



ACN 148 860 299

# INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2018

Contents	Page
Directors' Report	1
Auditor's Independence Declaration	5
Condensed Consolidated Statement of Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Financial Statements	10
Directors' Declaration	16
Independent Auditor's Review Report	17

---

## DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

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

Joseph Goldberg

*Non-Executive Chairman*

Matthew Morgan

*Executive Director*

Andrew Firek

*Non-Executive Director*

Geoff Kidd

*Non-Executive Director*

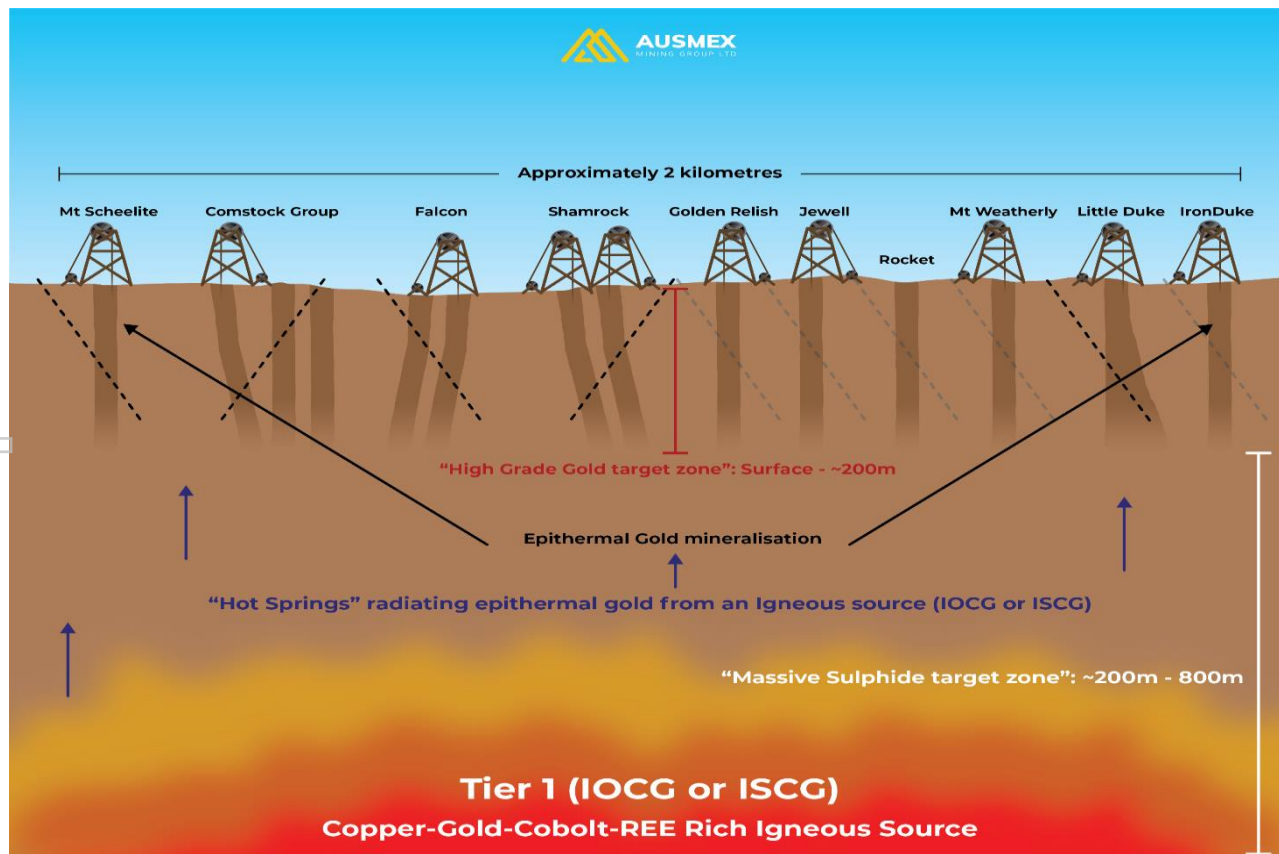
Aaron Day (Appointed 1 July 2018)

