



RBR GROUP
Limited



ANNUAL REPORT 2017

CORPORATE DIRECTORY

Directors	Ian Macpherson <i>Executive Chairman</i>	Auditor	Butler Settineri (Audit) Pty Limited Unit 16, 1 st Floor 100 Railway Road Subiaco Western Australia 6008
	Richard Carcenac <i>Chief Executive Officer & Executive Director</i>		
	Ian Buchhorn <i>Non-executive Director</i>		
	Paul Graham-Clarke <i>Non-executive Director</i>	Share Registry	Security Transfer Australia 770 Canning Highway Applecross Western Australia 6153
Company Secretary	Patrick Soh		Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233 Email: registrar@securitytransfer.com.au
Principal Registered Office	Level 2, 33 Colin Street West Perth Western Australia 6005	Stock Exchange	The Company's shares are quoted on the Australian Stock Exchange. The Home Exchange is Perth.
	Po Box 534 West Perth Western Australia 6872	ASX Code	RBR - ordinary shares
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CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the Board of Directors of RBR Group Limited ("RBR"), it gives me great pleasure to present the Company's Annual Report for 2017.

Reflecting on the year that has passed, it is fair to say that significant progress has been made towards the goal of establishing RBR as a leading international provider of holistic labour solutions.

Mozambique, the focus of much of our recent efforts, remains as appealing as when we first moved there in 2015. We have done well to secure a number of commercial contracts with blue chip clients while waiting for the large liquefied natural gas developments proposed for the country's Rovuma Basin to move into construction.

We took great encouragement from Italian oil and gas company Eni approving the US\$8 billion Coral South floating LNG project in the June quarter and there are signs that Anadarko will sanction its US\$24 billion AMA1 onshore LNG project during the 2018 financial year.

The proponents of these projects and their key contractors will require significant assistance to adhere to strict, government-imposed rules around local training and employment, which is where the major opportunity for RBR lies.

Following investment in our training facilities, some personnel changes and simplification of the ownership structure of our PacMoz, Lda ("PacMoz") labour broking business, we believe we are now better placed than ever to capitalise on the imminent LNG boom in Mozambique and associated demand for our services.

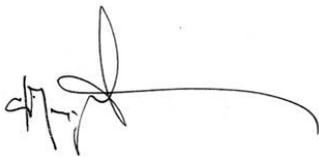
We have not limited our sights to Mozambique and in March this year we were successful in winning our first contract in Mongolia, another emerging market in which resources development is expected to drive strong economic growth.

The contract, for training at Rio Tinto's giant Oyu Tolgoi copper-gold mine, will hopefully lead to other opportunities and allow us to demonstrate that the business model developed for Mozambique can be rolled out just as effectively in other jurisdictions.

Our Australian revenue grew quarter on quarter throughout the 2017 financial year, which was a pleasing trend. Traineeships and associated services delivered through our Registered Training Organisation, remain a significant growth opportunity in the domestic market.

Our CEO Richard Carcenac has provided more detail on the Company's activities during the 2017 financial year and the business outlook in his review which follows.

Finally, I would like to extend my thanks to our staff in Australia and Mozambique and to our Shareholders, longstanding and new. Without the support of these two groups, our prospects would be much less promising.



Ian Macpherson



Dear Shareholders,

Financial year 2017 was an eventful and encouraging one for RBR Group as we went about building on the foundations laid previously in Mozambique and Australia, established a presence in Mongolia and kept a watching brief on opportunities in other emerging markets with significant labour force and training needs.

RBR's vision remains unchanged – Supplying Skilled People to the Workplace Every Day. As the mining sector recovers globally, investment in new resources and infrastructure projects is gathering pace. This is especially true in developing countries, placing further demand on an already tight supply of skilled local labour, which makes us optimistic for the future.

RBR has also not deviated in its financial strategy, which centres on growing its sustainable cash flow business base whilst keeping overheads at a minimum and to this end, the Company concentrated on several strategic priorities during the financial year:

1) Consolidating and growing our position in Mozambique

Mozambique continues to represent the main operational focus for the Company. Reflecting this, we recently took steps to acquire the remaining 40% stake in PacMoz, which is one of only a handful of authorised labour brokers in the country, making it a wholly owned subsidiary.

The acquisition was done on favourable terms and will ensure shareholders have maximum leverage to the opportunities flowing from the construction sector and Mozambique's upstream oil and gas industry where there is an estimated US\$32 billion worth of LNG projects approved or planned.

With its recruitment, labour broking and payroll services, PacMoz is in an excellent position to assist the proponents of the LNG projects in meeting the strict requirements on local employment imposed by the Mozambican government. RBR's other subsidiaries – Futuro Skills, Futuro Business Services, Futuro Medical and Futuro Risk Services – complement the PacMoz offering. Collectively, these subsidiaries cover all the services required to deliver the Company's vision.

Over the course of the financial year, RBR built a modern and well-appointed training centre in the capital Maputo; delivered training programs to clients from various industries through Futuro Skills; secured several new business services clients aligned with the LNG projects; and established an effective core team of staff across the local business units. We firmly believe we now have the right mix of people and facilities in place to capitalise on the looming opportunities in Mozambique.

2) Growing the business in Australia

Australia remains a core market for the Company and we were pleased to note that we experienced quarter-on-quarter revenue growth throughout financial year 2017 from our Australian operations. The majority of our Australian revenues were derived from training and associated services via our subsidiary Australian Registered Training Organisation.

Our current Australian clients range from small businesses to top-tier companies, providing broad exposure to the recovery in the Australian resources sector which appears to be underway.

Winning additional contracts in Australia is a key management objective. A significant growth opportunity exists assisting clients to maximise the incentives available to them while developing staff through apprenticeships and traineeships.

3) Expanding into new territories in Africa and the Asia-Pacific

The need for training of indigenous people for participation in the labour market is not confined to Mozambique. Whether mandated by local law or by project economics, the requirement to train local citizens to construct resource projects provides RBR with opportunities in multiple jurisdictions. The Company has developed its business model in such a way that it is readily replicable anywhere in the world.

During financial year 2017, RBR secured its first contract in Mongolia to provide training services for local personnel on Rio Tinto's Oyu Tolgoi copper project. Rio is one of the largest resources companies globally and OT is one of the largest copper projects currently under construction in the world.

RBR is optimistic that this contract will lead to additional work in Mongolia and is seeking to replicate this success in other countries, particularly in Africa and the Asia-Pacific region, to diversify its revenue streams by commodity and country. We view this as a prudent risk mitigation strategy.



4) *Reducing the funding requirements of our exploration assets*

With regards to our mining interests, RBR's major asset is the Yindarlgooda gold project, located east of Kalgoorlie in Western Australia. During financial year 2017, the Company executed a Farm-in Agreement with Newmont Exploration Pty Ltd (Newmont). Under the agreement, Newmont is required to invest up to approximately \$2 million (in stages) to earn a 75% interest in the project.

The Farm-in Agreement allows RBR to retain exposure to exploration upside whilst freeing management to focus almost exclusively on the development of its labour solutions business. The Company has also been relieved of expenditure commitments to keep the Yindarlgooda tenements in good standing.

Operational highlights for the group in the 12 months since the release of last year's Annual Report include:

- Futuro Skills Mozambique (FSM) completing the delivery of training programs funded by the United Kingdom's Department for International Development's JOBA Employment Fund;
- The JOBA students building a high quality new training centre, completely from the ground up, in Maputo as part of their practical training. This new facility is used by FSM for training activities;
- FSM securing Swisscontact, an organisation focused on promoting sustainable economic development in developing countries, as a new client. Swisscontact has an association with the Mozambican Federation of Contractors (FME) and has engaged FSM to train employees nominated by FME members, in various construction skills;
- FSM securing repeat business with integrated energy and chemical company Sasol;
- The signing of a Memorandum of Understanding with South-African-based Subtech Group to establish a Mozambican joint venture specialising in maritime skills training and the subsequent recruitment and labour broking of Mozambican maritime workers;
- PacMoz and Futuro Business Services securing new clients providing support services to the oil and gas industry;
- The delivery of the first and second tranches of expatriate-led training and the development of local trainers in Mongolia, in partnership with local organisation, Mongolia Talent Network;
- Futuro Skills Australia (FSA) commenced the delivery of training and competency assessment services to UGL (part of the CIMIC Group) in Western Australia;
- FSA completing the first phase of its contract with Veolia Environmental Services' Western Australian businesses, which involved the provision of a range of training consultancy and workforce development services.

On the corporate front, highlights included:

- Raising approximately \$1.06 million through two separate, well-supported share placements, with proceeds directed to working capital and growth initiatives;
- The aforementioned acquisition of the 40% minority stake in PacMoz from PacMoz Director and General Manager Ms Hanlie Lloyd for the nominal sum of \$1. As part of this reorganisation, RBR agreed to allot five million ordinary shares to Ms Lloyd 12 months post the sale date subject to certain conditions;
- The aforementioned Farm-in Agreement with Newmont in relation to the Yindarlgooda gold project in Western Australia.

THE WAY FORWARD

The progress made during financial year 2017 sees RBR well poised as the major LNG projects planned for Mozambique move closer to development and the proponents start to consider the practicalities of meeting local labour force requirements. We have strengthened our in-country team, consolidated our revenue base by securing further business with commercial organisations and significantly improved our facilities and technology.

We are working towards formalising the joint venture with Subtech, which will position us to secure contracts and meet demand for maritime workers from the first major oil and gas project given the go-ahead in Mozambique's Rovuma Basin, Italian company Eni's US\$8 billion Coral South floating LNG facility.

Importantly, the Subtech JV won't preclude RBR from pursuing labour broking opportunities associated with any other sectors, including onshore LNG developments planned for the Rovuma Basin (including Anadarko's US\$24 billion AMA1 project, which appears likely to be approved in the 2018 financial year) on our own account or in conjunction with a different partner.

These onshore projects could create employment opportunities collectively worth more than \$1 billion a year in salaries and, as we have stated previously, RBR's capabilities in Mozambique are a significant differentiator: other labour brokers focus on recruiting "work-ready" candidates but do not have RBR's capacity to develop their own workforce.

Whilst maintaining our focus on Mozambique, we will continue to actively target other emerging markets with similarly strict local content laws and lower levels of education, primarily in Africa and the Asia-Pacific region. The recent recovery in commodity prices should help to drive resource development activity – and therefore demand for our services – in markets of this kind.



LETTER FROM THE CEO (Continued)

Despite being a more mature market, Australia will remain important for RBR. Not only does it provide a point of diversification from Mozambique, but Australia's safety culture and stringent governance standards elevate RBR above many of its local peers when competing for tier one clients in Africa and the Asia-Pacific. There is also the fact that the prospects for growing the Australian business are promising, as I have touched on already.

The risks to RBR remain, on the whole, very similar to those outlined in last year's Annual Report. We believe we have a sound grasp of these and, where possible, have implemented appropriate mitigation strategies.

I sincerely hope you share the view that the future is bright for RBR and that there is much to achieve in financial year 2018 and beyond. Your support to date is much appreciated.



Construction skills students receiving instruction from our experienced trainers.

