Pioneer
Development
Fund

A Company duly registered under the Pooled Development Fund Act 1992

ABN 81 103 118 761

Annual Report for the Year Ended 30 June 2019

Contents

CORPORATE DIRECTORY

DIRECTORS

Cameron Mclean
Lincoln Ho
Mauro Piccini

COMPANY SECRETARY

Mauro Piccini

REGISTERED OFFICE

Level 1, 1 Altona Street, West Perth, Western Australia, 6005

AUDITOR

Loren Datt
Level 7, 616 St Kilda Road, St Kilda VIC 3004

SOLICITORS

Nova Legal
2/50 Kings Park Rd, West Perth WA 6005

PRINCIPLE PLACE OF BUSINESS

Level 1, 1 Altona Street, West Perth, Western Australia, 6005

CHAIRMAN'S LETTER

Dear Shareholders

The Board of the Pioneer Development Fund (PDF) is pleased to present its latest annual report. During the financial year, we have reviewed and performed due diligence on numerous investment opportunities. Subsequently, strategic investments were made on certain ASX listed companies with solid upside potential and minimal downside risk. These companies include Koppar Resources Limited, Sultan Resources Limited and Aldoro Resources Limited.

Also during the year, the PDF made investments in companies that are yet to be listed, namely KMX Resources, Southern Forest Ciders and Southern Ocean Apiaries, all of which has strong potential for growth and the Board will strategically seek a trade sale at premium prices or await public listing of these investments.

Despite facing a mediocre market sentiment in the earlier part of the 2018-2019 financial year, we have noticed an increasing amount of confidence in the small to medium business enterprise sector. The Board is very optimistic that this confidence will continue to grow over the next 12 months.

On that account, we strongly look forward to the future as the PDF continues to undertake assessments of further investment opportunities.

Yours Sincerely

Cameron Mclean, Chairman

31 October 2019

DIRECTORS' REPORT

Your directors present their report together with the financial statements of the company for the financial year ended 30 June 2019.

Directors

- Cameron Mclean (appointed 8 February 2019)
- Lincoln Ho (appointed 21 December 2017)
- Mauro Piccini (appointed 12 September 2018)
- Robert Norman Parton (resigned 8 February 2019)
- Edwin Bulseco (resigned 8 February 2019)

Company Secretary

Mr Piccini spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines. Mauro is a Chartered Accountant (CA) and a member of the Governance Institute of Australia (GIA). Mauro started his career in the Perth office of Ernst and Young (EY) where he spent several years in their assurance division.

Principal Activities

The continuing activity of the entity is to invest in and support Australian companies using the taxation concessions applicable to such companies as ours registered under the *Pooled Development Funds Act 1992*. No significant change in the nature of these activities occurred during the financial year.

Dividends Paid or Recommended

No dividends were paid during the year, nor are any recommended at 30 June 2019.

Operating Results

The operations of the entity for the year returned a loss of $536,886.

Review of Operations

The loss for the year was $536,886 compared with a gain of $201,239 in 2018 (which includes the unrealised gains from the company's investments revaluations at 30 June 2018).

Portfolio Summary

During the period the Company invested in the following companies:

Details of Investment	Value as at 30 June 2019
1,580,000 Fully paid ordinary shares held in Koppar Resources Limited	$276,500
395,000 Listed options held in Koppar Resources Limited	$69,125
1,358,664 Fully paid ordinary shares held in Sultan Resources Limited	$80,161
1,842,002 Fully paid ordinary shares held in Aldoro Resources Limited	$257,880

Events after the Reporting Period

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

Future Developments, Prospects and Business Strategies

The Board is fully committed to accumulate a portfolio of valuable investee companies and plans to work closely with those future investee companies to build portfolio value for the benefit of the company's shareholders. This vision and strategy will necessarily involve the company attempting to raise capital from existing shareholders and new investors.

Environmental Issues

The company's operations are not subject to any significant environmental regulations.

