tables.
The weighted average remaining contractual life of share-based payment options that were outstanding at 30 June 2018 was 1.86 years (2017: 2.70 years)
No options were exercised during the period.

15.c Performance Rights

Performance Rights issued to Directors and the Company Secretary were approved by shareholders (8 June 2018).

The following Performance Rights were in place during the current period:

Series	Number	Grant date	Expiry date	Vesting Hurdle (20 day VWAP)	Fair value
Directors/Company Secretary					
1. Class A Performance Rights	4,000,000	08/06/2018	01/05/2021	$0.75	$0.331
2. Class B Performance Rights	4,000,000	08/06/2018	01/05/2021	$1.00	$0.306

The weighted average remaining contractual life of performance rights that were outstanding at 30 June 2018 was 2.94 years (2017: Nil).

The Company engaged an expert to determine a value for the Performance Rights using the *Barrier1* valuation model developed by Hoadley Trading & Investment Tools, which uses a trinomial lattice calculation. Inputs to determine the valuation are as follows:

Item	Class A	Class B
Valuation date	08/06/2018	08/06/2018
Spot price	$0.385	$0.385
Exercise price	$0.001	$0.001
Vesting hurdle (20-day VWAP)	$0.75	$1.00
Expiry date	08/06/2021	08/06/2021
Expected future volatility	100%	100%
Risk free rate	2.23%	2.23%
Dividend yield	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 16: FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents (no debt) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, and general administrative outgoings.

Categories of financial instruments

	2018 $	2017 $
Financial assets		
Cash and cash equivalents	3,273,437	2,697,003
Receivables	56,017	55,966
Other financial assets – prepayments	26,069	24,308
Financial liabilities		
Trade and other payables	283,328	122,508

Financial risk management objectives
The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Market risk
The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Foreign Exchange Risk
The consolidated group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the relevant group company. The consolidated group's borrowings and deposits are largely denominated in US dollars. Currently there are no foreign exchange hedge programmes in place. However, the consolidated group treasury function manages the purchase of foreign currency to meet operational requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 16: FINANCIAL INSTRUMENTS cont.

As at 30 June 2018 the consolidated group's net exposure to foreign exchange risk was as follows:

	Currency	2018 $000s	2017 $000s
Functional currency of individual entity: AUD			
Net Foreign Currency Financial Assets			
Cash & cash equivalents	CAD	157	-

The effect of a 10% strengthening of the CAD against the AUD at the reporting date on the CAD-denominated assets carried within the AUD functional currency entity would, all other variables held constant, have resulted in an increase in post-tax loss for the year and decrease of net assets of CAD 14,688 (2017: nil)

Interest rate risk management
The Group's exposures to interest rates on financial assets and financial liabilities are confined to variable interest rates on its cash holdings of $3,273,437 at reporting date.

Interest rate risk sensitivity analysis
The sensitivity analysis below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the impact on the net loss and equity would be:
Net loss would decrease by $16,367 and equity would increase by $16,367

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Fair Values

The carrying amount of the Group's financial assets and liabilities approximates their carrying amounts at reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

NOTE 17: COMMITMENTS AND CONTINGENCIES

a) *USA minerals exploration program*

As at 30 June 2018, Sovereign Gold Nevada Inc (100% subsidiary of Marquee Resources) held Exploration licences in Nevada USA. The annual financial commitment is as follows;

Licence	**Annual Commitment**
106 Claims Nevada	$22,170 (USD 16,430)
	$22,170

b) *Canada minerals exploration program*

Project	**Annual Commitment**
Werner Lake Project	Year 1 - A$1,000,000 to earn 30% interest in the Project. Year 2 – A$1,500,000 to earn additional 40% interest in the Project

c) *Operating lease commitments*
Marquee Resources Limited has entered into a two year lease arrangement commencing March 2017, at $3,000 per month including outgoings.

d) *Contingent Liability*
Deferred Consideration

- the company has an obligation under the Share Sale Deed with **Force Commodities Ltd** (previously Sovereign Gold Company Ltd) to issue 35,000,000 fully paid MQR shares or $175,000 upon confirmation of JORC Code compliant inferred lithium carbonate resource of at least 300,000 tonnes on the Claims. The Company considers this target is still remote and therefore this deferred consideration has not been reflected in the financial statements.