Futuro Skills trainers Sergio Antunes and Joachim Guimba stand proudly with General Manager Hanlie Lloyd in front of the commemorative plaque from the training centre's inauguration by HRH The Prince Andrew, Duke of York, KG.



LETTER FROM THE CEO (Continued)



A group of students at lunch break, served by the enterprising local ladies who worked with RBR to establish a canteen to supply meals to the office and training centre.

The new Futuro Skills training centre, built by our construction students, and the original building (right) housing the RBR offices and technical training facilities.



Some graduates of the Swisscontact-sponsored course in construction skills, delivered to employees of FME member companies.

Australian Joint Venture Interests

Yindarlgooda Area

RBR retains interests in the Peters Dam Joint Venture and the Yindarlgooda Joint Venture at the Yindarlgooda Area located east of Kalgoorlie in Western Australia.

The Yindarlgooda Area comprises approximately 260km² of tenure covered by two joint ventures centred 55km east of Kalgoorlie. The region contains gold, base metal and iron occurrences.

The projects are held under two joint ventures; the Peters Dam Joint Venture with Silver Lake Resources Limited (“Silver Lake”) as managers, and the newly signed Yindarlgooda Joint Venture with Newmont Exploration Limited (“Newmont”), also managers.

Peters Dam Joint Venture (Silver Lake Resources Limited 30% (RBR diluting))

In July 2009, RBR entered into the Peters Dam joint venture with Integra Mining Ltd (later to become Silver Lake), covering 21km² of RBR tenements at the southern end of the Yindarlgooda area adjacent to Silver Lake’s Salt Creek gold deposit. Silver Lake has expended \$1.9m exploring the project area and earned a 70% equity.

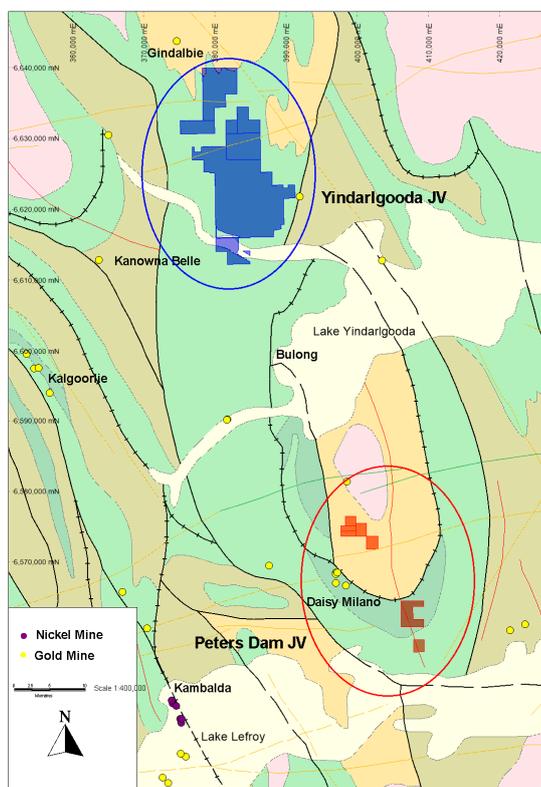
No drilling or sampling work was conducted by Silver Lake during the reporting period due to a reduction in its exploration budget.

Yindarlgooda Joint Venture (Newmont Exploration Limited Earning, RBR 100%)

In July 2017 RBR signed a Joint Venture Agreement with Newmont over the 237km² Yindarlgooda Project tenements located 32km northeast of Kalgoorlie, Western Australia. Newmont has the opportunity to earn up to 70% in the Yindarlgooda joint venture tenements through expenditure of \$2m.

The Yindarlgooda Joint Venture covers a 28km strike length of gold prospective stratigraphy between the Mt Monger-Bulong (15km south) and Gindalbie (4km north) gold mining centres, and is just 600m from the Penny’s Find Gold Project currently in development.

Newmont is currently progressing grant of the exploration licence applications.



FINANCIAL REPORT
For the year ended
30 June 2017



The Directors present their report on RBR Group Limited ("RBR") and the entities it controlled at the end of and during the year ended 30 June 2017.

DIRECTORS

The names and details of the Directors of RBR during the financial year and until the date of this report are:

Ian Macpherson – *B.Comm., CA*
Executive Chairman
Appointed 18 October 2010

Mr Macpherson is a Chartered Accountant with over thirty years experience in the provision of financial and corporate advisory services. Mr Macpherson was formerly a partner at Arthur Anderson & Co managing a specialist practice providing corporate and financial advice to the mining and mineral exploration industry.

In 1990, Mr Macpherson established Ord Partners (later to become Ord Nexia) and has specialised in the area of corporate advice with particular emphasis on capital structuring, equity and debt raising, corporate affairs and Stock Exchange compliance for public companies in the mining and industrial areas. He has further been involved in numerous asset acquisitions and disposal engagements. Ord Nexia merged with MGI Perth in October 2010 and Mr Macpherson continued in a consulting role with the merged group until November 2011.

He has acted in the role of Director and Company Secretary for a number of entities and is currently a Non-Executive Director of Red 5 Limited (15 April 2014 to present).

Former Directorships: Non-Executive (Deputy) Chairman of Avita Medical Ltd (5 March 2008 to 16 January 2016).

Mr Macpherson is a Member of the Institute of Chartered Accountants in Australia, the Australian Institute of Company Directors and past member of the Executive Council of the Association of Mining Exploration Companies (WA) Inc.

Richard Carcenac – *B.Sc. Eng. (Civil), MBA*
Chief Executive Officer and Executive Director
Appointed 16 June 2015

Mr Carcenac is a civil engineer with an MBA who has over 20 years experience working for international mining houses including Anglo American and BHP Billiton in a variety of roles in Australia, South Africa, Switzerland and The Netherlands.

The majority of his career was spent in marketing and operations, and included board appointments at Ingwe Collieries Ltd (the South African coal subsidiary of BHP Billiton Ltd) and the Richards Bay Coal Terminal Company Ltd. Mr Carcenac's most recent position was as General Manager of BHP Billiton Worsley Alumina's Boddington Bauxite Mine in Western Australia.

Ian Buchhorn – *B.Sc. (Hons), Dipl. Geosci (Min. Econ), MAusIMM*
Non-Executive Director
Appointed 19 August 2005

Mr Buchhorn is a Mineral Economist and Geologist with more than 30 years experience. He was the founding Managing Director of Heron Resources Limited for a period of 11 years until early 2007 and returned to that role in October 2012 after a period as Executive Director. Mr Buchhorn previously worked with a number of international mining companies and has worked on nickel, bauxite and industrial mineral mining and exploration, gold and base metal project generation and corporate evaluations. For the last 24 years Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western Australian and has operated as a Registered Mine Manager.

Mr Buchhorn is a Director of Ardea Resources Limited (17 August 2017 to present). During the three-year period to the end of the financial year Mr Buchhorn held directorships in Heron Resources Limited (17 February 1995 to 2 June 2017) and Golden Cross Resources Limited (3 March 2014 to 13 July 2016).



Paul Graham-Clarke – B.Sc. (Tokyo)
Non-Executive Director
Appointed 16 December 2015

Mr Graham-Clarke has 37 years of foreign exchange and commodity experience in the United Kingdom working for public listed companies, a UK Hedge fund and a private UK commodity company in an executive capacity. He has significant experience in company strategic turnarounds, leading large and small management teams, and the restructuring of business divisions. He was formerly Managing Director of Foreign Exchange at ICAP (part of ICAP's Global Broking business, which is now the conglomerate TPIcap) and Managing Director of London Commodity Brokers.

Mr Graham-Clarke was born in South Africa and educated both there and in Japan where he received his Bachelor of Science degree. Predominantly UK-based in the latter part of his career, he maintains a significant business network and access into the UK financial markets.

COMPANY SECRETARY

Patrick Soh – B.Bus., CPA.
Appointed 29 November 2016

Mr Soh has 20 years of experience in financial strategies, analysis and governance with some of Australia's most successful companies across multiple industry sectors. Mr Soh has extensive experience in financial risk foresight including on major projects using lead performance indicator techniques and the design of risk-based management programs and behaviours.

Mr Soh's experience as CFO and Company Secretary in ASX listed corporations, brings the same advanced strategies and vast industry knowledge to his work with small to medium enterprises. In addition to traditional corporate accounting services, Mr Soh has proven expertise in business improvement through integrating financial strategy and planning with leadership development, business systems, and organisational culture and capacity.

Sam Middlemas, B.Com., PGrad DipBus., CA (Resigned as Company Secretary on 29 November 2016).

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year remained focused on Asia-Pacific and Mozambique. The group operates via subsidiaries Pac Moz, Lda ("PacMoz"), Futuro Skills, Lda ("Futuro Skills") and Futuro Business Services, Lda in the provision of labour, training and professional services in Mozambique. In Asia-Pacific the Australian business remains core while maintaining its mineral exploration and development assets, primarily in Western Australia (refer to the review of operations and activities below).

DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

REVIEW OF OPERATIONS AND ACTIVITIES

The Company has maintained its operational focus in Mozambique and acquired the remaining 40% stake in the PacMoz labour broking business. PacMoz is now a wholly owned subsidiary of RBR. RBR's financial strategy remains unchanged and is focused on: the further growth of its sustainable cash flow business base; establishing itself as a leading service provider to the resources, construction and oil & gas sectors; and leveraging its position with a watching brief on mineral resource opportunities. As the mining sector recovers globally, the company is optimistic regarding the business opportunities before it.

To achieve its financial objectives, RBR has focused on the following key strategic priorities:

Consolidating and Growing RBR's position in Mozambique

The opportunity in the Mozambique resource sector is a large one. Major resources projects are expected to drive a substantial increase in demand for labour, training and vocational education services over the coming years. RBR subsidiaries Futuro Skills and PacMoz are expected to be key players in this market.

The initial focus has been on opportunities in the upstream oil and gas industry specifically the LNG sector where there is an estimated US\$32bn worth of LNG projects approved or planned, and the construction sector. These opportunities were a key driver for the consolidation of the remaining minority stake in the PacMoz business. Participating in both the onshore and offshore components of LNG projects under consideration will expand the market opportunity available to the group.

To provide maximum shareholder leverage to this opportunity RBR acquired the balance of the PacMoz business on favourable terms.



Growing the business in Africa and the Asia-Pacific region

The need for training of indigenous people for participation in the labour market is not confined to Mozambique. Whether mandated by local law or by project economics, the requirement to train local citizens to construct resource projects provides the group with opportunities in multiple jurisdictions. RBR's current training activities in Mongolia and its goal to secure similar contracts in other African countries will not only grow the business, but also reduce portfolio risk by diversifying its revenue streams by commodity and country.

Australia remains a core market for the group. Current Australian clients range from small businesses to top-tier companies, providing exposure to the recovery in the Australian resources sector which appears to be underway. Targeting additional contract wins in Australia is a key management objective.

With regard to its mining interests RBR's major project is the Yindarlgooda gold project located east of Kalgoorlie. During the Financial Year the company executed a Farm-in Agreement with Newmont Exploration Pty Ltd (Newmont). Under the agreement, Newmont is required, under a multi-phase program to invest up to approximately A\$2m to earn a 75% equity stake in the project. The Farm-in Agreement allows RBR to retain exposure to exploration success whilst retaining focus and capital for the development and growth of its services sector.