Information on Directors

Cameron Mclean (appointed 8 February 2019)

Chairman

Cameron Mclean has more than 20 years of experience leading and managing a range of commercial activities including co-directing London business ibase in the geo-technology sector, and as chief financial officer of Snowden Mining Industry Consultants, Kagara and Atrum Coal. Mr Mclean has a background in accounting and finance, with experience originating at Western Mining in Melbourne. Mr Mclean is the founder and major shareholder of the mining investment platform, Mineral Intelligence, where he has facilitated over $100m in mining transactions over 5 years. Mr Mclean identified, secured and introduced the cobalt and vanadium projects through Ion Minerals and was its managing director.

Lincoln Ho (appointed 21 December 2017)

Non-Executive Director

With a background in equities trading for over 8 years, Mr Ho has wide knowledge and experience in corporate restructure, mergers and acquisitions. Mr Ho has the ability to negotiate deals across local & overseas markets, working in conjunction with experienced corporate financiers across the emerging caps space. In particular, Mr Ho has a focus on a network of industry and finance contacts across South-East Asia.

Mauro Piccini (appointed 12 September 2018)

Non-Executive Director – Corporate Secretary

Mr Piccini spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines. Mauro is a Chartered Accountant (CA) and a member of the Governance Institute of Australia (GIA). Mauro started his career in the Perth office of Ernst and Young (EY) where he spent several years in their assurance division.

Edwin Bulseco (resigned 8 February 2019)

Non-Executive Chairman

Mr Bulseco has a wealth of experience in capital markets and corporate strategic planning. From 2010 to 2015, Mr Bulseco has served as a senior equity research analyst at two of Australia's oldest stockbrokers.

Mr Bulseco has more recently worked in corporate finance for numerous boutique East Coast based corporate advisories. During this period, Mr Bulseco has gained considerable capital markets and corporate experience.

Robert Parton (resigned 8 February 2019)

Non-Executive Director

Mr Parton has 25 years' experience in business management, project evaluation and capital-raising across sectors including real estate, finance, energy, manufacturing and retailing. As a qualified accountant (CPA), Mr Parton brings valuable skills and experience to the team, with an emphasis on deal sourcing, business planning, financial analysis and risk management, and deal execution.

Directors' Meetings and Attendances

During the financial year, no meetings of directors was held.

Attendances by each director during the year were as follows:

	Number Eligible to Attend	Number Attended
Lincoln Ho	1	1
Cameron Mclean	-	-
Edwin Bulseco	1	1
Robert Parton	-	-
Mauro Piccini	1	1

Note: The Board of Directors meet regularly to discuss potential investments and the overall operations and performance of the fund.

Indemnifying Officers or Auditor

No officers of the company were indemnified in 2019. The auditors are not indemnified.

Options

At the date of this report, The Company has 76,669,992 free attaching options over ordinary shares in the Company on issue, with an exercise price of $0.02 and date of expiry of 20 November 2019.

During the prior period 10,000,000 broker options with an exercise price of $0.02 and expiry of 30 June 2020 were issued to Xcel Capital Pty Ltd for Corporate advisory services performed in relation to the placements undertaken. The options have been valued by the services provided to the Company. The total fair value of the options is $5,000.

Proceedings on Behalf of Company

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

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

Non-audit Services

No non-audit services were provided by the external auditors during the year ended 30 June 2019.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 has been received and is attached. It is signed in accordance with a resolution of the Board of Directors.

Cameron Mclean, Chairman

31 October 2019

LorenDattAudit
AUDIT & ASSURANCE

AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2019

As lead auditor for the audit of The Pioneer Development Fund (Aust) Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Pioneer Development Fund (Aust) Limited.