*Non-Executive Director*

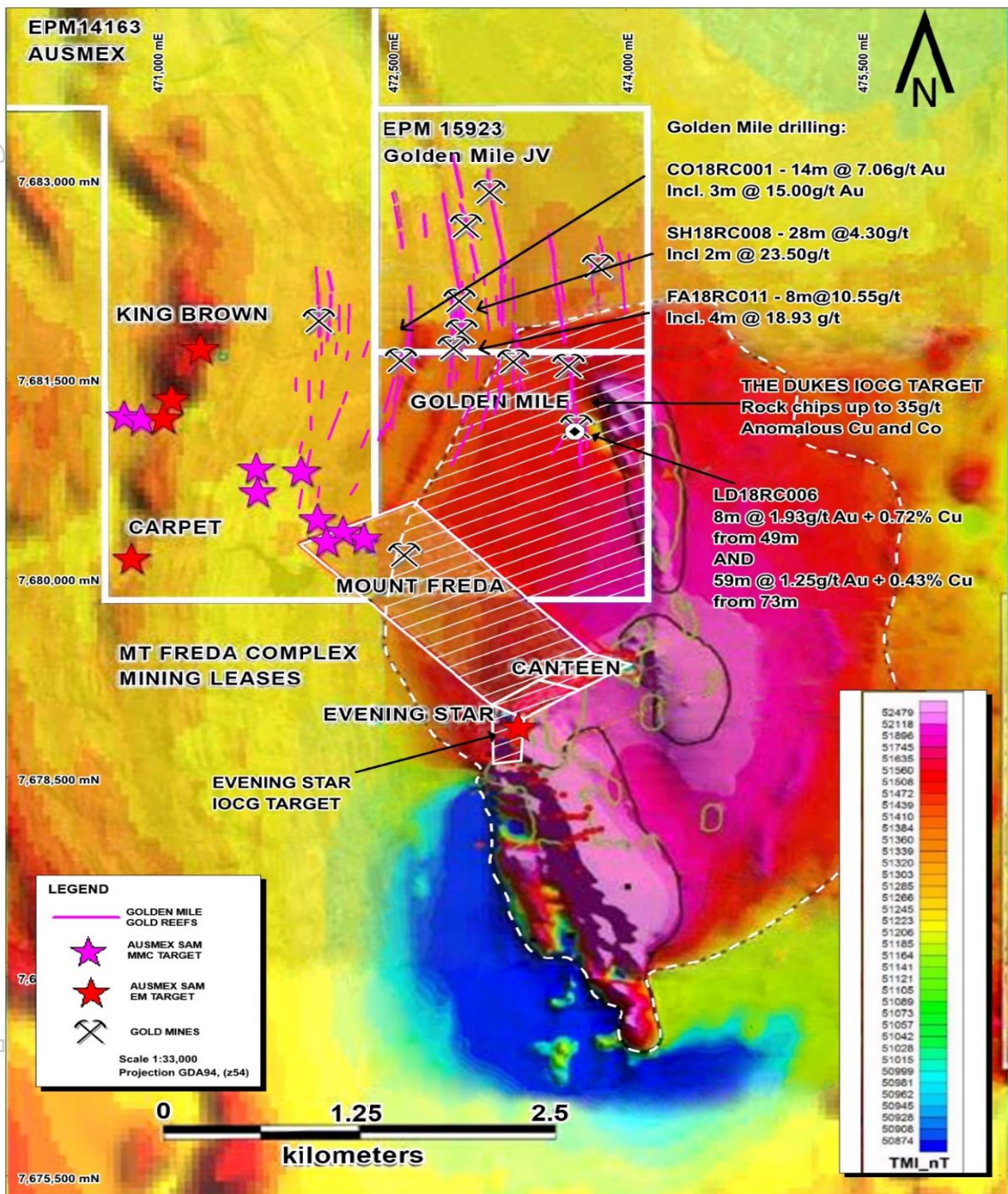
### Review of Operations

#### Cloncurry Exploration

The company continued to undertake significant exploration field work and drilling within the half year ended 31 December 2018. The exploration was primarily aimed at extending the company's understanding of the Golden Mile exploration permits which adjoins the Mt Freda Mining Licence area. The Golden Mile project is a Joint Venture with Washington H. Soul Pattinson and Co. Limited (ASX:SOL) subsidiary Exco Resources Limited. Drilling has focused on establishing a potential large, and shallow JORC (2012) mineral resources estimates in the series of historical mines that are located on the western edge of a large Tier 1 IOCG target previously identified by Exco in 2012. The area has potential to host significant high-grade epithermal gold that may be derived from a deeper IOCG magmatic source.