Corporate and Financial Position

As at 30 June 2017 the Consolidated Entity had cash reserves of \$339,084 (2016: \$94,619). The net loss for the year was \$1,078,031 (2016: 1,354,543) including a non-cash impairment charge of \$124,618 (2016: Nil).

Risk Management

The Board is responsible for the oversight of the Consolidated Entity's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

Areas of significant business risk to the Consolidated Entity are presented to the Board by the Chief Executive Officer each year.

Arrangements put in place by the Board to monitor risk management include monthly reporting to the Board in respect of operations and the financial position of the Consolidated Entity.

EARNINGS/LOSS PER SHARE

	2017	2016
	Cents	Cents
Basic loss per share	(0.26)	(0.46)
Diluted loss per share	(0.26)	(0.46)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review.

OPTIONS OVER UNISSUED CAPITAL

Unlisted Options

During the financial year and to the date of this report there were no new options issued to Directors or Staff.

Since 30 June 2017 and up until the date of this report there have been no further options issued.

As at the date of this report there were no unissued ordinary shares of the Company under option.

No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

CORPORATE STRUCTURE

RBR Group Limited (ACN 115 857 988) is a Company limited by shares that was incorporated on 19 August 2005 and is domiciled in Australia.



DIRECTORS' REPORT (Continued)

EVENTS SUBSEQUENT TO THE REPORTING DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Consolidated Entity to affect substantially the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years except for the following:

- On 3 July 2017, The Company announced the placement of 66,000,000 shares at 0.5 cents per share, with funds received of \$330,000 before costs. The placement was effected on 30 June 2017 and was the first tranche of a planned two staged capital raising to raise up to a total of \$600,000 with the second tranche subject to approval by members at a general meeting.
- A Notice of General Meeting was lodged with the ASX on 6 July 2017, with the meeting to be held on 8 August 2017. The general meeting was held to ratify and approve the placement of shares announced on 3 July 2017 and to approve the issue of second tranche shares to Directors participating in that placement. All resolutions were approved at the meeting.
- On 8 September 2017, the Company announced the allotment of the second tranche of 53,622,784 shares at 0.5 cents per share, with funds received of \$268,114 before costs.
- A business update was released to the market on 6 September 2017 providing details of operations in Australia and Mozambique including the acquisition of the 40% minority stake in PacMoz from the PacMoz Director and General Manager Ms Hanlie Lloyd. The purchase consideration for the acquisition included a contingent liability for the issue of 5,000,000 shares subject to Ms Lloyd successfully completing the re-organisation of the entity over the subsequent twelve-month period.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

RBR is maintaining a focus on the resource sectors in Africa and Asia-Pacific, developing and growing the business units described in the "Review of Operations and Activities" (page 3), and developing the client base and revenues.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities. So far as the Directors are aware there has been no known breach of the Consolidated Entity's licence conditions and all exploration activities comply with relevant environmental regulations.

INFORMATION ON DIRECTORS

As at the date of this report the Directors' interests in shares and unlisted options of the Consolidated Entity are as follows:

Directors	Ordinary Shares	Performance Rights	Unlisted Options
Ian Macpherson Executive Chairman Appointed 18 October 2010	38,800,000	-	-
Richard Carcenac Chief Executive Officer and Executive Director Appointed 16 June 2015	19,371,210	15,000,000	-
Ian Buchhorn Non-Executive Director Appointed 19 August 2005	18,574,724	-	-
Paul Graham-Clarke Non-Executive Director Appointed 16 December 2015	15,685,564	-	-

DIRECTORS' MEETINGS

The number of meetings of the Consolidated Entity's Directors held in the period each Director held office during the financial year and the numbers of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	<i>Meetings Attended</i>	<i>Meetings held while a director</i>
I Macpherson	4	4
R Carcenac	4	4
I Buchhorn	4	4
P Graham-Clarke (Appointed 16 December 2015)	3	4



REMUNERATION REPORT

Recommendation 8.1 of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd edition)* states that the Board should establish a Remuneration Committee. The Board has formed the view that given the number of Directors on the Board, this function could be performed just as effectively with full Board participation. Accordingly, it was resolved that there would be no separate Board sub-committee for remuneration purposes.

This report details the amount and nature of remuneration of each Director of the Consolidated Entity and executive officers of the Consolidated Entity during the year.

Overview of Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide the Managing Director (or equivalent) and the Executive Team with a remuneration package consisting of a fixed and variable component that together reflects the person's responsibilities, duties and personal performance. An equity based remuneration arrangement for the Board and the Executive Team is in place. The remuneration policy is to provide a fixed remuneration component and a specific equity related component, with no performance conditions. The Board believes that this remuneration policy is appropriate given the stage of development of the Consolidated Entity and the activities which it undertakes and is appropriate in aligning Director and executive objectives with shareholder and business objectives.

The remuneration policy in regard to setting the terms and conditions for the Chief Executive Officer has been developed by the Board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Directors receive a superannuation guarantee contribution required by the government, which is currently 9.5% per annum and do not receive any other retirement benefits. Some individuals, however, can choose to sacrifice part or all of their salary to increase payments towards superannuation.

All remuneration paid to Directors is valued at cost to the Consolidated Entity and expensed. Options are valued using either the Black-Scholes methodology or the Binomial model. In accordance with current accounting policy the value of these options is expensed over the relevant vesting period.

Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. The annual aggregate amount of remuneration paid to Non-Executive Directors was approved by shareholders on 7 November 2006 and is not to exceed \$200,000 per annum. Actual remuneration paid to the Consolidated Entity's Non-Executive Directors is disclosed below. Notwithstanding the approved maximum of \$200,000 and the policy of fair remuneration, Non-Executive Directors have accepted significantly reduced remuneration fees in light of the restricted working capital position of the company as it builds its business units. Remuneration fees for Non-Executive Directors are not linked to the performance of the Consolidated Entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Consolidated Entity.

Senior Executives and Management

The Consolidated Entity aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Consolidated Entity so as to:

- Reward executives of the Consolidated Entity and individual performance against targets set by reference to appropriate benchmarks;
- Reward executives in line with the strategic goals and performance of the Consolidated Entity; and
- Ensure that total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Issuance of performance rights.



DIRECTORS' REPORT (Continued)

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis including any employee benefits e.g. motor vehicles) as well as employer contributions to superannuation funds.

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Remuneration packages for the staff who report directly to the Managing Director (or equivalent) are based on the recommendation of the Managing Director (or equivalent), subject to the approval of the Board in the annual budget setting process.

Service Agreement

Mr Richard Carcenac was appointed Chief Executive Officer and an Executive Director on 16 June 2015. A summary of his employment contract is as follows:

- Term of agreement – Ongoing, subject to termination and notice periods;
- Base Salary, \$250,000 including superannuation;
- The following performance rights were issued on 27 November 2015;
 - 7,500,000 Class 1 performance rights subject to meeting specific performance criteria achieved within 24 months;
 - 7,500,000 Class 2 performance rights subject to meeting specific performance criteria achieved within 36 months; and
- Termination of employment by either party requires 3 month's written notice.

Details of the nature and amount of each element of the remuneration of each Director and Executive Officer of RBR Group Limited paid/accrued during the year are as follows:

	Short-term Benefits		Post Employment	Equity Compensation	Total
	Base Salary/Fees \$	Motor Vehicle/Bonus \$	Superannuation Contributions \$	Options \$	
2016/2017					
Directors					
I Macpherson – Executive Chairman	75,939	-	3,478	-	79,417
R Carcenac – Chief Executive Officer	228,311	-	21,690	-	250,001
I Buchhorn – Non-Executive	25,000	-	-	-	25,000
Paul Graham-Clarke – Non-Executive	10,000	-	-	-	10,000
Executives					
P Soh - Company Secretary ⁽ⁱ⁾	58,409	-	-	-	58,409
S Middlemas - Company Secretary ⁽ⁱⁱ⁾	7,810	-	-	-	7,810
2015/2016					
Directors					
I Macpherson – Executive Chairman	85,759	-	4,348	-	90,107
R Carcenac – Chief Executive Officer	237,824	-	22,593	-	260,417
I Buchhorn – Non-Executive	31,250	-	-	-	31,250
Paul Graham-Clarke – Non-Executive	-	-	-	-	-
Executives					
S Middlemas - Company Secretary ⁽ⁱⁱ⁾	79,240	-	-	-	79,240
A Ford – Chief Operating Officer ⁽ⁱⁱⁱ⁾	81,289	-	3,341	-	84,630

Notes:

(i) Mr Soh was appointed as Company Secretary from 29 November 2016.

(ii) Mr Middlemas resigned as Company Secretary on 29 November 2016.

(iii) Mr Ford's position was made redundant on 16 October 2015.

Other than the Directors and Executive Officers disclosed above there were no other Executive Officers who received emoluments during the financial year ended 30 June 2017.



Share-based compensation

The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are as follows:

	Granted Number	Terms & Conditions for each Grant				
		Date of Grant	Date of Vesting	Option Value (\$)	Exercise Price (\$)	Expiry Date
Performance Rights						
R Carcenac Class 1	7,500,000	27 Nov 2015	Refer (i) below	0.0064	N/A	26 Nov 2017
R Carcenac Class 2	7,500,000	27 Nov 2015	Refer (ii) below	0.0057	N/A	26 Nov 2018

Notes:

- (i) Rights subject to performance criteria prior to 26 November 2017; the Company's market capitalisation averaging over a period of 30 consecutive trading days a daily average of not less than \$6,000,000; and/or consolidated gross income of the Company and its revenue exceeding \$1,250,000; and Mr Carcenac completing 12 months of continuous employment with the Company
- (ii) Rights subject to performance criteria prior to 26 November 2018; the Company's market capitalisation averaging over a period of 30 consecutive trading days a daily average of not less than \$8,000,000; and consolidated gross income of the Company and its revenue exceeding \$2,000,000; and Mr Carcenac completing 24 months of continuous employment with the Company

There were no amounts payable on the issue of the options, and there are no performance conditions attached. All options previously issued are now fully vested and are exercisable at any time. When exercisable, each option is convertible into one ordinary share of RBR Group Limited.

INDEMNIFYING OFFICERS AND AUDITOR

During the year the Company paid an insurance premium to insure certain officers of the Consolidated Entity. The officers of the Consolidated Entity covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Consolidated Entity. The insurance policy does not contain details of the premium paid in respect of individual officers of the Consolidated Entity. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Consolidated Entity has not provided any insurance for an auditor of the Consolidated Entity.

AUDITORS' INDEPENDENCE DECLARATION

Section 370C of the *Corporations Act 2001* requires the Consolidated Entity's auditors Butler Settineri (Audit) Pty Ltd, to provide the Directors of the Consolidated Entity with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is attached and forms part of this Directors' Report.

NON-AUDIT SERVICES

A company related to Butler Settineri (Audit) Pty Limited provided non-audit services on taxation during the period. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001*.

	<u>2017</u> \$	<u>2016</u> \$
Taxation Services	2,150	-

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings. The Consolidated Entity was not party to any such proceedings during the year.