LOREN DATT
Registered Company Auditor
Registration: 339204

Dated: 31 October 2019

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2019

	NOTE	2019	2018
REVENUE			
Revenue		-	-
Total Revenues		**-**	**-**
EXPENSES			
Audit fees	3	(5,500)	(5,000)
Financial management and company secretarial fees		(13,532)	(3,405)
Share and company registry fees		(5,815)	(4,247)
Legal and professional fees		(4,434)	(25,099)
Occupancy costs		-	(2,472)
Directors fees		-	(44,000)
Insurance		(7,802)	-
Impairment of investments	11	(376,000)	-
Other expenses		(1,561)	(847)
Share based payments	10	-	(5,000)
Total Expenses		**(414,644)**	**(90,070)**
Net Operating Loss Before Taxes		**(414,644)**	**(90,070)**
Income tax expense		-	-
Other Income			
Interest revenue		6,535	2,309
(Loss)/Gain on financial instrument revaluation		(128,777)	289,000
Total Other (Loss)/Income		**(122,242)**	**291,309**
NET (LOSS)/PROFIT AFTER TAX		**(536,886)**	**201,239**

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	NOTE	2019	2018
ASSETS			
Current Assets			
Cash and cash equivalent	5	971,550	1,638,391
Financial assets at fair value through profit or loss	4	683,666	402,900
Prepayments	6	3,298	141,800
Total current assets		**1,658,514**	**2,183,091**
Non-Current Assets			
Property plant and equipment		-	588
Total Non-Current Assets		**-**	**588**
TOTAL ASSETS		**1,658,514**	**2,183,679**
LIABILITES AND EQUITY			
Current Liabilities			
Trade and other payables	7	17,274	5,053
Total Current Liabilities		**17,274**	**5,053**
TOTAL LIABILITIES		**17,274**	**5,053**
NET ASSETS		**1,641,240**	**2,178,626**
EQUITY			
Issued capital	8	7,029,803	7,029,803
Reserves	9	5,000	5,500
Accumulated losses		(5,393,563)	(4,856,677)
TOTAL OWER'S EQUITY		**1,641,240**	**2,178,626**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2019

Year Ending		**2019**	**2018**
Cash at Beginning of Year		1,638,391	9
Cash at End of Year		971,550	1,638,391
	NOTE	**2019**	**2018**
Cash Flow From Operating Activities			
Cash receipts from			
Interest received		6,535	2,309
Cash paid for			
Suppliers & employees		(29,633)	(79,069)
Net Cash Flow from Operations	**11**	**(23,098)**	(76,760)
Cash Flow From Financing Activities			
Cash receipts from			
Issuance of shares		-	2,146,760
Cash paid for			
Share Issue Costs		-	(175,918)
Investments		(643,743)	(255,700)
Net Cash Flow from Financing Activities		**(643,743)**	1,715,142
Net Increase/Decrease in Cash held		(666,841)	1,638,382
Cash at Beginning of Financial Year		1,638,391	9
Cash at the End of Financial Year		**971,550**	**1,638,391**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Note	Share Capital Ordinary	Reserves	Accumulated Losses	Total
Balance at 30 June 2018		**7,029,803**	**5,500**	**(4,856,677)**	**2,178,626**
Gain/ (Loss) for the year				(536,886)	(536,886)
Movement in options reserve			(500)		(500)
Balance at 30 June 2019		**7,029,803**	**5,000**	**(5,393,563)**	**1,641,240**
Balance at 30 June 2017		5,058,961		(5,057,916)	1,045
Share capital raising		2,146,760	-	-	2,146,760
Share issue costs		(175,918)	-	-	(175,918)
Share based payments	10	-	5,500	-	5,500
Gain/ (Loss) for the year		-	-	201,239	201,239
Balance at 30 June 2018		**7,029,803**	**5,500**	**(4,856,677)**	**2,178,626**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

The financial statements and notes represented those of The Pioneer Development Fund (Aust) Limited as an individual entity. The company is an unlisted public company, limited by shares, incorporated and domiciled in Australia and is a registered Pooled Development Fund under the *Pooled Development Funds Act 1992*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The entity is a for-profit entity for the purposes of preparing the financial statements.

Australian Accounting standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

A number of new or amended standards became applicable for the current reporting period for which the Company has adopted

- AASB 15 Revenue from Contracts with Customers; and
- AASB 9 Financial Instruments.