- the company has a deferred consideration under the share purchase agreement to the sellers of **Canadian CO27 Pty Ltd** of a 1.5% net royalty smelter on the three projects (Werner Lake, Werner Lake east/west and Skeleton Lake). The Company considers this target is still remote and therefore this deferred consideration has not been reflected in the financial statements.

- the company has a deferred consideration under the Project Agreement - Werner Lake with **GEMC** whereby on determining an encouraging pre-feasibility study according to commercially reasonable standards, A$150,000 in cash. In addition, a 2% net smelter royalty on the Project payable to previous owner. The Company considers this target is still remote and therefore this deferred consideration has not been reflected in the financial statements.

- The company has a deferred consideration under the **Project Agreement – Werner Lake East/West** of a 1.5% net smelter royalty. The company has the right to buy back the 1.5% net smelter royalty for US$500,000 (approximately A$675,000) in cash. The Company considers this target is still remote and therefore this deferred consideration has not been reflected in the financial statements.

- The company has a deferred consideration under the **Project Agreement – Skeleton Lake** of a 1.0% net smelter royalty. The company has the right to buy back the 0.5% net smelter royalty for US$500,000 (approximately A$675,000) which can be paid in cash or shares (based on 10 day VWAP). The Company considers this target is still remote and therefore this deferred consideration has not been reflected in the financial statements.

NOTE 18: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Marquee Resources Limited and the subsidiaries listed in the following table. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Country of incorporation	2018 %	2017 %
Parent Entity			
Marquee Resources Limited	Australia		
Subsidiaries			
Sovereign Gold Nevada Inc (held 100% by Marquee Resources Nevada Pty Ltd)	USA	100	100
Marquee Resources Nevada Pty Ltd (i)	Australia	100	100
Canadian CO27 Pty Ltd (ii)	Australia	100	-
Marquee Resources Canada Ltd	Canada	100	-
MQR Shareholding Co. Pty Ltd (iii)	Australia	100	-

Marquee Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

(i) Marquee Resource Nevada Pty Ltd was incorporated to hold the 100% shares in Sovereign Gold Nevada Inc. No transactions or activities have occurred in Marquee Resources Nevada Pty Ltd during the current financial period.

(ii) Marquee Resources acquired 100% of the issued capital of Canadian CO27 Pty Ltd, the party that holds the three Project Agreements (Werner Lake, Werner Lake East/West and Skeleton Lake).

(iii) A wholly owned subsidiary, MQR Shareholding Co. Pty Ltd was established as the trustee for the MQR Shareholding Trust on 14 March 2018 to hold MQR ordinary shares issued as part of the share consideration for the acquisition of Canadian CO27 Pty Ltd in escrow for the benefit of Syracuse Capital Pty Ltd. The escrow period expires 14 March 2019 and the transfer of ordinary shares is subject to shareholder approval which was obtained at the Shareholders Meeting held 8 June 2018

Key Management Personnel Remuneration

Transactions with Key Management Personnel

A share based payment was made to Directors and Company Secretary by the granting of Performance Rights approved by shareholders 8 June 2018. Four million Class A Rights (vesting hurdle $0.75 VWAP) and four million Class B Rights (vesting hurdle of $1.00 VWAP). Refer to the Remuneration Report for further details.

Further payments to GTT Ventures Pty Ltd (a company of which Charles Thomas is a Director and shareholder) included the following:
Consultancy Fees $126,000
Rent $48,898

Loans to Key Management Personnel

There were no loans to Key Management Personnel.