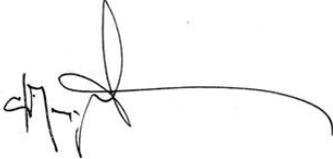


DIRECTORS' DECLARATION

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Consolidated Entity support and have adhered to the principles of corporate governance. The Consolidated Entity's corporate governance practices have been disclosed in Appendix 4G in accordance with ASX listing rule 4.7.3 at the same time as the annual report is lodged with the ASX. Further information about the Company's corporate governance practices is set out on the Company's web site at www.rbrgroup.com.au. In accordance with the recommendations of the ASX, information published on the web site includes codes of conduct and other policies and procedures relating to the Board and its responsibilities.

DATED at Perth this 28th day of September 2017
Signed in accordance with a resolution of the Directors



Ian Macpherson
Executive Chairman

Competent Persons Statement

The information in this report that relates to Exploration is based on information compiled by Andrew Ford who is a Member of the Australasian Institute of Mining and Metallurgy. Andrew Ford is a consultant to RBR Group Limited and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration, and to the exploration activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Andrew Ford has consented to the inclusion in this report of the matters based on his information in the form and context that it appears.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of RBR Group Limited and its controlled entities for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of RBR Group Limited and the entities it controlled during the year.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE
Director

Perth
Date: 28 September 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2017

	Notes	<u>2017</u> \$	<u>2016</u> \$
Revenue	2	1,309,085	876,838
Cost of sales		(291,653)	
Gross profit		1,017,432	876,838
Employee expenses		(737,769)	(825,968)
Directors' fees		(70,092)	(121,365)
Insurance expenses		(29,563)	(17,559)
Consultants fees		(411,352)	(249,695)
Corporate expenses		(65,462)	(86,183)
Depreciation	3	(29,746)	(33,808)
Property expenses		(119,302)	(111,699)
Employee costs recharged to capitalised exploration		-	43,262
Share-based payments expense	3	(62,504)	(22,713)
Exploration written off	3	(35,787)	(441,041)
Goodwill impairment		(124,618)	-
Other expenses	3	(372,678)	(361,770)
Loss before income tax		(1,041,441)	(1,351,701)
Income tax	5	(36,590)	(2,842)
Net loss for the year		(1,078,031)	(1,354,543)
<i>Other comprehensive income that may be recycled to profit or loss</i>			
Foreign currency translation adjustments		(6,441)	(69,640)
Total other comprehensive loss		(6,441)	(69,640)
Total comprehensive loss		(1,084,472)	(1,424,183)
Loss is attributable to:			
Equity holders of RBR Group Ltd		(1,066,062)	(1,408,881)
Non-controlling interests		(11,969)	54,338
		(1,078,031)	(1,354,543)
Total comprehensive loss is attributable to:			
Equity holders of RBR Group Ltd		(1,069,194)	(1,447,471)
Non-controlling interests		(15,278)	23,288
		(1,084,472)	(1,424,183)
Earnings per share			
Basic earnings/(loss) per share (cents per share)	20	(0.26) cents	(0.46) cents
Diluted earnings/(loss) per share (cents per share)	20	(0.26) cents	(0.46) cents

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Consolidated Entity accompanying notes.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Notes	<u>2017</u> \$	<u>2016</u> \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	21(a)	339,084	94,619
Trade receivables	6	316,724	142,270
Assets held for sale	11	-	100,000
Other assets	7	21,715	15,095
TOTAL CURRENT ASSETS		677,523	351,984
NON-CURRENT ASSETS			
Plant and equipment and motor vehicles	8	41,484	47,528
Intangibles	10	299,898	424,516
Capitalised mineral exploration expenditure	11	38,309	64,468
TOTAL NON-CURRENT ASSETS		379,691	536,512
TOTAL ASSETS		1,057,214	888,496
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	141,864	349,633
Provisions	13	44,857	44,415
TOTAL CURRENT LIABILITIES		186,721	394,048
TOTAL LIABILITIES		186,721	394,048
NET ASSETS		870,493	494,448
EQUITY			
Contributed equity	14(a)	18,134,486	16,806,473
Reserves	15	765,076	635,704
Accumulated losses		(18,058,679)	(16,992,617)
Equity attributable to equity holders in the Company		840,883	449,560
Non-controlling interests		29,610	44,888
TOTAL EQUITY		870,493	494,448

The above Consolidated Statement of Financial Position should be read in conjunction with the Consolidated Entity's accompanying notes.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2017

	Notes	Contributed Equity	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated losses	Owners of the parent	Non- controlling interest	Total
BALANCE AT 30 JUNE 2015		15,933,284	656,956	(5,375)	(15,583,736)	1,001,129	21,600	1,022,729
Loss for the year		-	-	-	(1,408,881)	(1,408,881)	54,338	(1,354,543)
Other comprehensive income		-	-	(38,590)	-	(38,590)	(31,050)	(69,640)
Total comprehensive income		-	-	(38,590)	(1,408,881)	(1,447,471)	23,288	(1,424,183)
Transactions with owners in their capacity as owners:								
Shares issued during the year	14(b)	873,189	-	-	-	873,189	-	873,189
Director performance rights issued		-	22,713	-	-	22,713	-	22,713
BALANCE AT 30 JUNE 2016		16,806,473	679,669	(43,965)	(16,992,617)	449,560	44,888	494,448
Loss for the year		-	-	-	(1,066,062)	(1,066,062)	(11,969)	(1,078,031)
Other comprehensive income		-	-	(3,132)	-	(3,132)	(3,309)	(6,441)
Total comprehensive income		-	-	(3,132)	(1,066,062)	(1,069,194)	(15,278)	(1,084,472)
Transactions with owners in their capacity as owners:								
Shares issued during the year	14(b)	1,328,013	-	-	-	1,328,013	-	1,328,013
Unissued shares		-	70,000	-	-	70,000	-	70,000
Performance rights issued		-	62,504	-	-	62,504	-	62,504
BALANCE AT 30 JUNE 2017		18,134,486	812,173	(47,097)	(18,058,679)	840,883	29,610	870,493

The above Consolidated statement of changes in equity should be read in conjunction with the Consolidated Entity's accompanying notes.



CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2017

	Notes	<u>2017</u>	<u>2016</u>
		\$	\$
Cash flows from operating activities			
Receipts from customers		1,037,240	685,402
Interest received		2,462	2,996
Payments to suppliers and employees (inclusive of goods and services tax)		(2,123,174)	(1,636,578)
Net cash used in operating activities	21(b)	<u>(1,083,472)</u>	<u>(948,180)</u>
Cash flows from investing activities			
Payments for exploration and evaluation		(9,629)	(47,608)
Receipt on sale of tenement		100,000	100,000
Payments for investments in subsidiaries		-	(64,698)
Payments for plant and equipment		(24,275)	(48,586)
Net cash used in investing activities		<u>66,096</u>	<u>(60,892)</u>
Cash flows from financing activities			
Proceeds from loan		544	150,000
Repayment of loan		(150,000)	(50,000)
Proceeds from unissued shares		70,000	-
Proceeds from the issue of shares (net of fees)		1,328,013	873,189
Net cash provided by financing activities		<u>1,248,557</u>	<u>973,189</u>
Net decrease in cash held		231,181	(35,883)
Cash at the beginning of the financial year		94,619	163,900
Exchange rate movements		13,284	(33,398)
Cash at the end of the financial year	21(a)	<u>339,084</u>	<u>94,619</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the Consolidated Entity's accompanying notes.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial report of the Company, RBR Group Limited and its controlled entities ("RBR" or "Consolidated Entity"), are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise indicated.

RBR Group Limited is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the official list of the Australian Securities Exchange. The financial statements are presented in Australian dollars which is the Consolidated Entity's functional currency.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*.

RBR Group Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial report was authorised for issue by the Directors.

Going Concern

The Consolidated Entity incurred a loss for the year of \$1,078,031 (2016: \$1,354,543) including a non-cash impairment charge of \$124,618 (2016: Nil) and a net cash outflow from operating activities of \$1,083,472 (2016: \$948,180).

At 30 June 2017, the Consolidated Entity had cash assets of \$339,084 (2016: \$94,619) and working capital of \$420,082 (2016: -\$42,064). Since the year end the Company has raised an additional \$268,114 before costs and continues to develop new business in Asia-Pacific and Africa.

Although the above is indicative of a material uncertainty, the Company is confident in the support of its shareholders until the Consolidated Entity is cash flow positive.

The Directors continue to manage the Consolidated Entity's activities with due regard to current and future funding requirements. On this basis, the Directors believe the financial statements should be prepared on a going concern basis.

(b) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. None of the balances reported have been derived from estimates.

(c) Basis of Consolidation

Controlled Entity

The consolidated financial statements comprise the financial statements of RBR Group Limited and its subsidiaries as at 30 June each year.

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

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. The subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and ceases to be consolidated from the date on which control is transferred out of the consolidated entity.



The acquisition of the subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of the subsidiaries for the period from their acquisition.

Joint Ventures

Joint ventures are those entities over whose activities the consolidated entity has joint control, established by contractual agreement.

In the consolidated entity's financial statements, investments in joint ventures are carried at cost. Details of these interests are shown in Note 27.

(d) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred asset or liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and future tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Foreign Currency Translation

The financial statements are presented in Australian dollars, which is RBR Group Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.



(g) Cash and Cash Equivalents

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

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

(h) Employee Entitlements

Liabilities for wages and salaries, annual leave and other current employee entitlements expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

(i) Plant and Equipment and Motor Vehicles

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

Plant and equipment and motor vehicles

Plant and equipment and motor vehicles are stated at cost less accumulated depreciation and any impairment in value.

The carrying values of plant and equipment and motor vehicles are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Depreciation

Depreciable non-current assets are depreciated over their expected economic life using either the straight line or the diminishing value method. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets is as follows:

- Plant & equipment 20 - 33%
- Motor vehicles 22.5%

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. GST incurred is claimed from the ATO when a valid tax invoice is provided. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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



(k) Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Contributed Equity

Issued capital is recognised as the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(m) Exploration and Evaluation Expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest and is subject to impairment testing. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

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

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Where a mineral resource has been identified and where it is expected that future expenditures will be recovered by future exploitation or sale, the impairment of the exploration and evaluation is written back and transferred to development costs. Once production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration and rehabilitation are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Exploration and evaluation assets are assessed for impairment if:

- (i) sufficient data exists to determine technical feasibility and commercial viability, and
- (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then re-classified from intangible assets to mining property and development assets within property, plant and equipment.

(n) Earnings per Share

Basic earnings per share ("EPS") are calculated based upon the net profit/(loss) attributable to equity holders of the parent divided by the weighted average number of shares. Diluted EPS are calculated as the net profit/(loss) attributable to equity holders of the parent divided by the weighted average number of shares and dilutive potential shares.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

(o) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis over the term of the lease.

(p) Share-based payment transactions

The Company provides benefits to employees (including Directors and Consultants) of the Consolidated Entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("Equity-settled transactions").

There is currently one plan in place to provide these benefits being an Employee Share Option Plan ("ESOP") which provides benefits to Directors, Consultants and Senior Executives.

The cost of these equity-settled transactions is measured by reference to fair value at the date at which they are granted. The fair value is determined by an external valuer using the either the Black-Scholes or Binomial 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 RBR Group Limited ("market conditions").

