



Annual Report

for the period ended 30 June 2017

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CORPORATE INFORMATION

ABN 94 616 200 312

Directors

Mr Mark Ashley	Non-Executive Chairman
Mr Charles Thomas	Managing Director
Mr Jason Bontempo	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

Price Sierakowski Corporate
Level 24 44 St Georges Tce
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

On behalf of the board, it gives me pleasure to present Marquee's inaugural Annual Report as an ASX listed entity.

The ever changing world has seen events over the past 12-months that are undoubtedly going to establish the foundation for significant events that are likely to positively impact on commodity prices over the coming years.

In the USA, support him or not, the new President is clearly behind the mining industry and the feeling from industry participants is that the significant red tape that has plagued the mining sector for years will be torn down and will enable permitting to be achieved more efficiently.

That's not to say that the industry will take on a more flippant approach to, for example, environmental matters, but the regulatory changes likely to occur will ensure a more pragmatic and workable permitting process.

Notwithstanding this, the industry in the USA will undoubtedly need to continue to pave the way as a world leader in mining and environmental best practices and by doing so will ensure that improvements in the regulatory process that are expected from this administration, will be able to survive future administrations.

This industry requires patience and perseverance to survive and grow, and I can assure you, our shareholders, that long term success is very our primary objective.



Mark Ashley
Chairman

DIRECTORS' 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 period for the financial period ended 30 June 2017. 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) appointed 13 March 2017

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.

In the 3 years immediately before the end of the financial period and to the date of this report, Mr Ashley also serves as a director of the following listed companies:

Tonogold Resources Inc OTC (USA)
Vangold Resources Inc TSXV (USA)

Mr Charles Thomas B.Com (Managing Director) appointed 30 November 2016

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.

Mr Thomas has also previously held directorships at Force Commodities Ltd (ASX:4CE) AVZ Minerals Ltd (ASX:AVZ) and Liberty Resources Ltd (ASX:LBV) where he was responsible for the sourcing and funding of resource projects.

In the 3 years immediately before the end of the financial period, Mr Thomas served as a former director of the following listed companies. :

Force Commodities Ltd (4CE)
Search Party Group Limited (SP1)
AVZ Minerals Ltd (AVZ)
Liberty Resources Ltd (LBV)
XTV Networks Ltd (XTV)
Applabs Technologies Ltd (ALA)

Mr Jason Bontempo (Non-Executive Director) appointed 13 March 2017

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.

In the 3 years immediately before the end of the financial period and to the date of this report, Mr Bontempo serves as a director of the following listed companies:

Orca Energy Ltd (OGY)
Red Emperor Resources Ltd (RMP)
Cobalt One Limited (CO1)

DIRECTORS' REPORT cont.

Patrick Glovac (Non-Executive Director) appointed 30 November 2016 resigned 13 March 2017

Mr Glovac holds a Bachelor of Commerce majoring in Finance, Banking, Management and also holds a Diploma of Management.

In 2013 Mr Glovac co-founded GTT, a boutique corporate advisory firm, specialising in the resource and technology sector. GTT has funded numerous listed and private companies since its inception across multiple markets including Australia, USA and the United Kingdom. Previously he worked as an investment advisor for Bell Potter Securities Limited since 2003, focusing on high net-worth clients and corporate advisory services.

Mr Glovac is the Non-Executive Director of ASX listed Cirrus Networks Limited (ASX: CNW) and Force Commodities (ASX: SOC).

Rocco Tassone (Non-Executive Director) appointed 30 November 2016 resigned 13 March 2017

Mr Tassone holds a Bachelor of Business with a Double Major in Finance and Economics from Edith Cowan University, together with a Post Graduate Diploma in Applied Finance and Investment from Kaplan.

In 2013 Mr Tassone co-founded GTT, a boutique corporate advisory firm, specialising in the resource and technology sector. GTT has funded numerous listed and private companies since its inception across multiple markets including Australia, USA and the United Kingdom. He also has extensive experience in equities markets with Bell Potter Securities Limited where for a period of 8 years he advised across domestic and international institutional sales, high net-worth individuals and corporate advisory.

Mr Tassone is Executive Director & Founding Partner of GTT.