Golden Mile High-Grade mineralisation radiating out from a Tier 1 IOCG source



Significant high-grade assays for gold, copper and Cobalt have been returned to date and management is looking forward to continuing the drilling once the recent floods permit.

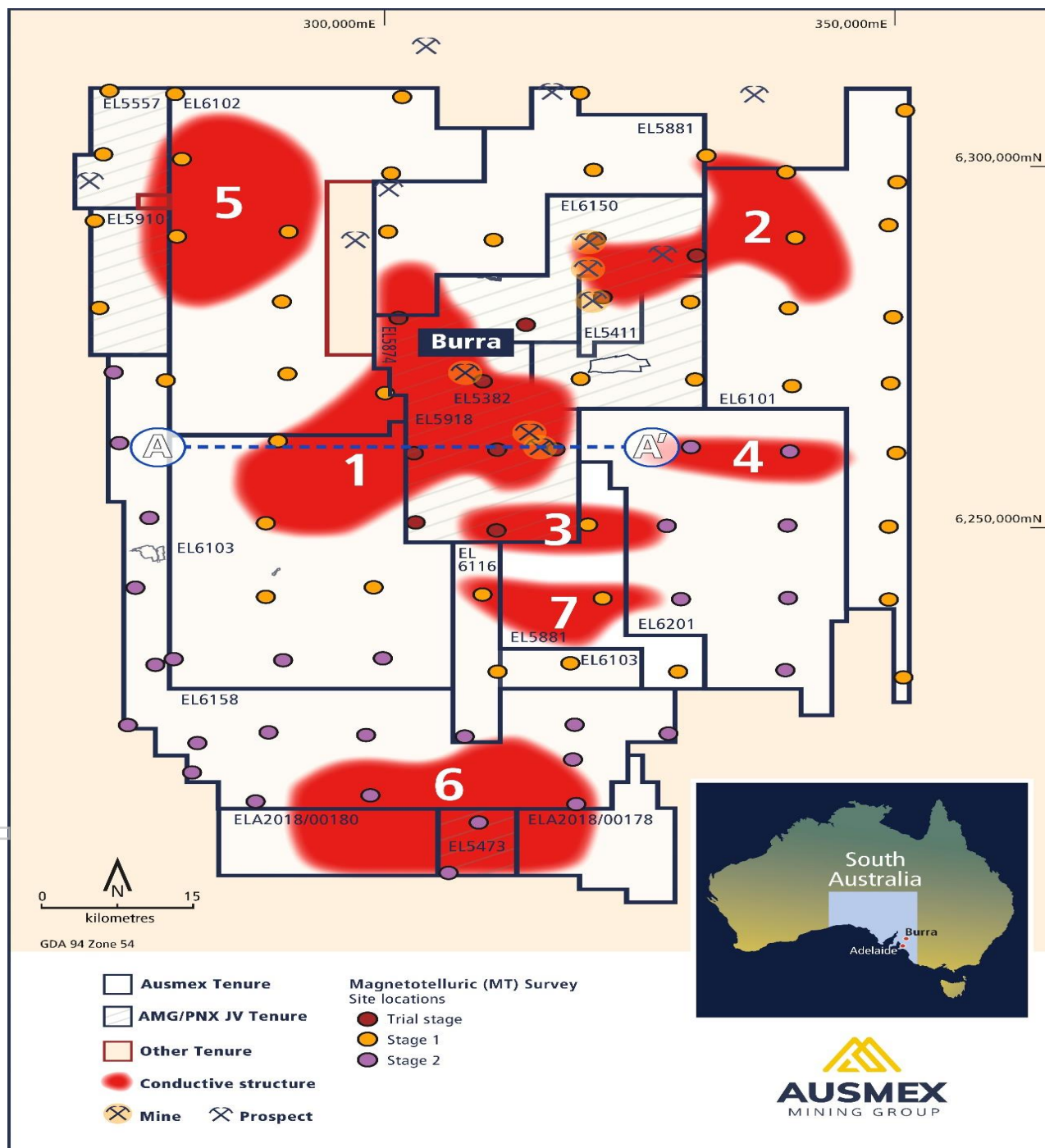
Further interpretation and on ground activities continue for the Ausmex tenements outside the Mt Freda complex.