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

Where the Consolidated Entity acquires some form of interest in an exploration tenement or an exploration area of interest and the consideration comprises share-based payment transactions, the fair value of the equity instruments granted is measured at grant date. The cost of equity securities is recognised within capitalised mineral exploration and evaluation expenditure, together with a corresponding increase in equity.

(q) Comparative Figures

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

(r) Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework, to identify and analyse the risks faced by the Consolidated Entity. These risks include credit risk, liquidity risk and market risk from the use of financial instruments. The Consolidated Entity has only limited use of financial instruments through its cash holdings being invested in short term interest bearing securities. The primary goal of this strategy is to maximise returns while minimising risk through the use of accredited Banks with a minimum credit rating of A1 from Standard & Poors. The Consolidated Entity has no debt, and working capital is maintained at its highest level possible and regularly reviewed by the full board.

(s) Changes in accounting policies and disclosures

In the current year, the Consolidated Entity has adopted all new and revised Standards and Interpretations that have been issued and are effective for the accounting periods beginning on or after 1 July 2015. The adoption of the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies.

(t) Standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2017. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Consolidated Entity, are set out below.

AASB 9 Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).



The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the Directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, they are in the process of negotiating revenue contracts and therefore it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

The Directors anticipate that the adoption of AASB 16 will impact the Group's financial statements and estimate that the impact to be similar to the operating lease commitments of \$193,747, detailed in note 18. *AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations* (applicable to annual reporting periods beginning on or after 1 January 2016).

This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

The application of AASB 2014-3 will result in a change in accounting policies for the above described transactions, which were previously accounted for as acquisitions of assets rather than applying the acquisition method per AASB 3.

The transitional provisions require that the Standard should be applied prospectively to acquisitions of interests in joint operations occurring on or after 1 January 2016. As at 30 June 2016, management is not aware of the existence of any such arrangements that would impact the financial statements of the entity going forward and as such is not capable of providing a reasonable estimate at this stage of the impact on initial application of AASB 2014-3.

AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128).

This Standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a “business” as defined in AASB 3 to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.



2. OTHER INCOME

	<u>2017</u> \$	<u>2016</u> \$
Revenue		
Revenue from rendering of services	1,306,691	873,849
Interest	2,394	2,989
	<u>1,309,085</u>	<u>876,838</u>

3. EXPENSES

	<u>2017</u> \$	<u>2016</u> \$
Contributions to employees superannuation plans	38,493	33,073
Depreciation - plant and equipment	29,746	33,808
Exploration Written off	35,787	441,041
Share based payment expense	62,504	22,713
Provision for employee entitlements	44,800	40,995
	<u>372,678</u>	<u>361,770</u>
Other Expenses		
Travel and accommodation	86,952	73,755
IT and communications	25,012	34,542
Consultants	41,615	44,309
Other	219,099	209,164
	<u>372,678</u>	<u>361,770</u>

4. AUDITORS' REMUNERATION

	<u>2017</u> \$	<u>2016</u> \$
Butler Settineri (Audit) Pty Limited		
Audit and review of the financial statements	26,221	20,555
Taxation Services – company related to Butler Settineri (Audit) Pty Ltd	2,150	-
	<u>28,371</u>	<u>20,555</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. INCOME TAX**(a) Income tax expense**

No income tax is payable by the Consolidated Entity as it has incurred losses for income tax purposes for the year, therefore current tax, deferred tax and tax expense is \$Nil (2016: \$Nil).

	<u>2017</u> \$	<u>2016</u> \$
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(1,041,441)	(1,351,701)
Prima facie tax benefit at the Australian tax rate of 30% (2016: 30%)	(312,432)	(405,510)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	96,873	132,312
Overseas projects income and expenses	(20,577)	(25,276)
Other allowable expenditure	(3,882)	(5,042)
Deferred tax asset not brought to account	234,455	300,674
Income tax expense	36,590	(2,842)

(b) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	15,636,129	13,099,593
Potential tax benefit at 30%	4,690,839	3,929,878

(c) Unrecognised deferred tax assets

Unrecognised deferred tax assets		
Provisions	9,027	6,995
Carry forward tax losses	4,690,839	3,929,878
	4,699,866	3,936,873

No deferred tax asset has been recognised for the above balance as at 30 June 2017 as it is not considered probable that future taxable profits will be available against which it can be utilised.

Unrecognised deferred tax liabilities

Capitalised mineral exploration and evaluation expenditure	4,699,866	3,936,873
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(d) Franking credits balance

The Consolidated Entity has no franking credits as at 30 June 2017 available for use in future years (2016: \$Nil).

6. TRADE RECEIVABLES**Current**

	<u>2017</u> \$	<u>2016</u> \$
Trade receivables	295,539	78,889
Other receivables	21,185	63,381
	316,724	142,270

Trade receivables represent outstanding amounts owed by customers in Mozambique. Other receivables include GST and other value added tax receipts.



7. OTHER ASSETS**Current**

	<u>2017</u>	<u>2016</u>
	\$	\$
Prepayments	21,715	15,095

8. PLANT AND EQUIPMENT AND MOTOR VEHICLES

	<u>2017</u>	<u>2016</u>
	\$	\$
Plant and office equipment		
At cost	146,248	197,996
Accumulated depreciation	(104,764)	(150,468)
	<u>41,484</u>	<u>47,528</u>
Motor vehicles		
At cost	-	-
Accumulated depreciation	-	-
	<u>41,484</u>	<u>47,528</u>

Reconciliation

Reconciliation of the carrying amounts for each class of plant and equipment and motor vehicles are set out below:

	<u>2017</u>	<u>2016</u>
	\$	\$
<i>Plant and office equipment</i>		
Carrying amount at beginning of the year	47,528	46,021
Additions	24,275	40,791
Depreciation	(29,746)	(31,943)
Foreign currency differences	(574)	(7,341)
Carrying amount at the end of the year	<u>41,484</u>	<u>47,528</u>
<i>Motor vehicles</i>		
Carrying amount at beginning of the year	-	10,951
Additions	-	-
Disposals	-	(7,969)
Depreciation	-	(1,865)
Foreign currency differences	-	(1,118)
Carrying amount at the end of the year	<u>-</u>	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. INVESTMENTS**Particulars in relation to the Controlled Entity**

RBR Group Limited is the parent entity.

Name of Controlled Entity	Country of incorporation	Class of Shares	Equity Holding	
			2017	2016
Freelance Support Pty Ltd ⁽ⁱ⁾	Australia	Ordinary	100%	100%
Pac Moz, Lda ⁽ⁱⁱ⁾	Mozambique	Ordinary	60%	60%
Futuro Skills, Lda ⁽ⁱⁱⁱ⁾	Mozambique	Ordinary	100%	100%
Futuro Business Services, Lda ^(iv)	Mozambique	Ordinary	100%	N/A
Rubicon Resources & Mining, Lda ^(v)	Mozambique	Ordinary	59.4%	59.4%
Morson Mozambique, Lda ^(v)	Mozambique	Ordinary	59.4%	59.4%

(i) RBR purchased 100% of the issued capital of Freelance Support Pty Ltd on 11 January 2016.

(ii) RBR purchased 60% of the issued capital of Pac Moz, Lda on 25 March 2015 through the issue of shares.

(iii) RBR Incorporated Futuro Skills, Lda on 9 July 2015.

(iv) RBR Incorporated Futuro Business Services, Lda on 24 May 2017 and was inactive at 30 June 2017.

(v) Parent entity owner Pac Moz, Lda. These entities are dormant.

10. INTANGIBLES

	<u>2017</u>	<u>2016</u>
	\$	\$
Cost brought forward	424,516	372,600
Goodwill impairment of PacMoz, Lda	(124,618)	-
Purchase of Freelance Support Pty Ltd	-	49,998
Foreign exchange movement on PacMoz, Lda goodwill	-	1,918
	<u>299,898</u>	<u>424,516</u>

The carrying value of the goodwill for PacMoz was subject to impairment testing in accordance with the accounting standards. A valuation was undertaken using a discounted cashflow model based on current cashflows plus expected revenues and a discount rate of 12% and the Board approved an impairment of \$124,618. The carrying value of the intangible is expected to be indefinite and will be evaluated on a six-month basis in the future.

The Directors reviewed the carrying value of Freelance Support Pty Ltd against current revenues and income in that entity and formed a view that the carrying value is recoverable.



11. CAPITALISED MINERAL EXPLORATION EXPENDITURE**In the exploration phase**

	<u>2017</u> \$	<u>2016</u> \$
Current		
Balance at the beginning of the year	100,000	-
Assets held for sale	-	100,000
Assets sold	(100,000)	-
	-	100,000
Non-Current		
Balance at the beginning of the year	64,468	657,901
Expenditure incurred during the year (at cost)	9,629	47,608
Sale of tenement	-	(100,000)
Exploration expenditure written off	(35,787)	(441,041)
Transferred to assets held for sale	-	(100,000)
Balance at the end of the year	<u>38,309</u>	<u>64,468</u>

The recoupment of costs carried forward is dependent on the successful development and/or commercial exploitation or alternatively sale of the respective areas of interest. The Company assessed the value of its exploration assets and impaired tenements that had expired or had agreement for sale were written down to reflect their recoverable amount.

12. TRADE AND OTHER PAYABLES**Current (Unsecured)**

	<u>2017</u> \$	<u>2016</u> \$
Trade creditors	76,950	132,964
Other creditors and accruals	64,369	66,669
Loan	544	150,000
	<u>141,864</u>	<u>349,633</u>

Included within trade and other creditors and accruals is an amount of \$Nil (2016: nil) relating to exploration expenditure.

13. PROVISIONS**Current**

	<u>2017</u> \$	<u>2016</u> \$
PacMoz Tax Provisions	57	3,399
Employee entitlements	44,800	41,016
	<u>44,857</u>	<u>44,415</u>

PacMoz tax provisions relate to deferred taxes in Mozambique and employee entitlements are a calculation of leave owing to employees.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. CONTRIBUTED EQUITY

(a) Ordinary Shares

	<u>2017</u> \$	<u>2016</u> \$
510,913,294 (2016: 318,016,038) fully paid ordinary shares	<u>18,134,486</u>	<u>16,806,473</u>

(b) Share Movements during the Year

	<u>2017</u>		<u>2016</u>	
	Number of Shares	\$	Number of Shares	\$
Beginning of the financial year	318,016,038	16,806,473	248,304,498	15,933,284
<i>New share issues during the year</i>				
Placements during the year	-	-	6,108,332	109,950
Share issued from non-renounceable rights issue	-	-	63,603,208	763,239
Share issued from non-renounceable rights issue ⁽ⁱ⁾	65,386,826	588,482	-	-
Placements during the year ⁽ⁱⁱ⁾	123,510,430	790,083	-	-
Shares issued to staff ⁽ⁱⁱⁱ⁾	4,000,000	-	-	-
Less costs of share issues	-	(50,552)	-	-
	<u>510,913,294</u>	<u>18,134,486</u>	318,016,038	16,806,473

Notes:

- (i) Non-renounceable share rights at an issue price on 0.9 cents per share including initial allotment of 38,901,826 on 19 July 2016, shortfall issue of 23,285,000 on 5 August 2016 and final shortfall issue of 3,200,000 on 19 September 2016.
- (ii) Private Placement of 57,510,430 fully paid ordinary shares made to sophisticated Investors at an issue price of 0.8 cents per share to raise \$460,083 before costs on 2 December 2016. A further Private Placement of 66,000,000 fully paid ordinary shares made to sophisticated Investors at an issue price of 0.5 cents per share to raise \$330,000 before costs on 30 June 2017.
- (iii) An allocation of 4,000,000 shares was made to a senior staff member on 19 September 2016.