There is no impact on the Company for the year ended 30 June 2019.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue. AASB 15 was adopted by the Company on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. The Company has considered AASB 15 in detail and determined that the impact on the Company's sales revenue from contracts under AASB 15 is insignificant for the year.

Impact of adoption
AASB 15 was adopted using the modified retrospective approach and such comparatives have not been restated. There is no material impact for the Company in the current reporting year as no revenue with customers has been recognised. There was no impact of adoption on opening retained profits as at 1 July 2018.

AASB 9 Financial Instruments
AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.
The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any material transitional adjustments. The new accounting policies (applicable from 1 July 2018) are set out below.
In accordance with the transitional provisions in AASB 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

Classification and measurement
The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.
Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Impairment
From 1 July 2018 the Company assesses on a forward looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company assesses at each reporting period end whether there is objective evidence that a financial asset or group of financial assets is impaired.

Due to the nature of the Company's receivables, the impacted of the expected loss allowance under AASB 9 against the loss incurred under AASB 139 was not material to the Company.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non- assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realized in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b. Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of assets is calculated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for depreciable assets are:

- Plant and equipment 10% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so, designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealized gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortized cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortized cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available- for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortization.

Derivative instruments

The Pioneer Development Fund (Aust) Limited does not use derivative instruments.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

d. Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short- term highly liquid investments with original maturities of two months or less.

g. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Proceeds from the sale of investments are recognised as revenue in the Income Statement in the year in which the sale occurs.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

h. Goods and Services Tax (GST)

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

i. Comparative Figures

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

j. Share-based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to Key Management Personnel and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying an appropriate valuation model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

k. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates — Share based payments

The entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Key Estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments — Investment Valuation

The fair value of unlisted available-for-sale financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost less provision for impairment based on the Directors assessment of the future ability of those investee companies to raise further development funds and achieve commercial revenues.

l. New Accounting Standards for Application in Future Periods

Various standards and interpretations have been issued at the reporting date but are not yet effective. The Directors have performed their assessments and found that when adopted, these standards and interpretations are unlikely to materially impact on the financial information presented.

NOTE 2: KEY MANAGEMENT PERSONNEL COMPENSATION

a. Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Person	Position
Cameron Mclean	Non-Executive Director
Lincoln Ho	Non-Executive Director
Mauro Piccini	Non-Executive Director
Edwin Bulseco	Non-Executive Director (resigned 8 February 2019)
Robert Parton	Non-Executive Director (resigned 8 February 2019)

b. Key Management Personnel Compensation

During the 2018 year Xcel Capital Pty Ltd of which Edwin Bulseco is a Director, was paid $179,785 in relation to the placements for Corporate advisory services undertaken. Xcel Capital Pty Ltd was also issued 10,000,000 options in relation to the work undertaken during the placements. Please refer to note 9 and 10 of the financials.

No remuneration was paid to key management personnel in 2019.

NOTE 3: AUDITORS' REMUNERATION

	2019 $	2018 $
Remuneration of the auditor of the company:		
Audit or review of financial reports	5,500	5,000
Other services	-	-
	5,500	**5,000**

The auditor was Loren Datt.

NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 $	2018 $
1,580,000 Fully paid ordinary shares held in Koppar Resources Limited	276,500	402,900
1,842,002 Fully paid ordinary shares held in Aldoro Resources Limited	257,880	-
1,358,664 Fully paid ordinary shares held in Sultan Resources Limited	80,161	-
395,000 options held in Koppar Resources Limited	69,125	-
	683,666	**402,900**

Financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are held for trading, where they are acquired for the purpose of selling in the short-term, with an intention of making a profit. Gains or losses arising from the changes in fair value are recognised in profit or loss.

NOTE 5: CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank and in hand	**971,550**	**1,638,391**

The effective interest rate on short-term bank deposits was approximately 1% at 30 June 2019 (30 June 2018: 1%).

NOTE 6: TRADE AND OTHER RECEIVABLES

	2019	2018
	$	$
Prepayments	3,298	-
Investments in Seed Capital	-	141,800
	3,298	**141,800**

As at 30 June 2018 the Company invested in the following Companies below prior to their listing on the ASX, hence these have been valued at the cost price.