## Burra South Australia

During the half year the initial 10km grid MT Geophysical survey was completed. The program undertaken with the assistance of Adelaide university was successful in delineating deposit scale structures.

The 2D and 3D inversion modelling has identified 7 new conductive structures which will be the subject of a higher resolution 5 km spaced gridded audio-magnetotelluric (AMT) survey.



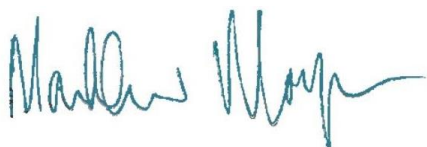
## Corporate

Ausmex successfully raised \$1.5 million before costs via the issue of converting notes and further raised \$360,000 from previous issued options being converted to ordinary shares. Management has continued to carefully and successfully manage corporate costs.

## Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half-year ended 31 December 2018.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



.....  
Matthew Morgan

Director

15 March 2019

---



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Ausmex Mining Group Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
15 March 2019

**M R Ohm**  
**Partner**

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31 December 2018 \$	31 December 2017 \$
<b>Continuing operations</b>		
Interest income	3,000	10,775
<b>Total income</b>	<b>3,000</b>	<b>10,775</b>
Administrative expenses	(73,879)	(78,103)
Audit fees	(18,560)	(37,000)
Consulting fees	(28,049)	(25,592)
Corporate services	(38,436)	(35,700)
Directors and officers	(306,000)	(232,000)
Exploration expenses	(1,996,396)	(2,820,646)
Finance costs	(37,126)	
Impairment of exploration expenditure	-	(931,291)
Legal fees	(12,500)	-
Share based payment expenses	(218,010)	(351,653)
Other expenses	-	(5,791)
<b>Loss before income tax</b>	<b>(2,725,956)</b>	<b>(4,507,001)</b>
Income tax benefit	387,732	578,585
<b>Net loss for the period</b>	<b>(2,338,224)</b>	<b>(3,928,416)</b>
<b>Other comprehensive income, net of income tax</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	3,359	9,891
Other comprehensive income for the period, net of tax	3,359	9,891
<b>Total comprehensive loss for the period</b>	<b>(2,334,865)</b>	<b>(3,918,525)</b>
<b>Net loss after income tax for the year attributable to:</b>		
Members of the parent entity	(2,010,808)	(3,465,129)
Non-controlling interest	(327,416)	(463,287)
<b>Net loss for the year</b>	<b>(2,338,224)</b>	<b>(3,928,416)</b>
<b>Total comprehensive income attributable to:</b>		
Members of the parent entity	(2,007,449)	(3,455,238)
Non-controlling interest	(327,416)	(463,287)
<b>Net loss for the year</b>	<b>(2,334,865)</b>	<b>(3,918,525)</b>
Basic and diluted loss per share (cents)	(0.58)	(0.96)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Notes	31 December 2018 \$	30 June 2018 \$
<b>Current Assets</b>			
Cash and cash equivalents		1,425,105	2,075,635
Receivables		289,576	88,255
Prepayments		1,600	1,600
<b>Total Current Assets</b>		<b>1,716,281</b>	<b>2,165,490</b>
<b>Non-current Assets</b>			
Prepayments		40,395	40,395
Exploration and evaluation assets	2	2,773,217	2,755,095
Intangible assets		3,656	4,777
Property, plant and equipment		192,486	207,604
<b>Total Non-Current Assets</b>		<b>3,481,202</b>	<b>3,091,587</b>
<b>TOTAL ASSETS</b>		<b>5,197,483</b>	<b>5,257,077</b>
<b>Current Liabilities</b>			
Trade and other payables		500,268	288,907
<b>Total Current Liabilities</b>		<b>500,268</b>	<b>288,907</b>
<b>Non-Current Liabilities</b>			
Converting notes	8	1,171,448	-
Derivative liability	8	170,452	-
Deferred tax liabilities		258,246	645,978
<b>Total Non-Current Liabilities</b>		<b>1,600,146</b>	<b>645,978</b>
<b>TOTAL LIABILITIES</b>		<b>2,100,414</b>	<b>934,885</b>
<b>NET ASSETS</b>		<b>2,625,621</b>	<b>4,238,476</b>
<b>Equity</b>			
Issued capital	3	16,338,196	15,978,196
Reserves		2,290,539	2,070,079
Accumulated losses		(15,997,727)	(14,131,828)
Equity attributable to equity holders of the parent		2,631,008	3,916,447
Non-controlling interest		(5,387)	322,029
<b>TOTAL EQUITY</b>		<b>2,625,621</b>	<b>4,238,476</b>