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 GB Energy Limited (ASX: GBX), CFO for Force Commodities (ASX: SOC) and previously XTV Networks Ltd (ASX: XTV) and Applabs Technologies Ltd (ASX: ALA)

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
Mr Mark Ashley	Nil	3,000,000
Mr Charles Thomas	1,542,500	5,000,000
Mr Jason Bontempo	125,000	1,000,000

There are no unpaid amounts on the shares issued.

The Company currently has 9 million unlisted options (all held by Directors) on issue that are escrowed until 14 March 2019

Dividends

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

DIRECTORS' REPORT cont.

Principal Activities

Marquee Resources was admitted to the ASX on the 14 March 2017. The Company was formed with the intention of acquiring selected lithium exploration prospects and raising funds to test these prospects. The Company's goal is to discover one or more economic lithium deposits and bring the discoveries into production.

The Claims in the Clayton Valley are situated at 37° 48' N / 117° 30' W, at an altitude of 1,300m – 1,450m, approximately 30km NW from the town of Goldfield. The lake has historical production of lithium-bearing brines dating from the mid-1960s from Silver Peak operations and is the only lithium (Li) producer in North America.

Review of operations

Marquee Resources Limited was incorporated 30 November 2017 and admitted to the ASX official List on the 14th March 2017. This was following the completion of the heavily oversubscribed Initial Public Offering (IPO) of 17,500,000 shares at \$0.20 per share raising \$3,500,000 (before costs).

The company's focus was to advance exploration of its 100% owned Clayton Valley lithium project in Nevada USA.

Considerable time and effort was spent in the final quarter of June 2017 financial period preparing for its maiden drilling program. In mid June the company was informed that it had satisfied all clearances required by the Bureau of Land Management (BLM) and was issued the drilling permits for the project.

Following receipt of the permits, the company's contracted drilling company, Harris Exploration Drilling and Associates, began mobilising the rig to the site and drilling officially commenced post quarter end in early July.

During the period Marquee Resources continued to review a large number of potential resource acquisitions with a particular focus on brownfields exploration and production assets.

The cash balance as at 30 June 2017 was \$2.697m.

Significant changes in the state of affairs

There was no significant change in the state of affairs during the 2017 financial period.

Significant events after reporting date

The company undertook a non-renounceable, pro rata entitlement offer, 8,000,000 New Options were issued at a price of \$0.01 each to raise approximately \$80,000 before costs. This offer was undertaken to implement the offer of options proposed in the company's prospectus dated 8 February 2017.

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 period. 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 period ended 30 June 2017. 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 appointed 13 March 2017
Mr Charles Thomas	Managing Director appointed 30 November 2016
Mr Jason Bontempo	Non-Executive Director appointed 13 March 2017
Mr Rocco Tassone	Non-Executive Director appointed 30 November 2016 and resigned 13 March 2017
Mr Patrick Glovac	Non-Executive Director appointed 30 November 2016 and resigned 13 March 2017

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 period ended 30 June 2017 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 period.

Share based payment arrangements

Directors have been 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.

125,000 shares were issued to Jason Bontempo a Director of the Company, on the ASX listing of Marquee Resources Ltd, as a share based remuneration payment. These are valued at the same price as the IPO shares raised under the prospectus at 20 cents per share.

Use of remuneration consultants

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

The remuneration of the Company Directors and executives is detailed in page 10 of this report.

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:

- For the period 1 March 2017 to 30 April 2017 Executive Director fee of \$60,000 per annum plus statutory superannuation and approved employment expenses.
- Executive Director fee increased effective 1 May 2017 to \$150,000 per annum.
- Termination Notice 6 months by either party.

Jason Bontempo – Non-Executive Director

The key employment terms of Mr Bontempo'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 period ended 30 June 2017

30 June 2017	Short-term employment benefits		Post-employment benefit	Equity Share based payments	Total	Remuneration consisting of SBP%
	Salary & fees \$	Bonus \$	Superannuation \$	\$		%
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 period received a payment as part of his or her consideration for agreeing to hold the position.

Bonuses

No bonuses were granted during the period.

Shareholdings of Key Management Personnel

30 June 2017	Balance at beginning of period Number	Granted as remuneration Number	On Exercise of Options Number	Net Change Other Number	Balance at end of period Number
Directors					
Mr Mark Ashley	-	-	-	-	-
Mr Charles Thomas	-	-	-	1,542,500	1,542,500
Mr Jason Bontempo (ii)	-	125,000	-	-	125,000
Mr Rocco Tassone (i)	-	-	-	-	5,375,000
Mr Patrick Glovac(i)	-	-	-	-	5,375,000

(i) At the time of resignation of director 13 March 2017

(ii) 125,000 shares were issued to Jason Bontempo a Director of the Company, on the ASX listing of Marquee Resources Ltd, as a share based remuneration payment. These are valued at the same price as the IPO shares raised under the prospectus at 20 cents per share.