(c) Unlisted Options

There were no unlisted options issued in 2017 (2016: nil), and 11,000,000 unlisted options lapsed during the year (2016: nil) as a result of time expiry. As a consequence, the number of unlisted options on issue at 30 June 2017 and at the date of this report were nil. There were no other options issued to staff under the RBR Share Option Plan (refer Note 16).

(d) Performance Shares

An independent valuation was completed on performance rights granted during the year. Market based vesting conditions were valued using a hybrid share option pricing model that simulates the share price of the Company as at the test date using a Monte-Carlo model. For non-market based vesting conditions no discount was made to the underlying valuation model.

	Grant date	Expiry date	Number of performance rights	Weighted average value cents
2017				
Staff Performance Right - Class 1	19 Sep 2016	30 Jun 2017	2,000,000	0.54
Rights subject to performance criteria prior to 30 June 2017, with Futuro Skills banking revenues of at least \$500,000 (before applicable taxes such as GST/IVA) from training contracts with the UK government's Department for International Development ("DFID"), for training programs delivered in Mozambique.				
Staff Performance Right - Class 2	19 Sep 2016	30 Jun 2017	1,000,000	0.81
Rights subject to performance criteria prior to 30 June 2017, with Futuro Skills banking revenues in Australia of at least \$200,000 (before applicable taxes such as GST), earned from business undertaken in the south-east Asian and/or Australian region.				



	Grant date	Expiry date	Number of performance rights	Weighted average value cents
Staff Performance Right - Class 3	19 Sep 2016	30 Jun 2017	1,000,000	0.54

Rights subject to performance criteria prior to 30 June 2017, with Futuro Skills banking revenues in Australia of at least \$500,000 (before applicable taxes such as GST), earned from business undertaken in the south-east Asian and/or Australian region.

2016

R Carcenac Class 1	27 Nov 2015	26 Nov 2017	7,500,000	0.64
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Rights subject to performance criteria prior to 26 November 2017; the Company's market capitalisation averaging over a period of 30 consecutive trading days a daily average of not less than \$6,000,000; and/or consolidated gross income of the Company and its revenue exceeding \$1,250,000; and Mr Carcenac completing 12 months of continuous employment with the Company.

R Carcenac Class 2	27 Nov 2015	26 Nov 2018	7,500,000	0.57
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Rights subject to performance criteria prior to 26 November 2018; the Company's market capitalisation averaging over a period of 30 consecutive trading days a daily average of not less than \$8,000,000; and consolidated gross income of the Company and its revenue exceeding \$2,000,000; and Mr Carcenac completing 24 months of continuous employment with the Company.

2015

PacMoz, Lda Purchase Performance Shares Tranche B	25 Mar 2015	24 Mar 2019	30,000,000	0.00
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- (a) 500,000 gold ounce JORC compliant resource or equivalent mineral on a resource asset:
- (i) owned by PacMoz as at the date of the issue of the Performance Shares; or
 - (ii) acquired by the Company in connection with the Company's analysis of the Mozambique IP made available to the Company as at the date of issue of the Performance Shares; or
- (b) combined turnover/gross income of the PacMoz Group in a 12-month period or fiscal period of at least \$2,000,000 based on the PacMoz accounts with the net profit after tax not less than 15% of the turnover/gross income.

(e) Terms and Conditions of Contributed Equity

Ordinary Shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held.

Ordinary shares which have no par value, entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

(f) Capital Risk Management

Due to the nature of the Consolidated Entity's activities, the Consolidated Entity does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Consolidated Entity's capital risk management is the current working capital position against the requirements to meet the costs of development of the group's business units and corporate overheads. The Consolidated Entity's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Consolidated Entity is as follows:

	<u>2017</u> \$	<u>2016</u> \$
Cash and cash equivalents	339,084	94,619
Trade and other receivables	316,724	142,270
Assets held for sale	-	100,000
Other assets	21,715	15,095
Trade and other payables	(211,864)	(349,633)
Provisions	(44,857)	(44,415)
Working capital position	<u>420,802</u>	<u>(42,064)</u>

15. RESERVES

	<u>2017</u> \$	<u>2016</u> \$
Reserves		
Share Option Reserve	812,173	679,669
Foreign Currency Translation Reserve	(47,097)	(43,965)
Total Reserves	<u>765,076</u>	<u>635,704</u>

As represented by:

	<u>2017</u> \$	<u>2016</u> \$
Share Option Reserve		
Balance at the beginning of the year	679,669	656,956
Add: Unissued shares	70,000	-
Add: Amounts expensed in current year	62,504	22,713
Balance at the end of the year	<u>812,173</u>	<u>679,669</u>

The share option reserve comprises any equity settled share based payment transactions.

	<u>2017</u> \$	<u>2016</u> \$
Foreign Currency Translation Reserve		
Balance at the beginning of the year	(43,965)	(5,375)
Loss on translation of foreign subsidiaries	(3,132)	(38,590)
Balance at the end of the year	<u>(47,097)</u>	<u>(43,965)</u>

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



16. OPTION PLAN

The establishment of the RBR Group Limited Employee Share Option Plan (“the Plan”) was approved by special resolution at a General Meeting of Shareholders of the Consolidated Entity held on 25 November 2010. All eligible Directors, Executive Officers, Employees and Consultants of RBR Group Limited who have been continuously employed by the Consolidated Entity are eligible to participate in the Plan.

The Plan allows the Consolidated Entity to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price calculated in accordance with the Plan.

Options issued under the Plan have up to a 24-month vesting period prior to exercise, except under certain circumstances whereby options may be capable of exercise prior to the expiry of the vesting period.

17. RELATED PARTIES

Full remuneration details for Directors and Executives are included in the Directors report where the information has been audited as indicated. During the current financial year, the transactions with Directors, included an entity related to Ian Macpherson, which loaned the Company \$50,000, a loan from Paul Graham-Clarke for \$50,000 and a loan from Richard Carcenac for \$20,000 on normal commercial terms (unsecured, interest rate of 5%). The loans have been repaid from the proceeds of the entitlements issue announced on the 16 June 2016. There were no other transactions with Directors or Executives in the current year (2016: \$50,000).

Movement in Shares

The aggregate numbers of shares and options of the Company held directly, indirectly or beneficially by Directors and Executive Officers of the Consolidated Entity or their personally-related entity are as follows:

	Ordinary Shares				Unlisted Options
	Opening	Purchases	Disposals	Closing	30 June
2016/2017					
Mr I Macpherson	23,327,987	10,472,013	-	33,800,000	-
Mr R Carcenac ⁽ⁱ⁾	10,086,210	7,605,000	-	17,691,210	-
Mr I Buchhorn	18,574,724	-	-	18,574,724	-
Mr Graham-Clarke	5,132,408	5,555,556	-	10,687,964	-
Mr P Soh	-	-	-	-	-
Mr R Middlemas ⁽ⁱⁱ⁾	3,256,268	-	(3,256,268)	-	-
2015/2016					
Mr I Macpherson	17,542,389	5,785,598	-	23,327,987	5,000,000
Mr R Carcenac	7,500,000	2,586,210	-	10,086,210	-
Mr I Buchhorn	14,859,777	3,714,947	-	18,574,724	-
Mr Graham-Clarke ⁽ⁱⁱⁱ⁾	-	5,132,408	-	5,132,408	-
Mr R Middlemas	3,256,268	-	-	3,256,268	-
Mr A Ford ⁽ⁱⁱ⁾	400,000	-	(400,000)	-	-

Notes:

(i) Purchase includes addition of a related party shareholding

(ii) Deemed disposal when left the Board or Company

(iii) Deemed acquisition when joined the Board



NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. EXPENDITURE COMMITMENTS**(a) Exploration**

The Consolidated Entity has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Consolidated Entity's exploration programs and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Consolidated Entity have not been provided for in the financial statements and those which cover the following twelve-month period amount to \$70,000 (2016: \$82,880). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

(b) Operating Lease Commitments

The Consolidated Entity has entered into commercial leases for office premises in Mozambique and Australia. The Mozambique lease has a three-year term commencing March 2016. The Australian lease has a term until December 2019.

	<u>2017</u> \$	<u>2016</u> \$
Within one year	88,957	62,059
After one year but not more than five years	104,790	192,973
	<u>193,747</u>	<u>255,032</u>

(c) Capital Commitments

The Consolidated Entity had no capital commitments at 30 June 2017 (2016: \$Nil).

19. SEGMENT INFORMATION

The Consolidated Entity has operated the business in two distinct regions Asia-Pacific and Africa since the purchase of PacMoz in March 2015. Detailed information on the segments is as follows:

Year ended 30/6/2017	<u>Asia-Pacific</u> \$	<u>Africa</u> \$	<u>Total</u> \$
Revenue	299,411	1,009,674	1,309,085
Operating Profit (Loss) before tax	(848,234)	(193,207)	(1,041,441)
Income Tax	-	(36,590)	(36,590)
Net Profit (Loss) after tax	(848,234)	(229,797)	(1,078,031)
Segment Assets	1,139,180	125,572	1,264,752
Segment Liabilities	180,870	283,389	464,259
 Year ended 30/6/2016	 <u>Asia-Pacific</u> \$	 <u>Africa</u> \$	 <u>Total</u> \$
Revenue	27,729	849,109	876,838
Operating Profit (Loss) before tax	(1,448,737)	97,036	(1,351,701)
Income Tax	-	(2,842)	(2,842)
Net Profit (Loss) after tax	(1,448,737)	94,194	(1,354,543)
Segment Assets	656,255	232,241	888,496
Segment Liabilities	272,629	121,419	394,048



20. EARNINGS/ (LOSS) PER SHARE

The following reflects the loss and share data used in the calculations of basic and diluted earnings/(loss) per share:

	<u>2017</u> \$	<u>2016</u> \$
Earnings/(loss) used in calculating basic and diluted earnings/ (loss) per share	<u>(1,066,062)</u>	<u>(1,408,881)</u>
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	414,571,619	307,911,682
Effect of dilutive securities-share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	<u>414,571,619</u>	<u>307,911,682</u>
Basic and diluted loss per share (cents per share)	(0.26)	(0.46)

Non-dilutive securities

As at balance date, 11,000,000 unlisted options (30 June 2016: 11,000,000) which represent potential ordinary shares were not dilutive as they would decrease the loss per share.