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Issued Capital	Share Based Payments Reserve	Foreign Currency Reserve	Accumulated Losses	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	<b>15,978,196</b>	<b>2,099,327</b>	<b>(29,248)</b>	<b>(14,131,828)</b>	<b>322,029</b>	<b>4,238,476</b>
Loss for the period	-	-	-	(2,010,808)	(327,416)	(2,338,224)
Exchange differences on translation of foreign subsidiaries	-	-	3,359	-	-	3,359
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>3,359</b>	<b>(2,010,808)</b>	<b>(327,416)</b>	<b>(2,334,865)</b>
Shares issued	360,000	(115,927)	-	115,927	-	360,000
Options expired	-	(28,982)	-	28,982	-	-
Options issued	-	362,010	-	-	-	362,010
<b>Balance at 31 December 2018</b>	<b>16,338,196</b>	<b>2,316,428</b>	<b>(25,889)</b>	<b>(15,997,729)</b>	<b>(5,387)</b>	<b>2,625,621</b>
<b>Balance at 1 July 2017</b>	<b>15,943,377</b>	<b>2,052,223</b>	<b>7</b>	<b>(10,781,448)</b>	<b>520,521</b>	<b>7,734,680</b>
Loss for the period	-	-	-	(3,465,129)	(463,287)	(3,928,416)
Exchange differences on translation of foreign subsidiaries	-	-	9,891	-	-	9,891
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>9,891</b>	<b>(3,465,129)</b>	<b>(463,287)</b>	<b>(3,918,525)</b>
Share based payment expense	-	351,653	-	-	-	351,653
<b>Balance at 31 December 2017</b>	<b>15,943,377</b>	<b>2,403,876</b>	<b>9,898</b>	<b>(14,246,577)</b>	<b>57,234</b>	<b>4,167,808</b>

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	31 December 2018 \$	31 December 2017 \$
<b>Cash flows from operating activities</b>		
Payments for administration expenses	(454,829)	(151,114)
Payments for exploration expenses	(1,989,695)	(2,657,002)
Interest received	3,000	10,774
Net cash (outflow) from operating activities	(2,441,524)	(2,797,342)
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(2,234)	(107,201)
Proceeds from disposal of plant and equipment	-	5,000
Payments for capitalised exploration expenditure	(18,123)	(3,884)
Net cash (outflow) from investing activities	(20,357)	(106,085)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	360,000	-
Proceeds from issue of converting notes – net	1,454,774	-
Net cash inflow from financing activities	1,814,774	-
Net (decrease)/increase in cash held	(647,107)	(2,903,427)
Exchange rate differences on cash balances	(3,423)	(8,679)
Cash and cash equivalents at the beginning of the period	2,075,635	4,409,734
<b>Cash and cash equivalents at the end of the period</b>	<b>1,425,105</b>	<b>1,497,628</b>

The accompanying notes form part of these financial statements

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Ausmex Mining Group Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The interim financial statements were authorised for issue on 15 March 2019.

#### Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2018.

During the previous year it was determined that impairment triggers exist in respect to the Mongolian assets and realisation was uncertain and hence the carrying value was impaired in full (refer note 2), there was no change to the judgement in the half-year.

#### Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

##### *Standards and Interpretations applicable to 31 December 2018*

In the period ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB including AASB 9 and AASB 15 that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

##### *Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2018. As a result of this review the Directors have determined that AASB 16 Leases may have a material impact on future periods. The Directors are in the process of assessing the impact.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

Notwithstanding the fact that during the half-year ended 31 December 2018 the Group incurred a pre-tax loss of \$2,725,956 and a net cash outflow from operating activities of \$2,441,524, the Directors are of the opinion that the Company is a going concern for the following reasons:

- Net current assets were \$1,216,013 as at 31 December 2018;
- The Group has had some preliminary discussions regarding the potential for further offtake arrangements based on the copper and gold announcements to date, the projects are within tenements with Mining Leases and hence considered near term;
- The Group has raised funds via Converting loans in the period and has had offers for further Converting loans;
- The Directors note that the Group has in excess of 70,000,000 shares available in its placement capacity which could be utilised if a significant investor approached the Group and or for a capital raising if considered appropriate; and
- The Directors also believe that the major shareholders would support the company if requested.

Should these equity raising options not be completed, there is a material uncertainty that may cast significant doubt as to whether the Company will be available to realise its assets and extinguish its liabilities in the normal course of business.

### NOTE 2: EXPLORATION AND EVALUATION ASSETS

	Half year to 31 December 2018 \$	Year to 30 June 2018 \$
<b>Exploration and evaluation phase – at cost</b>		
Balance at beginning of period	2,755,095	3,651,476
Disposal of exploration assets	-	(31,733)
Exploration assets acquired	18,122	53,653
Impairment	-	(918,301)
<b>Total exploration and evaluation assets</b>	<b>2,773,217</b>	<b>2,755,095</b>

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



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

### NOTE 3: ISSUED CAPITAL

	31 December 2018		30 June 2018	
	\$		\$	
<i>Ordinary shares</i>				
Issued and fully paid	16,338,196		15,978,196	
	Half year to 31 December 2018		Year to 30 June 2018	
	Number	\$	Number	\$
<i>Movements in ordinary shares</i>				
Balance at beginning of period	404,412,399	15,978,196	404,015,607	15,943,377
Exercise of share options	8,000,000	360,000	396,792 #	40,266
Share issue costs	-	-	-	(5,447)
Balance at end of period	412,412,399	16,338,196	404,412,399	15,978,196

# During the prior year 1,000,000 escrowed Director options were exercised utilizing the available cashless exercise facility. These options converted to 396,792 ordinary shares escrowed until 30 May 2019.

	31 December 2018		30 June 2018	
	\$		\$	
<i>Options</i>				
Issued and fully paid	2,101,599		2,099,327	
	Half year to 31 December 2018		Year to 30 June 2018	
	Number	\$	Number	\$
<i>Movements in options</i>				
Balance at beginning of period	82,279,412	2,099,327	79,750,000	2,052,223
Exercise of share options	(8,000,000)	(115,927)	(1,000,000)	(40,266)
Options expired	(2,000,000)	(28,982)	-	-
Options issued with converting notes	11,250,000	144,000	-	-
Options reissued to directors #	11,470,588	214,829	-	-
Options issued to consultants	250,000	3,181	4,029,412	87,370
Balance at end of period	95,250,000	2,316,428	82,279,412	2,099,327

# The 11,470,588 options were approved at the Ausmex Annual General Meeting held on 24 November 2017 by shareholders pursuant to Listing Rule 10.11. The Directors' Options were issued out of time, in breach of Listing Rule 10.13.3 and were reversed, the Group has taken the action of reapproving the Directors' Options subject to shareholder approval at a future shareholder meeting.

### NOTE 4: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

### NOTE 5: COMMITMENTS FOR EXPENDITURE

There has been no change in commitments for expenditure since the last annual reporting date.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

### NOTE 6: SHARE BASED PAYMENTS

#### Share based payments reserve

This reserve is used to record the value of equity benefits provided to consultants, employees and Directors as part of their remuneration.

During the half year ended 31 December 2018 the directors granted 250,000 options to consultants (2018: 4,029,412 to Consultants). The share-based payment expense for the options issued have been calculated in accordance with AASB 2: Share Based Payments using the Black Scholes method to determine the fair value of the options. The total fair value for the options was \$3,181 (2018: \$87,370).

The grant date fair value has therefore been estimated in accordance with AASB 2 using the inputs below.

- Grant date	: 27 September 2018
- Grant date share price	: \$0.042
- Risk-free interest rate	: 2.21%
- Expected Volatility	: 97.0%
- Expiry date	: 27 September 2021
- Exercise Price	: \$0.100

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the outcome. No other features of options granted were incorporated into the measurement of fair value.