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**

Mark Ashley and Jason Bontempo 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. There are no other options on issue. See Note 15 also.

	Balance at beginning of period Number	Granted as remuneration Number	Options exercised Number	Net Change Other Number	Balance at end of period Number	Grant Value	Percentage vested
30 June 2017							
Directors							
Mr Mark Ashley (ii)							
Series 1	-	3,000,000	-	-	3,000,000	\$0.1290	100%
Mr Charles Thomas (iii)							
Series 2	-	5,000,000	-	-	5,000,000	\$0.1254	100%
Mr Jason Bontempo (ii)							
Series 1	-	1,000,000	-	-	1,000,000	\$0.1290	100%
Mr Rocco Tassone (i)	-	-	-	-	-	-	-
Mr Patrick Glovac(i)	-	-	-	-	-	-	-
(i) Resigned 13 March 2017							
(ii) Appointed 13 March 2017							
(iii) Appointed 30 November 2016							

No Options were Exercised during 2017 financial period.

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

Series 1	Series 2
Number of Options: 4,000,000	Number of Options: 5,000,000
Share Price: \$0.20	Share Price: \$0.20
Exercise Price: \$0.30	Exercise Price: \$0.30
Expected Volatility: 120%	Expected Volatility: 120%
Expiry date (years): 3	Expiry date (years): 2.8
Expected dividend yield: nil	Expected dividend yield: nil
Risk free rate: 1.91%	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.

Other transactions with Key Management Personnel

Charles Thomas was issued 1 million shares (valued \$200,000) as a share based payment as part of the Lead Manager Fee to GTT Ventures Pty Ltd. The cost of this payment was treated as a share issue cost and a reduction from issued capital. Charles Thomas is a Director of GTT Ventures Pty Ltd

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 period and the number of meetings attended by each director were as follows:

	<u>Directors meetings</u>	
Number of meetings held:	2	
Number of meetings attended:		
Mr Mark Ashley	2	Appointed 13 March 2017
Mr Charles Thomas	2	Appointed 30 November 2016
Mr Jason Bontempo	2	Appointed 13 March 2017
Mr Rocco Tassone	-	Appointed 30 November 2016 and resigned 13 March 2017
Mr Patrick Glovac	-	Appointed 30 November 2016 and resigned 13 March 2017

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 period ended 30 June 2017.

Non-Audit Services

No non-audit services were provided during the period by the auditor. 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 2017



Mark Ashley
Chairman



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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 period ended 30 June 2017, 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.

A handwritten signature in blue ink, appearing to read 'Dean Just', is written over a faint, large, vertical watermark that says 'For personal use only'.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 28 September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2017

	Notes	2017 \$
Continuing operations		
Interest income	2	12,329
Administrative expenses		(282,482)
Staff expenses		(87,601)
Depreciation expense		(44)
Share Based Payment	15a	(1,168,000)
Loss before income tax expense		(1,525,798)
Income tax benefit	3	-
Loss after income tax for the period		(1,525,798)
Other comprehensive income, net of income tax		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of foreign operations		(27,973)
Other comprehensive income/(loss) for the period, net of tax		(27,973)
Total comprehensive loss for the period attributable to owners of the parent		(1,553,771)
Basic loss per share for the period attributable to the members of Marquee Resources Ltd (cents per share)	5	(7.398)
Diluted loss per share for the period attributable to the members of Marquee Resources Ltd (cents per share)	5	(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 2017**

	Notes	2017 \$
Assets		
Current assets		
Cash and cash equivalents	6	2,697,003
Trade and other receivables	7	55,966
Prepayments	8	24,308
		<u>2,777,277</u>
Total current assets		<u>2,777,277</u>
Non-current assets		
Property, plant and equipment	9	6,670
Deferred exploration and evaluation expenditure	10	593,994
Total non-current assets		<u>600,664</u>
Total assets		<u>3,377,941</u>
Liabilities		
Current liabilities		
Trade and other payables	11	80,508
Accruals	11	42,000
Total current liabilities		<u>122,508</u>
Total liabilities		<u>122,508</u>
Net assets		<u>3,255,433</u>
Equity		
Issued capital	12	3,666,204
Reserves	14	1,115,027
Accumulated losses	14	(1,525,798)
Total equity		<u>3,255,433</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY **FOR THE PERIOD ENDED 30 JUNE 2017**