	2019	2018
390,000 Fully paid ordinary shares held in Sultan Resources Limited	-	$78,000
823,001 Fully paid ordinary shares held in Aldoro Resources Limited	-	$63,800

NOTE 7: TRADE AND OTHER PAYABLES

	2019	2018
	$	$
Trade Creditors	275	
Accrued expenses	18,500	6,000
Short term loan from related party	-	
Australian Taxation Office (GST refund)	(1,501)	(947)
	17,274	**5,053**

NOTE 8: ISSUED CAPITAL

	2019	2018
	$	$
160,605,637 (2018: 160,605,637) fully paid ordinary	**7,029,803**	**7,029,803**

b) Movements in Ordinary Share Capital

Date	Details	Share No.	Issue price	$
30 June 2018	Balance	**160,605,637**	**-**	**7,029,803**
30 June 2019	Balance	**160,605,637**	**-**	**7,029,803**

Ordinary Shares

There was a rights issue undertaken during November 2017. The Rights Issue Offer Information Statement was lodged with the Australian Securities and investments Commission on 30 October 2017. The offer to existing shareholders was a non-renounceable pro rata offer of nine (9) new shares for every one (1) existing share held by eligible shareholders on the record date at an issue price of 1.4 cents per new share. Additionally, for every two (2) new shares purchased the shareholder was also issued a free attaching option with an exercise price of 2.0 cents per share expiring 20 November 2019. Shareholders were also entitled to apply for additional shares if a shortfall existed. Under the offer 482,857 shares and 241,249 options were issued.

In accordance with the Offer Information Statement, the board proceeded to place the shortfall to multiple sophisticated investors as well as a further placement under the same terms and conditions. The net outcome of the shortfall and additional placement was the issue of 152,857,143 shares at an issue price of $0.014 and 76,428,571 options. The rights issue, shortfall and additional placement raised $2,146,760 before costs.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital Management

Management controls the capital of the company in order to provide shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern.

The company's capital includes the use of ordinary share capital and financial liabilities, supported by financial assets. The capital structure of the company does not include the use of debt facilities.

As a registered Pooled Development Fund, the company complies with all provisions regulating the capital structure and activities as required under the *Pooled Development Fund Act 1992*.

Management manages the company's capital by assessing the company's financial risk and adjusting the capital structure in response to changes in these risks and in the market. These responses include the management of operational expenditure, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the company since the prior year.   This strategy is to ensure the continued operations of the company

NOTE 9: RESERVES

	2019	2018
	$	$
Share based payments	-	5,500
<u>Movement reconciliation</u>		
Share-based payment reserve		
Balance at the beginning of the year	5,500	-
Movement in value	(500)	
Equity settled share-based payment (note 10)	-	5,500
Balance at the end of the year	**5,000**	**5,500**

Share-based payment reserve
The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

NOTE 10: SHARE BASED PAYMENTS

	2019	2018
Recognised share-based payment transactions	$	$
Options issued to Corporate advisors (i)	-	**5,000**

(i) Options issued to Xcel Capital Pty Ltd

During the prior year 10,000,000 broker options with an exercise price of $0.02 and expiry of 30 June 2020 were issued to Xcel Capital Pty Ltd for Corporate advisory services performed in relation to the placements undertaken. The options have been valued by the services provided to the Company. The total fair value of the options is $5,000.

Summary of options granted during the year

Options	Issue Date	Date of Expiry	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year
Corporate advisors	24/11/2018	30/06/2020	0.02	-	10,000,000	-	-	10,000,000
Rights issue free attaching options	24/11/2018	30/06/2020	0.02	-	76,669,992	-	-	76,669,992
				-	86,669,992	-	-	86,669,992

NOTE 11: IMPAIRMENT OF ASSETS

	2019	2018
	$	$
Impairment of investments	**(376,000)**	**-**

(i) During the period the Company invested in KMX Resources, Southern Forest Ciders and Southern Ocean Apiaries, as they are currently non listed investments, they have been revalued to nil as a conservative approach. The Company still holds these investments and will either realise their value through seeking a trade sale or awaiting the listing of the investments.