Other transactions and balances with Key Management Personnel

Nil

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

NOTE 19: PARENT ENTITY DISCLOSURES

Financial position

	2018 $	2017 $
Assets		
Current assets	3,182,559	2,777,277
Non-current assets	5,998,537[(i)]	6,670
Total assets	9,181,096	2,783,947
Liabilities		
Current liabilities	121,950	122,508
Non-current liabilities	-	-
Total liabilities	121,950	122,508
Equity		
Issued capital	10,295,726	3,666,204
Reserves		
• Option premium reserve	1,471,000	1,143,000
• Equity settled employee benefits	2,548,000	-
Accumulated losses	(5,255,581)	(2,147,765)
Total equity	9,059,145	2,661,439

Financial performance

	2018 $	2017 $
Loss for the period	(3,729,783)	(2,147,765)
Other comprehensive loss	-	-
Total comprehensive loss	(3,729,783)	(2,147,765)

(i) Includes consideration for acquisition of 100% issued capital of Canadian CO27 Pty Ltd $4,797,206 see Note 13

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Marquee Resources Limited has not entered into any deed of cross guarantee with its wholly-owned subsidiaries during the period ended 30 June 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

NOTE 20: EVENTS AFTER THE REPORTING PERIOD

The Company released on the 15th August 2018 assay results from drill holes at its newly acquired interest in the Werner Lake cobalt project. There are no further matters reported.

NOTE 21: AUDITOR'S REMUNERATION

The auditor of Marquee Resources Limited is BDO Audit (WA) Pty Ltd . The Company 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.

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2018 $	2017 $
Auditor of the parent entity		
Audit or review of the financial statements	51,412	18,570
	51,412	18,570
Taxation and other advisory services		
Taxation	2,795	-
Advisory Services	-	-

NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURES

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report. Total remuneration paid to key management personnel is as follows:

	2018 $	2017 $
Remuneration type		
Short- term employee benefits	274,768	83,180
Post-employment benefits	21,742	1,900
Non monetary benefit	2,229,500	1,168,000
Total	2,526,010	1,253,080

DIRECTORS' DECLARATION

1. In the opinion of the directors of Marquee Resources Limited (the 'Company'):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the period then ended; and
      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory 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.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 June 2018.

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

Charles Thomas
Managing Director

Dated 28 September 2018

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Marquee Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Marquee Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) 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 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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.

Accounting for Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
At 30 June 2018 the Group held a significant carrying value of Exploration and Expenditure as disclosed in Note 10. As the carrying value of the Exploration and Evaluation Asset represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular: • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; • Recognition and valuation of purchase consideration for tenement acquisitions; and • Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • We also assessed the adequacy of the related disclosures in Note 1(e), Note 1(w) and Note 10 to the financial report.

Accounting for Share Based Payments

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 15, during the year the Company issued performance rights to directors and employees and options to advisors which have been accounted for as share-based payments. Refer to Note 1(e) and Note 1(t) of the financial report for a description of the accounting policy and significant estimates and judgements applied to these transactions. Due to the complex and judgmental estimates used in determining the valuation of the share based payments, we consider the accounting for the share based payment expense to be a key audit matter.	Our procedures included, but were not limited to the following: • Holding discussions with management to understand the share-based payment arrangements in place; • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs used by management's valuation specialist; and • Assessing the adequacy and completeness of the related disclosures in Note 15 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the 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 ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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 (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.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 10 to 16 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Marquee Resources Limited, for the year ended 30 June 2018, 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.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 28 September 2018

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance disclosure is available on the Company's website at:
www.marqueeresources.com.au

ADDITIONAL SECURITIES EXCHANGE INFORMATION

ASX additional information as at 17 SEPTEMBER 2018

Number of holders of equity securities

Ordinary share capital

42,744,284 fully paid ordinary shares are held by 473 individual shareholders.

All issued ordinary shares carry one vote per share.