		Issued capital	Option premium reserve	Share-based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total equity
	Notes	\$	\$	\$	\$	\$	\$
Consolidated 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)
<i>Transactions with owners in their capacity as owner</i>							
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

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

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE PERIOD ENDED 30 JUNE 2017**

	Notes	2017 \$
Cash flows from operating activities		
Payments to suppliers and employees		(382,081)
Interest received		6,289
Net cash (outflows) from operating activities	6	<u>(375,792)</u>
Cash flows from investing activities		
Exploration and evaluation expenditure		(111,595)
Payment for plant and equipment		<u>(6,714)</u>
Net cash (outflows) from investing activities		<u>(118,309)</u>
Cash flows from financing activities		
Proceeds from issue of shares		3,500,000
Payments for share issue costs		<u>(308,896)</u>
Net cash inflows from financing activities		<u>3,191,104</u>
Net increase/(decrease) in cash and cash equivalents		2,697,003
Cash and cash equivalents at the beginning of the period		-
Effect of exchange rate fluctuations on cash held		-
Cash and cash equivalents at the end of the period	6	<u>2,697,003</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

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.

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 3.

Comparative information

Given the Group was incorporated on the 30 November 2016 there are no comparatives for this reporting period.

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. The financial statements are presented in United States dollars, which is the entity's functional currency.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2017

In the period ended 30 June 2017, 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 period.

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 period ended 30 June 2017.

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 ?? September 2017. 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 2017 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 PERIOD ENDED 30 JUNE 2017

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.

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 2017, 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 period's accounts. Refer to Note 10 also.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

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

Both the functional and presentation currency of Marquee Resources Limited and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

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 PERIOD ENDED 30 JUNE 2017

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 PERIOD ENDED 30 JUNE 2017

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 PERIOD ENDED 30 JUNE 2017

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 PERIOD ENDED 30 JUNE 2017

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
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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 PERIOD ENDED 30 JUNE 2017

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).

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 PERIOD ENDED 30 JUNE 2017

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 PERIOD ENDED 30 JUNE 2017

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

	2017 \$
<i>Revenue</i>	
Interest income	12,329
Foreign exchange gains	-
	<u>12,329</u>
	2017 \$
<i>Other expenses</i>	
Depreciation of non-current assets	44
Share based payment (i)	1,168,000

(i) This amount is made up of :

- Options issued to M Ashley \$387,000 (3 million options)
- Options issued to J Bontempo \$129,000 (1 million options)
- Options issued to C Thomas \$627,000 (5 million options)
- Shares issued to Jason Bontempo \$25,000 (125,000 shares)

In addition to the above, Charles Thomas was issued 1 million shares (valued \$200,000) as a share based payment as part of the Lead Manager Fee to GTT Ventures Pty Ltd. The cost of this payment was treated as a share issue cost and a reduction from issued capital. Charles Thomas is a Director of GTT Ventures Pty Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

NOTE 3: INCOME TAX

Income tax recognised in profit or loss

The major components of tax expense are:

	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:

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

	2017 \$
Tax losses – revenue	71,990.61
Tax losses – capital	-
Deductible temporary differences	52,680.12
	124,670.73

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 PERIOD ENDED 30 JUNE 2017

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 to 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
- 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.

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 2017

	Continuing Operations		
	Exploration and Evaluation – Nevada USA	Other	Consolidated
30 June 2017	\$	\$	\$
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

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

	2017 Cents per share
<i>Basic loss per share</i>	
Continuing operations	(7.398)
Total basic loss per share	<u>(7.398)</u>

	2017 Cents per share
<i>Diluted loss per share</i>	
Continuing operations	(7.398)
Total diluted loss per share	<u>(7.398)</u>

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:

	2017 \$
Loss	(1,525,798)
Loss from continuing operations	<u>(1,525,798)</u>

	2017 Number
Weighted average number of ordinary shares for Basic earnings per share	20,625,000
Diluted earnings per share	20,625,000

NOTE 6: CASH AND CASH EQUIVALENTS

	2017 \$
Cash at bank and on hand	<u>2,697,003</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

