

# **Overland Resources (BC) Limited**

**Company No: 534743**

**Financial Report  
for the period 1 July 2017 to 31 December 2017**

**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100  
F +61 8 9261 9111  
[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Overland Resources (BC) Limited for the financial period 1 July 2017 to 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 7 February 2018

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

**Overland Resources (BC) Limited**  
**Financial Report for the period 1 July 2017 to 31 December 2017**

**Contents**

Statement of profit or loss and other comprehensive income  
Statement of financial position  
Statement of changes in equity  
Statement of cash flows  
Notes to the financial statements  
Directors' declaration  
Independent auditor's report to the members of Overland Resources (BC) Limited

**General information**

The financial statements cover Overland Resources (BC) Limited as a single entity. The financial statements are presented in Canadian Dollars, which is Overland Resources (BC) Limited's functional and presentation currency.

Overland Resources (BC) Limited is a company limited by shares, incorporated and domiciled in Canada. Its registered office and principal place of business are:

**Registered office**

C/- MacDonald  
200-204 Lambert Street  
Whitehorse YT  
Y1A 3T2

**Principal place of business**

C/- MacDonald  
200-204 Lambert Street  
Whitehorse YT  
Y1A 3T2

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7 February 2018. The Directors have the power to amend and reissue the financial statements.

**Overland Resources (BC) Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the period 1 July 2017 to 31 December 2017**

	Note	2017 \$
<b>Expenses</b>		
Administrative and corporate expenses		<u>(2,818)</u>
Total expenses		<u>(2,818)</u>
<b>Loss before income tax expense</b>		(2,818)
Income tax expense		<u>-</u>
<b>Loss after income tax expense for the period</b>		(2,818)
<b>Total comprehensive loss for the period</b>		<u><u>(2,818)</u></u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Overland Resources (BC) Limited**  
**Statement of financial position**  
**As at 31 December 2017**

	Note	2017 \$
<b>Assets</b>		
<b>Non-Current</b>		
Exploration costs capitalised		16,917
Total non-current assets		<u>16,917</u>
<b>Total assets</b>		<u>16,917</u>
<b>Liabilities</b>		
<b>Current</b>		
Trade and other payables		2,000
Loan from parent entity		187,266
Total current liabilities		<u>189,266</u>
<b>Total liabilities</b>		<u>189,266</u>
<b>Net liabilities</b>		<u><u>(172,349)</u></u>
<b>Equity</b>		
Issued capital		1
Accumulated losses		<u>(172,350)</u>
<b>Total deficiency in equity</b>		<u><u>(172,349)</u></u>

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

**Overland Resources (BC) Limited**  
**Statement of changes in equity**  
**For the period 1 July 2017 to 31 December 2017**

	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2017	1	(169,532)	(169,531)
Loss after income tax expense for the period	-	<u>(2,818)</u>	<u>(2,818)</u>
Total comprehensive loss for the period	-	<u>(2,818)</u>	<u>(2,818)</u>
Balance at 31 December 2017	<u>1</u>	<u>(172,350)</u>	<u>(172,349)</u>

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

**Overland Resources (BC) Limited**  
**Statement of cash flows**  
**For the period 1 July 2017 to 31 December 2017**

	Note	2017 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees		-
Net cash used in operating activities		-
<b>Cash flows from investing activities</b>		
Payments for investing activities		-
Net cash used in investing activities		-
<b>Cash flows from financing activities</b>		
Proceeds from borrowings		-
Net cash from financing activities		-
Net increase/(decrease) in cash and cash equivalents		-
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period		-

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

**Overland Resources (BC) Limited**  
**Notes to the financial statements**  
**For the period 1 July 2017 to 31 December 2017**

**Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below.

**Basis of preparation**

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of distributing financial statements to the owners of Overland Resources (BC) Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Overland Resources (BC) Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the International Financial Reporting Standards.

These financial statements are presented in Canadian Dollars, which is Overland Resources (BC) Limited's functional and presentation currency.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, unless otherwise specified in these accounting policies.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

**Overland Resources (BC) Limited**  
**Notes to the financial statements**  
**For the period 1 July 2017 to 31 December 2017**

**Note 1. Significant accounting policies (continued)**

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the financial period ended 31 December 2017. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. There are no judgements, estimates and assumptions in these financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Note 3. Parent entity**

The immediate and ultimate parent entity of the company is Overland Resources Limited, a company incorporated in Australia and listed on the Australian Securities Exchange, which at 31 December 2017 owned 100% (1 July 2017: 100%) of the issued share capital of the company.

The company is dependent on continued financial support from its parent entity for its continued existence and ability to carry out its normal activities.

**Note 4. Contingent liabilities and assets**

The company has no contingent liabilities or assets as at 31 December 2017.

**Note 5. Commitments**

The company has no commitments as at 31 December 2017.

**Note 6. Events subsequent to reporting date**

On 17 January 2018, Rafaella Resources Limited entered into a conditional binding terms sheet with Overland Resources Limited, the parent entity of the company, to acquire 100% of the shares in the company.

Other than the above, there are no matters or circumstances that have arisen since 31 December 2017 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Overland Resources (BC) Limited  
Directors' Declaration  
For the period 1 July 2017 to 31 December 2017**

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, the attached special purpose financial statements have been prepared in accordance with the accounting policies as described in Note 1;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the period 1 July 2017 to 31 December 2017 in accordance with the accounting policies as described in Note 1;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of directors.

On behalf of the directors



---

Ming Jang  
Director

7 February 2018  
Perth



#### RSM Australia Partners

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +618 92619100  
F +618 92619111  
www.rsm.com.au

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERLAND RESOURCES (BC) LIMITED

### Opinion

We have audited the financial report of Overland Resources (BC) Limited (the company), which comprises the statement of financial position as at 31 December 2017, the statement of profit of loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the financial period 1 July 2017 to 31 December 2017, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects the financial position of the company as at 31 December 2017, and its performance and cash flows for the financial period 1 July 2017 to 31 December 2017 in accordance with the accounting policies described in Note 1.

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing. 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 company in accordance with any applicable code of professional conduct in relation to the audit.

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

### Basis of Accounting

We draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared to assist the directors in meeting the company's financial reporting requirements. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the accounting policies described in Note 1 and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of a financial report that 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 relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

### THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

## Auditor's Responsibilities for the Audit of the Financial Report

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

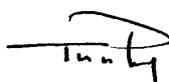
As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the 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 company'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company 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.

We also 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 the audit.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 9 February 2018