Options
8 million listed options exercise price $0.20 expiry 30/09/2020
5,785,714 unlisted options exercise price $0.50 expiry 30/06/2019
9 million unlisted options exercise price $0.30 expiry 10/03/2020

Performance Rights
4 million Class A Performance Rights (vesting hurdle VWAP $0.75)
4 million Class B Performance Rights (vesting hurdle VWAP $1.00)

Distribution of holders of equity securities

	Number of holders	Fully paid ordinary shares	Number of holders Listed Options	Number of holders Unlisted Options	Number of holders Unlisted escrowed Options
1 – 1,000	40	6,992	4	-	-
1,001 – 5,000	88	253,270	12	-	-
5,001 – 10,000	68	580,755	13	4	-
10,001 – 100,000	203	9,084,919	45	73	-
100,001 and over	74	32,818,348	17	7	3
	473	42,744,284	91	84	3

Holding less than a marketable parcel	84

Substantial shareholders

	Fully paid ordinary shares % held	Number
Ordinary shareholders		
MQR Shareholding Co PL	15.36	6,564,683
Syracuse Capital Pty Ltd and associated entities	10.04	4,292,586
Force Commodities Ltd	5.26	2,250,000

Twenty largest holders of quoted equity securities

Ordinary shareholders	Fully paid ordinary shares Number	Percentage
MQR Shareholding Co PL	6,564,683	15.36%
Syracuse Capital PL	4,292,586	10.04%
Force Commodities Ltd	2,250,000	5.26%
Kcirtap Securities and Murdoch Capital	1,129,914	2.64%
Mounts Bay Investments PL	1,000,000	2.34%
Jindabyne Cap PL	750,000	1.75%
Tribeca Nominees PL	630,759	1.48%
SL & FJ Phillips	630,346	1.47%
Alissa Bella PL	607,428	1.42%
Robert Jesse Hunt	575,000	1.35%
Chloe Louise Thomas	560,000	1.31%
GTT Global Opportunities PL	542,500	1.27%
Jet Capital PL	479,328	1.12%
Vonross Nom PL	479,328	1.12%
Inverness Inv PL	455,000	1.06%
Malcolm G & MA Heron	450,000	1.05%
Ninety Three PL	431,395	1.01%
Slam Cons PL	400,000	0.94%
Caram PL	400,000	0.94%
Macadore PL	400,000	0.94%
	23,028,267	**53.87%**

Company Secretary

Mrs Anna MacKintosh

On-market buy-back

Currently there is no on-market buy-back of the Company's securities

Registered and principal office

22 Townshend Road
Subiaco WA 6008

Share registry

Security Transfer Registry

TENEMENT SCHEDULE

As at ?? September 2018

Tenements held at end of the quarter by Marquee Resources and subsidiary companies.

TENEMENT	LOCATION	NAME	INTEREST
CVE 1	Nevada USA	Clayton Valley	100%
CVE 3-4	Nevada USA	Clayton Valley	100%
CVE 8-17	Nevada USA	Clayton Valley	100%
CVE19-75	Nevada USA	Clayton Valley	100%
CVE 81-82	Nevada USA	Clayton Valley	100%
CVE 84	Nevada USA	Clayton Valley	100%
CVE 86-102	Nevada USA	Clayton Valley	100%
CVE 119-126	Nevada USA	Clayton Valley	100%
CVE 143 – 150	Nevada USA	Clayton Valley	100%
4281107-4281110	Kenora, Ontario	Werner Lake East/West	100%
4281483 - 4281484	Kenora, Ontario	Werner Lake East/West	100%
4281331 - 4281333	Kenora, Ontario	Werner Lake East/West	100%
4280791	Kenora, Ontario	Werner Lake East/West	100%
4284407-4284412	Ontario	Skeleton Lake	100%
4284414 - 4284424	Ontario	Skeleton Lake	100%
4284460	Ontario	Skeleton Lake	100%
4284446	Ontario	Skeleton Lake	100%
Total Number of Claims	135		