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

	2017 \$
Loss for the period	(1,525,798)
Depreciation and amortisation	44
Other	9,069
Unrealised foreign exchange	(27,973)
Share based payment	1,168,000
(Increase)/decrease in assets:	
Trade and other receivables	55,866
Other current assets	24,308
Increase/(decrease) in liabilities:	
Trade and other payables	(79,308)
Net cash from operating activities	(375,792)
<i>Non-Cash Investing Activity</i>	
Issue of shares to acquire asset	450,000
	450,000

NOTE 7: TRADE AND OTHER RECEIVABLES

	2017 \$
Other receivables	6,140
GST receivables	49,826
	55,966

NOTE 8: OTHER FINANCIAL ASSETS

	2017 \$
<i>Current</i>	
Prepayments – D&O Insurance and Directors fees	24,308

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Plant and equipment \$
<i>Gross carrying amount</i>	
Balance at 30 November 2016	-
Additions	6,714
Disposals	-
Balance at 30 June 2017	6,714
<i>Accumulated depreciation and impairment</i>	
Balance at 30 November 2016	-
Depreciation expense	44
Disposals	-
Balance at 30 June 2017	44
<i>Carrying value</i>	
30 June 2017	6,670

The useful life of the assets was estimated as follows for 2017:
Plant and equipment 3 years

NOTE 10: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2017 \$
Costs carried forward in respect of:	
<i>Exploration and evaluation phase – at cost</i>	
Balance at beginning of period	-
Asset acquired – refer to Note 13	450,000
Exploration expenditure	161,222
Foreign Exchange	(17,228)
Impaired exploration expenditure	-
Total exploration and evaluation expenditure	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)

	2017 \$
Trade payables (i)	55,211
Credit Card	25,297
Accruals	42,000
	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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

NOTE 12: ISSUED CAPITAL

	2017 \$
24,000,000 Ordinary shares issued and fully paid	
	<u>3,666,204</u>

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.

Movement in ordinary shares on issue

	2017	
	Number	\$
Balance at beginning of period	100	100
IPO March 2017	17,500,000	3,500,000
Director Shares March 2017 ⁽ⁱⁱ⁾	125,000	25,000
Sovereign Gold Nevada acquisition	2,249,900	450,000
Broker Pool shares June 2017	4,125,000	825,000
Capital Raising Costs	-	(1,133,896) ⁽ⁱ⁾
Balance at end of period	<u>24,000,000</u>	<u>3,666,204</u>

(i) Part of the capital raising expense includes \$825,000 in share based payments for 4,125,000 shares (valued at 20 cents per share). This was approved at the Shareholders meeting conducted in May 2017. One million of these shares were issued to Director C Thomas (\$200,000).

(ii) 125,000 shares were issued to Jason Bontempo a Director of the Company, on the ASX listing of Marquee Resources Ltd as a share based remuneration payment. These are valued at the same price as the IPO shares raised under the prospectus, at 20 cents per share.

Share options

The Company during the current financial period made an equity based payment to the Directors of the Company. Refer to Note 15.

	2017	
	Number	\$
Balance at beginning of period	-	-
Options granted March 2017 (Directors)	4,000,000	516,000
Options granted to Director June 2017	5,000,000	627,000
Balance at end of period	<u>9,000,000</u>	<u>1,143,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

NOTE 13: ACQUISITION OF ASSETS

Acquisition of Sovereign Gold Nevada

During the period the Company acquired 100% of the voting shares in Sovereign Gold Nevada Inc (USA)

The consideration payable was 2,250,000 shares in the company valued at \$450,000 based on the IPO price per share. In addition a deferred consideration amount, under the Share Sale Deed with Force Commodities Ltd (previously Sovereign Gold Company Ltd), of 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.