NOTE 12: CASH FLOW INFORMATION

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS AFTER INCOME TAX

	2019	2018
	$	$
Profit/Loss after income tax	(536,886)	201,239
Non-cash flows in loss		
Loss/(Gain) on revaluation of Financial assets at fair value through profit or loss	128,777	(289,000)
Depreciation	588	-
Impairment of investments	376,000	-
Non cash accruals	16,846	-
Share based payment expenses	-	5,000
Changes in assets and liabilities		
Increase/(decrease) in Trade creditors	3,298	(13,491)
(Increase)/decrease in Trade receivables	-	8,182
Increase/(decrease) in long term liabilities	-	(1,252)
(Increase)/decrease in GST Refundable	1,054	6,562
Increase/(decrease) in sundry payables & accruals	(12,775)	6,000
	(23,098)	**(76,760)**

NOTE 13: FINANCIAL RISK MANAGEMENT

Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, investments, accounts receivable and payable and loans to and from investees.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2019	2018
	$	$
Financial Assets		
Cash and cash equivalents	971,550	1,638,391
Available for sale financial assets	683,666	402,900
Total Financial Assets	**1,655,216**	**2,041,291**
Financial Liabilities		
Trade and other payables		
Trade Creditors	17,274	5,053
Total Financial Liabilities	**17,274**	**5,053**

Financial Risk Management Policies

The Board of Directors, amongst other issues, is responsible for monitoring and managing the financial risk exposures of the company. The Board monitors the company's financial risk management policies and exposures and approves all financial transactions. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financial risk and interest rate risk. The Board's overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising any potential adverse effect on financial performance. This includes the review of credit risk policies and future cash flow requirements.

Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are liquidity risk, credit risk and price risk.

Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

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

Price risk

The company is not directly exposed to any material market or commodity price risk.

Net Fair Values

The fair value of unlisted available-for-sale financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost less impairment.

NOTE 14: RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended 30 June 2019.

During the prior year $20,000 was paid to Armytage Capital Management Pty Ltd a Company that Samuel Armytage is a director of for Director services provided. $20,000 was also paid to TPG Pty Ltd a Company that Robert Parton is a director in remuneration for Director services provided. A related party to Samuel Armytage, Armytage Capital Management Pty Ltd, provided $20,877 for administration services and office rental accommodation to The Pioneer Development Fund (Aust) Limited in 2018. The services and accommodation were provided on normal commercial terms.

During the prior year Xcel Capital Pty Ltd of which Edwin Bulseco is a Director, was paid $179,785 in relation to the placements for Corporate advisory services undertaken. Xcel Capital Pty Ltd was also issued 10,000,000 options in relation to the work undertaken during the placements. Please refer to note 9 and 10 of the financials.

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

NOTE 16: CAPITAL AND LEASING

There is no capital or leasing commitments requiring disclosure in the financial report.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, comprising Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements, are in accordance with the *Corporations Act 2001* and:

    A. comply with Accounting Standards and the *Corporations Regulations 2001*; and

    B. gives a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the company;

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Cameron Mclean

31 October 2019

LorenDattAudit
AUDIT & ASSURANCE

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
THE PIONEER DEVELOPMENT FUND (AUST) LTD

Opinion

We have audited the financial report of The Pioneer Development Fund (Aust) Ltd (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report of The Pioneer Development Fund (Aust) Ltd, is in all material aspects, in accordance with *Corporations Act 2001*, including:

a) giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

b) complying with Australian Accounting Standards, and the Corporations Regulations 2001.

Basis for Opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to those charge with governance of the company, would be in the same terms if given to those charge with governance at the time of this audit report.

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

Responsibilities of those Charged with Governance for the Financial Report

Those charged with governance are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 those charged with governance's 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 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 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 communicate with those charged with governance 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.

LOREN MICHELLE DATT
Registered Company Auditor
Registration: 339204

Dated: 31 October 2019