21. NOTES TO THE STATEMENT OF CASH FLOWS**(a) Cash and Cash Equivalents**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	<u>2017</u> \$	<u>2016</u> \$
Cash on hand	571	2,393
Cash at bank	321,908	75,621
Deposits at call	16,605	16,605
	<u>339,084</u>	<u>94,619</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

(b) Reconciliation of the loss from ordinary activities after income tax to the net cash flows used in operating activities

	<u>2017</u>	<u>2016</u>
	\$	\$
Loss from ordinary activities after income tax	(1,078,031)	(1,354,543)
<i>Non-cash items:</i>		
Depreciation	29,746	33,808
Exploration written-off	35,787	441,041
Share-based payments expense	62,504	22,713
Provision for investment in Turkey	-	12,782
Goodwill impairment	124,618	-
Exchange movement	(19,151)	(36,606)
Expense of share-based payments	-	-
<i>Change in operating assets and liabilities:</i>		
Decrease (Increase) in prepayments	(6,620)	(15,095)
Decrease (Increase) in receivables	(174,454)	123,406
Decrease (Increase) in assets held for sale	-	(100,000)
Increase (Decrease) in trade creditors and accruals	(58,313)	(122,668)
Increase in employee entitlements	442	46,982
Net cash outflows used in operating activities	<u>(1,083,472)</u>	<u>(948,180)</u>

(c) Stand-By Credit Facilities

As at 30 June 2017 the Consolidated Entity has a business credit card facility available totaling \$20,000 of which \$nil (2016: \$5,080) was utilised.



22. FINANCIAL INSTRUMENTS

The Consolidated Entity's activities expose it to a variety of financial risks and market risks. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity.

(a) Interest Rate Risk

The Consolidated Entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market, interest rates and the effective weighted average interest rates on those financial assets, is as follows:

	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate \$	Fixed Interest Rate \$	Assets/ (Liabilities) Non-Interest Bearing \$	Total \$
2017						
Financial assets						
Cash and cash equivalents	21(a)	0.6%	321,908	16,605	571	339,084
2016						
Financial assets						
Cash and cash equivalents	21(a)	1.7%	75,621	16,605	2,393	94,619

(b) Foreign currency exchange risk

The Consolidated Entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The carrying amount of the Consolidated Entity's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	<u>2017</u> \$	<u>2016</u> \$
Assets – Mozambique Metical	282,591	232,241
Liabilities – Mozambique Metical	98,720	121,419

Foreign currency sensitivity analysis

The Consolidated Entity is exposed to Mozambique Metical (MZN) currency fluctuations.

The following table details the Consolidated Entity's sensitivity to a 10% increase and decrease in the Australian Dollar (AUD) against the relevant currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

The sensitivity analysis includes cash balances held in MZN and trade creditors and other payables held in MZN. A positive number indicates an increase in profit and other equity where the AUD weakens against the relevant currency. For a strengthening Australian Dollar against the relevant currency there would be an equal and opposite impact on the profit and other equity and the balances would be negative.

	<u>2017</u> \$	<u>2016</u> \$
	Profit /(Loss)	Profit /(Loss)
AUD strengthens against MZN	(18,387)	(14,067)
AUD weakens against MZN	18,387	14,067



(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and in the notes to the financial statements.

The Consolidated Entity does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments entered into by it. As at the end of the year the Consolidated Entity had trade receivables of \$295,539 (2016: \$78,889) as detailed in Note 6. Included in the trade receivables of \$295,539 at 30 June 2017, \$209,368 were due in less than 6 months, \$78,530 were due between 6-12 months and \$7,641 were due between 1-5 years.

(d) Liquidity Risk

The liquidity position of the Consolidated Entity is managed to ensure sufficient liquid funds are available to meet financial obligations as they fall due. The contractual maturities of the financial liabilities referred to in Note 12 at the reporting date are less than 12 months.

(e) Net Fair Values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Consolidated Entity has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

23. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS***Employee Entitlements***

The aggregate employee entitlement liability is disclosed in Note 13.

Directors, Officers, Employees and Other Permitted Persons Option Plan

Details of the Consolidated Entity's Directors, Officers, Employees and Other Permitted Persons Option Plan are disclosed in Note 17.

Superannuation Commitments

The Consolidated Entity contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, to provide benefits to employees on retirement, death or disability.

Accordingly, no actuarial assessments of the plans are required.

Funds are available for the purposes of the plans to satisfy all benefits that would have been vested under the plans in the event of:

- termination of the plans;
- voluntary termination by all employees of their employment; and
- compulsory termination by the employer of the employment of each employee.

During the year employer contributions (including salary sacrifice amounts) to superannuation plans totaled \$38,439 (2016: \$33,073).



24. CONTINGENT LIABILITIES

There were no material contingent liabilities not provided for in the financial statements of the Consolidated Entity as at 30 June 2017 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Consolidated Entity has an interest. The Consolidated Entity is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Consolidated Entity or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Consolidated Entity has an interest.

PacMoz loans from Vendors

As part of the purchase of a 60% interest in PacMoz Lda, an amount of \$200,000 of vendor loans which were created against internally generated goodwill were reversed on consolidation. The Vendors of PacMoz have agreed in the purchase agreement to write-off the loans upon completion of the transaction including the exercise of the option to purchase the balance of 40% of PacMoz and the conversion of the Performance Shares by the end of two years. The loans will not be called in PacMoz during this time and no interest is payable. In the event that the option is not exercised the board believes that it will be due to the expected growth of PacMoz not being achieved and in this event, it is unlikely that the investment in PacMoz will be maintained, and the Consolidated Entity will never be liable for the loans.

PacMoz Minority Acquisition

Subsequent to the reporting date the Company acquired the 40% minority stake in PacMoz from the PacMoz Director and General Manager Ms Hanlie Lloyd. The purchase consideration for the acquisition included a contingent liability for the issue of 5,000,000 shares subject to Ms Lloyd successfully completing the re-organisation of the entity over the subsequent twelve month period.

25. EVENTS SUBSEQUENT TO THE REPORTING DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Consolidated Entity to affect substantially the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years except for the following:

- On 3 July 2017, The Company announced the placement of 66,000,000 shares at 0.5 cents per share, with funds received of \$330,000 before costs. The placement was effected on 30 June 2017 and was the first tranche of a planned two staged capital raising to raise up to a total of \$600,000 with the second tranche subject to approval by members at a general meeting.
- A Notice of General Meeting was lodged with the ASX on 6 July 2017, with the meeting to be held on 8 August 2017. The general meeting was held to ratify and approve the placement of shares announced on 3 July 2017 and to approve the issue of second tranche shares to Directors participating in that placement. All resolutions were approved at the meeting.
- On 8 September 2017, the Company announced the allotment of the second tranche of 53,622,784 shares at 0.5 cents per share, with funds received of \$268,114 before costs.
- A business update was released to the market on 6 September 2017 providing details of operations in Australia and Mozambique including the acquisition of the 40% minority stake in PacMoz from the PacMoz Director and General Manager Ms Hanlie Lloyd. The purchase consideration for the acquisition included a contingent liability for the issue of 5,000,000 shares subject to Ms Lloyd successfully completing the re-organisation of the entity over the subsequent twelve-month period.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. PARENT COMPANY**(a) Financial Position**

As at 30 June 2017

	<u>2017</u> \$	<u>2016</u> \$
Assets		
Total current assets	582,247	62,826
Total non-current assets	500,371	593,429
Total Assets	<u>1,082,618</u>	<u>656,255</u>
Liabilities		
Total current liabilities	180,870	272,629
Total Liabilities	<u>180,870</u>	<u>272,629</u>
Net Assets	<u>901,748</u>	<u>383,626</u>
Equity		
Contributed equity	18,134,843	16,806,473
Reserves	742,173	679,669
Accumulated losses	(17,975,268)	(17,102,516)
Total Equity	<u>901,748</u>	<u>383,626</u>
Loss for the year	(904,796)	(1,448,737)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(904,796)</u>	<u>(1,448,737)</u>

(b) Guarantees entered into

RBR Group Limited has not entered into a deed of cross guarantee with its wholly-owned subsidiary.

(c) Contingent liabilities

RBR Group Limited had no contingent liabilities at 30 June 2017 (2016: Nil).

(d) Capital commitments

RBR Group Limited's capital commitments are disclosed in Note 18.



27. INTERESTS IN JOINT VENTURES

RBR has the following Joint Venture Interest:

Peters Dam Joint Venture (Silver Lake Resources Limited (“Silver Lake”) 69%, RBR diluting)

The Peters Dam Joint Venture comprises approximately 50km² of RBR tenements in the southern Yindarlgooda project. Silver Lake has earned an initial 51% by spending \$1.5 million. Silver Lake manages the joint venture and is currently sole funding it with RBR being diluted. RBR can elect to contribute to the exploration program at six monthly intervals (one-off right) to maintain its interest.

Yindarlgooda Farm-in Agreement (Newmont Exploration Pty Ltd (“Newmont”) 0%, RBR 100%)

The Yindarlgooda Project covers a 28km strike length of gold prospective stratigraphy between the Mt Monger-Bulong (15km north) and Gindalbie (4km south) gold mining centres, and is just 600m from the Penny’s Find Gold Project currently in development

The Term Sheet sets out the basic terms of the FJV Agreement as follows:

- Newmont must contribute expenditure of AU\$75,000 in the first twelve (12) months from the execution of the FJV Agreement (Minimum Expenditure).
- Within a year of the Minimum Expenditure being met, Newmont can elect to earn a 51% interest upon additional Expenditure of AU\$925,000 by the second anniversary date of the execution of the FJV Agreement (“Phase 1 Earn-in”).
- On and from the date Newmont has completed the Phase 1 Earn-In (“JV Commencement Date”), Newmont and RBR will be associated in a joint venture for the exploration and evaluation and, if warranted, development and exploitation of the Joint Venture Assets and all minerals within the Joint Venture Assets to which the Joint Venture Assets extend.
- Newmont can then elect to commit to spending an additional AU\$1.0 million over a further two years to earn 75% equity in the project (Phase 2 Earn-in).
- Once Newmont has met the Phase 2 Earn In - RBR has the election to contribute to the Tenement expenditure at its respective interest, or dilute using an industry standard dilution formula.



DIRECTORS' DECLARATION

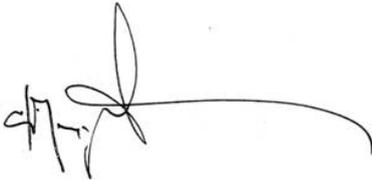
In the opinion of the Directors of RBR Group Limited ("the Consolidated Entity"):

- (a) the financial statements and notes, set out on pages 11 to 38, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2017 and of its performance, as represented by the results of its operations, for the financial year ended on that date.
- (b) there are reasonable grounds to believe that RBR Group Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Managing Director and the Company Secretary for the financial year ended 30 June 2017.

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

Signed at Perth this 28th day of September 2017.



Ian Macpherson
Executive Chairman


**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RBR GROUP LIMITED**
Report on the Financial Report
Opinion

We have audited the financial report of RBR Group Limited (the Company) and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- ii) comply with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We have 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 Consolidated Entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements 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 date 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.