Purchase consideration comprises:

	\$
2,250,000 fully paid ordinary share	450,000

Net Assets acquired

\$

Exploration Expenditure	450,000
-------------------------	---------

Total	450,000
-------	---------

NOTE 14: RESERVES AND ACCUMULATED LOSSES

Reserves

Movements in reserves were as follows:

	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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

Accumulated Losses

Movements in accumulated losses were as follows:

	2017 \$
Balance at beginning of period	-
Net loss for the period	(1,525,798)
Balance at end of period	(1,525,798)

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

	2017 \$
Options issued to Directors (see also Note 15 b for detail)	1,143,000
Shares issued to Directors	25,000
Total share based payments	1,168,000
Shares issued to Director via associated entity (GTT Ventures), offset to equity (i)	200,000
Shares issued to brokers, offset to equity (i)	625,000

(i) A total of 4.125 million shares were issued as broker pool shares, valued at the IPO price of \$0.20 per share (\$825,000). This issue was approved by shareholders and the share based payment was used as means to remunerate Brokers for services provided to the Company directly related to the IPO share offer. One million of these shares (\$200,000) were issued to Charles Thomas who, is a Director of GTT Ventures Pty Ltd ("GTT") who acted as Lead Manager to the IPO share offer.

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
<u>Directors</u>					
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

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

	2017	
	Number	Weighted average exercise price \$
Outstanding at the beginning of period	-	-
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
Vested and exercisable at the end of period	9,000,000	-

Weighted average remaining contractual life of options outstanding at the end of the period is 2.6 years.

No options expired during the periods covered by the above tables.

No options were exercised during the period.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

Categories of financial instruments

	2017 \$
<u>Financial assets</u>	
Cash and cash equivalents	2,697,003
Receivables	55,966
Other financial assets – prepayments	24,308
<u>Financial liabilities</u>	
Trade and other payables	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

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 \$2,697,003 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 \$13,485 and equity would increase by \$13,485

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 2017

NOTE 17: COMMITMENTS AND CONTINGENCIES

a) *USA minerals exploration program*

As at 30 June 2017, 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
111 Claims Nevada	\$24,283 (USD 18.666)
	\$24,283

b) *Operating lease commitments*

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

c) *Contingent Liability*

Deferred Consideration - Marquee Resources 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.

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.

	Country of incorporation	2017 \$
Parent Entity		
Marquee Resources Limited	Australia	
Subsidiaries		
Sovereign Gold Nevada Inc (held 100% by Marquee Resources Nevada Pty Ltd)	USA	100%
Marquee Resources Nevada Pty Ltd	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.

Key Management Personnel Remuneration

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

Transactions with Key Management Personnel

A share based payment was made to Charles Thomas which was approved at the shareholders meeting held 22 May 2017. This was part of an approved issue of broker pool shares used as means to remunerate GTT Ventures Pty Ltd ("GTT") for services provided to the Company as lead manager to the IPO share offer. One million shares were issued to Charles Thomas who, as a Director of GTT, is a related party of GTT Ventures Pty Ltd and compensated accordingly.

Further payments to GTT Ventures Pty Ltd included the following (excludes GST):

IPO Capital Raising fee \$136,175

Consultancy Fees \$41,818

Loans to Key Management Personnel

There were no loans to Key Management Personnel.

Other transactions and balances with Key Management Personnel

Nil.

NOTE 19: PARENT ENTITY DISCLOSURES

Financial position

	2017 \$
<u>Assets</u>	
Current assets	2,777,277
Non-current assets	6,670
Total assets	<u>2,783,947</u>
<u>Liabilities</u>	
Current liabilities	122,508
Non-current liabilities	-
Total liabilities	<u>122,508</u>
<u>Equity</u>	
Issued capital	3,666,204
Reserves	
• Option premium reserve	1,143,000
• Equity settled employee benefits	-
Accumulated losses	(2,147,765)
Total equity	<u>2,661,439</u>

Financial performance

	2017 \$
Loss for the period	(2,147,765)
Other comprehensive loss	-
Total comprehensive loss	<u>(2,147,765)</u>

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 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

NOTE 20: EVENTS AFTER THE REPORTING PERIOD

The company undertook a non-renounceable, pro rata entitlement offer, 8,000,000 New Options were issued at a price of \$0.01 each to raise approximately \$80,000 before costs. This offer was undertaken to implement the offer of options proposed in the company's prospectus dated 8 February 2017.

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:

	2017 \$
<i>Auditor of the parent entity</i>	
Audit or review of the financial statements	18,570
	<u>18,570</u>
<i>Taxation and other advisory services</i>	
Taxation	-
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:

	2017 \$
<i>Remuneration type</i>	
Short- term employee benefits	83,180
Post-employment benefits	1,900
Non monetary benefit	1,168,000
Total	<u>1,253,080</u>

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 2017 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 2017.