Material Uncertainty Related to Going Concern

Without qualifying our opinion above, we wish to draw your attention to Note 1(a) of the financial statements "Going Concern". The matters as set forth in Note 1(a) "Going Concern" indicates the existence of a material uncertainty that may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore, the Consolidated Entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial 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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Deferred exploration and evaluation expenditure (refer note 11)</p> <p>All exploration and evaluation expenditure incurred has been capitalised and recognised as an asset in the Statement of Financial Position. The closing value of this asset is \$38,309 as at 30 June 2017.</p> <p>The carrying value of exploration and evaluation assets is subjective based on the Consolidated Entity's intention, and ability, to continue to explore the asset. The carrying value may also be affected by the results of ongoing exploration activity indicating that the mineral reserves and resources may not be commercially viable for extraction. This creates a risk that the asset value included within the financial statements may not be recoverable.</p>	<p>We have confirmed that the Consolidated Entity has continued right to explore in the relevant area of interest including assessing documentation such as exploration licences and agreed with management's assessment of impairment.</p>
<p>Intangible Assets – Goodwill (refer note 10)</p> <p>Goodwill has been recognised in relation to previously acquired subsidiaries.</p> <p>Management has exercised significant judgement in assessing whether or not the carrying value of goodwill is impaired.</p>	<p>We have reviewed management's assumptions in their impairment assessment which was based on future expected cash flows. We confirmed that key inputs in the future expected cash flows were consistent with other financial and operational information and assessed the disclosures per note 10 were appropriate and in line with the Australian Accounting Standards.</p>
<p>Revenue Recognition (refer note 2)</p> <p>Management has exercised significant judgement over the recognition of revenue in relation to contracts entered into for the provision of training and labour-hire services. Disclosures relating to revenue recognition can be found at note 1(f). The accuracy and completeness of amounts recorded as revenue is an inherent industry risk due to the location of key operations being in Mozambique.</p>	<p>We assessed the Consolidated Entity's accounting policies as set out in note 1(f), for compliance with the revenue recognition requirements of the Australian Accounting Standards. We further examined the process over the capture, and assessment of the timing, of revenue recognition for all significant contracts, as well as performed testing of a sample of receipts to supporting evidence.</p>



<p>Compliance with Laws and Regulations</p> <p>Compliance with laws and regulations, including the application of accounting policies compliant with Australian Accounting Standards, is subject to inherent risk due to the location of key operations being in Mozambique.</p>	<p>We examined the process over which those charged with governance exercise oversight over the management and operations of key operations located overseas, as well as reviewing public records to identify any instances of non-compliance with laws and regulations. We also assessed whether the foreign subsidiaries' accounting policies used in the preparation of the consolidation is consistent with the Consolidated Entity's accounting policies and whether the accounting policies comply with Australian Accounting Standards.</p>
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Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report for the year 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 accordingly 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 the 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 the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



INDEPENDENT AUDITOR'S REPORT (Continued)

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 the financial report.

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 6 to 8 of the directors' report for the year ended 30 June 2017.

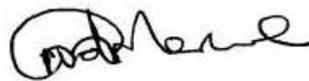
In our opinion, the Remuneration Report of RBR Group Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

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.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE
Director

Perth
Date: 28 September 2017



ASX ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 24 October 2017.

A. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

B. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Holders	Number of Shares
1 – 1000	105	21,264
1,001 – 5,000	67	153,898
5,001 – 10,000	46	347,136
10,001 – 100,000	337	16,456,685
100,001 – and over	281	547,557,095
Totals	836	564,536,078
The number of equity security holders holding less than a marketable parcel (based on a 0.8 cents price) of securities are:	459	8,789,679

C. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Name	Issued Ordinary Shares	
	Number of Holders	Percentage of Ordinary Shares
Mr Athol Emerton	66,673,890	11.81%
HSBC Custody Nominees	33,413,228	5.92%
Gurravembi Investments Pty	28,000,000	4.96%
Perth Capital Pty Ltd	20,000,000	3.54%
Fats Pty Ltd (Macib Fam A/C)	15,333,334	2.72%
Mr Duncan Gerard Gowans & (Gowans S/F A/C)	15,000,000	2.66%
Fats Pty Ltd (Macib Super A/C)	12,500,000	2.21%
Mr Paul Graham-Clarke	10,553,156	1.87%
Mr Richard A E Carcenac (Carcenac S/F A/C)	10,350,000	1.83%
Mr David Wallace Clark (Making It Happen A)	10,000,000	1.77%
Hazurn Pty Ltd (Buchhorn S/F A/C)	9,819,883	1.74%
Mr Paul Horsfall	9,625,184	1.70%
Fats Pty Ltd (Macib S/F A/C)	8,937,316	1.58%
Mr Athol Murray Emerton	8,654,490	1.53%
Mr Richard A E Carcenac (Carcenac Fam A/C)	8,310,000	1.47%
Ragged Holdings Pty Ltd (Jon Young Fam Fund)	8,000,000	1.42%
J P Morgan Nominees Australia	6,580,877	1.17%
Kurana Pty Ltd (Buchhorn Unit Fund)	6,328,172	1.12%
Harold Cripps Holdings Pty Ltd	6,000,000	1.06%
BB Cap Pty Ltd	6,000,000	1.06%
	300,079,530	53.16%



D. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who holds 5% or more of the issued capital) is set out below:

Shareholder Name	Issued Ordinary Shares	
	Number of Holders	Percentage of Ordinary Shares
A Emerton & Associates	64,402,768	11.41%
I Macpherson & Associates	38,800,001	6.87%
Colin Ikin	21,000,000	3.72%
Perth Cap PL	20,000,000	3.54%

E. Unquoted Options

Shareholder Name	Number of Securities
Performance Rights	
PacMoz, Lda Purchase Performance Shares Tranche B ¹	30,000,000
R Carcenac Class 1 ²	7,500,000
R Carcenac Class 2 ³	7,500,000

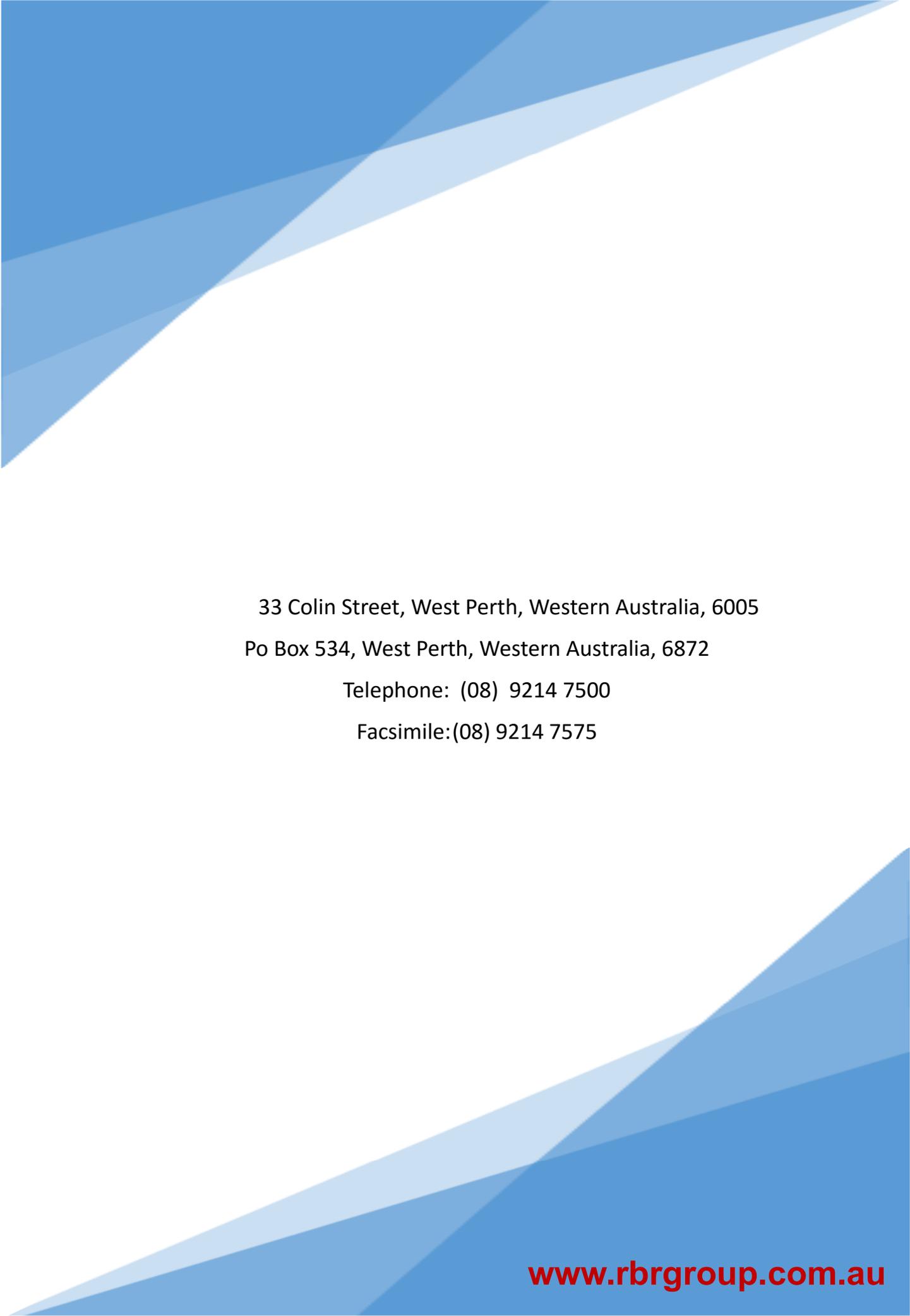
Notes:

- (1) Performance Shares; or acquired by the Company in connection with the Company's analysis of the Mozambique IP made available to the Company as at the date of issue of the Performance Shares; or combined turnover/gross income of the PacMoz Group in a 12 month period or fiscal period of at least \$2,000,000 based on the PacMoz accounts with the net profit after tax not less than 15% of the turnover/gross income.
- (2) Rights subject to performance criteria prior to 26 November 2017; the Company's market capitalisation averaging over a period of 30 consecutive trading days a daily average of not less than \$6,000,000; and/or consolidated gross income of the Company and its revenue exceeding \$1,250,000; and Mr Carcenac completing 12 months of continuous employment with the Company.
- (3) Rights subject to performance criteria prior to 26 November 2018; the Company's market capitalisation averaging over a period of 30 consecutive trading days a daily average of not less than \$8,000,000; consolidated gross income of the Company and its revenue exceeding \$2,000,000; and Mr Carcenac completing 24 months of continuous employment with the Company.

F. Schedule of Interests in Mining Tenements

Sub-Project	Tenement ID	Equity %	Date Granted
YINDARLGOODA PROJECT			
Peter Dam JV	E15/00869	30	21-Dec-2005
Peter Dam JV	E25/00434	30	22-Nov-2010
Peter Dam JV	E26/00153	30	6-May-2011
Peter Dam JV	E26/00154	30	6-May-2011
Peter Dam JV	P26/03819	30	15-Jun-2011
Peter Dam JV	P26/03820	30	15-Jun-2011
Peter Dam JV	P26/03821	30	15-Jun-2011
Yindarlgooda	E27/00431	100	11-Oct-2017
Yindarlgooda	E27/00449	100	12-Sep-2012
Yindarlgooda	E27/00454	100	Pending
Yindarlgooda	E27/00456	100	Pending





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