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



Mark Ashley
Chairman

Dated 28 September 2017



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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 and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, 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 period 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 2017 and of its financial performance for the period 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

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 30 June 2017 the carrying value of capitalised Exploration and Evaluation Assets was \$593,994, as disclosed in Note 10.</p> <p>As the carrying value of Exploration and Evaluation Assets 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.</p> <p>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:</p> <ul style="list-style-type: none"> • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment. 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • 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 period 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.



Measurement of Share Based Payments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the financial period ended 30 June 2017, the Group issued options and shares to key management personnel, which have been accounted for as share-based payments. Refer to Note 15.</p> <p>Refer to Note 1(t) and Note 1(e) of the financial report for a description of the accounting policy and the significant estimates and judgements applied to these arrangements.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments, we consider the Group's calculation of the share-based payment expense to be a key audit matter.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Holding discussions with management to understand the share-based payment transactions in place; • 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; • Involving our valuation specialists, to assess the reasonableness of management's valuation inputs in respect of volatility; • Assessing the reasonableness of the share-based payment expense; and • Assessing the adequacy of the related disclosures in Note 1(e), Note 1(t) and Note 15 of 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 period ended 30 June 2017, 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_files/ar2.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the period ended 30 June 2017.

In our opinion, the Remuneration Report of Marquee Resources Limited, for the period ended 30 June 2017, 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

A handwritten signature in blue ink, appearing to read 'Dean Just', is written over the BDO logo.

Dean Just

Director

Perth, 28 September 2017

CORPORATE GOVERNANCE STATEMENT

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

For personal use only

ADDITIONAL SECURITIES EXCHANGE INFORMATION**ASX additional information as at 20 SEPTEMBER 2017****Number of holders of equity securities**Ordinary share capital

24,000,000 fully paid ordinary shares are held by 284 individual shareholders.

All issued ordinary shares carry one vote per share.

Options

9 million unlisted options exercise price \$0.30 expiry 10/03/2020

Distribution of holders of equity securities

	Number of holders	Fully paid ordinary shares
1 – 1,000	17	803
1,001 – 5,000	32	109,376
5,001 – 10,000	40	371,442
10,001 – 100,000	156	6,954,566
100,001 and over	39	16,563,813
	284	24,000,000

Holding less than a
marketable parcel

33

Substantial shareholders

	Fully paid ordinary shares % held	Number
Ordinary shareholders		
Force Commodities Ltd	9.38	2,250,000
Syracuse Capital Pty Ltd and associated entities	9.24	2,216,816
J Moody Nominees Pty Ltd	5.90	1,415,000

Twenty largest holders of quoted equity securities

Ordinary shareholders	Fully paid ordinary shares	
	Number	Percentage
Force Commodities Ltd	2,250,000	9.38%
J Moody Nom PL	1,415,000	5.90%
Syracuse Capital PL Tenacity A/C	1,000,000	4.17%
Kcirtap Securities PL	1,000,000	4.17%
Mounts Bay Investments PL	1,000,000	4.17%
Tribeca Nominees PL	900,000	3.75%
Alissa Bella PL	800,000	3.33%
Syracuse capital PL Rocco Tassone Super a/c	674,316	2.81%
Suburban Holdings PL	600,000	2.50%
Chloe Louise Thomas	560,000	2.33%
GTT Global Opportunities PL	542,500	2.26%
AET SFS PL	500,000	2.08%
Virgara Dominic	500,000	2.08%
Trakilovic A + Bjelac S	440,000	1.83%
Klein Matthew Steven	400,000	1.67%
Cullura Damian	360,000	1.50%
Endeavour Res PL	235,000	0.98%
Ratdog PL	225,000	0.94%
Quid Capital PL	220,000	0.92%
Slam Consulting PL	200,000	0.83%
	13,821,816	57.60%

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 office22 Townshend Road
Subiaco WA 6008**Share registry**

Security Transfer Registry

TENEMENT SCHEDULE

As at 20 September 2017

TENEMENT	LOCATION	INTEREST
CVE 1	Nevada USA	100%
CVE 3-4	Nevada USA	100%
CVE 8-17	Nevada USA	100%
CVE19-75	Nevada USA	100%
CVE 81-82	Nevada USA	100%
CVE 84	Nevada USA	100%
CVE 86-102	Nevada USA	100%
CVE 119-126	Nevada USA	100%
CVE 143 – 150	Nevada USA	100%
Total Number of Claims	106	