As at 31 December 2018 the directors have reinstated 11,470,588 options which are subject to shareholder reapproval. The options were previously granted to directors and approved by shareholders. The share-based payment expense for the options issued have been calculated in accordance with AASB 2: Share Based Payments using the Black Scholes method to determine the fair value of the options. The total fair value for the options was \$214,829.

The grant date fair value has therefore been estimated in accordance with AASB 2 using the inputs below.

- Grant date	: 31 December 2018
- Grant date share price	: \$0.064
- Risk-free interest rate	: 2.21%
- Expected Volatility	: 97.0%
- Expiry date	: 16 November 2020
- Exercise Price	: \$0.09

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the outcome. No other features of options granted were incorporated into the measurement of fair value.

### NOTE 7 : EVENTS SUBSEQUENT TO REPORTING DATE

There has been no additional matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

### NOTE 8: FINANCIAL INSTRUMENTS

The methods and valuation techniques used for the purpose of measuring fair values are unchanged compared to the previous reporting periods.

The carrying amounts of financial assets and financial liabilities are considered to be a reasonable approximation of their fair values.

#### Converting Notes and Derivative Liability

During the half-year 15 convertible notes with a subscription value of \$100,000 per note were issued raising before costs \$1,500,000. The convertible note terms are as follows:

- i. Term: 24 months
- ii. The Subscription amount is \$1,500,000 with a Face Value of AU\$1,800,000.
- iii. 11,250,000 options were issued over ordinary shares in the capital of the Group to the Subscribers. The options are unlisted and exercisable within 48 months of issue at an exercise price of \$0.06695 per option.
- iv. The Conversion Price will be the lesser of (i) 90% of the average of 5 daily VWAPs chosen by the Investor from the daily VWAPs for the 20 Trading Days immediately prior to the Conversion Notice Date and (ii) \$0.06695 (the Floor Price).
- v. There are limitations on conversion of the Convertible Notes where no conversions may occur in the first 3 months, in the period between 3 months and 12 months from the issue date the conversion is limited to the lesser of 10% of the Note value per month and the amount outstanding, unless the Company's market cap exceeds \$30,000,000 or reduces below \$10,000,000. There is no limit in the period between 12 months and 24 months from issue date.
- vi. Where a Noteholder gives a Conversion Notice and the Conversion Price is less than the Floor Price, the Company may (at its option), in lieu of issuing the relevant Conversion Shares to the Noteholders, pay the Noteholders in immediately available funds 104.1667% of the Conversion Amount (being 125% of that part of the issue price referable to the relevant Conversion Notice. If the company allows conversion below the Floor Price instead of exercising its option to buy back the relevant convertible notes, notwithstanding the reference to the maximum number of shares in item 2 above, this number may increase.
- vii. At any time, the Company may, in its sole discretion, buy-back any part of the outstanding balance of the Convertible Notes on 10 Business Days' notice to the respective Noteholders.

The number of ordinary shares that could potentially be issued on conversion of the convertible notes is 26,885,735 shares. In accounting for the Convertible Notes the Group has applied AASB 132 which requires that the Notes are separated by nature, represented by the converting loan and embedded derivative loan which is brought to account at fair value (discount rate 5.1%). The share options are accounted utilising a Black Scholes model and treated as a cost of finance.

The financial liability is measured at amortised cost with interest calculated at an effective interest rate which accounts for the full cost of finance (including transaction costs and option costs) and will be released to the profit and loss over the term of the loan. The effective interest rate is 25.97%.

There are no assets pledged as security for the converting notes.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

### NOTE 9: SEGMENT REPORTING

The Board has determined that the Group has two reportable segments, being mineral exploration and other. The following tables present revenue and profit information and certain asset and liability information regarding business segments for the half years ended 31 December 2018 and 31 December 2017.

31 December 2018	Continuing Operations		Discontinued Operations	Unallocated items	Consolidated
	Mineral Exploration	Other	Exploration		
Segment revenue (i)	-	3,000	-	-	3,000
Segment loss before income tax expense	(1,996,396)	(729,560)	-	-	(2,725,956)
Segment assets	3,326,891	1,399,144	-	-	4,726,035
Segment liabilities	(425,932)	(1,416,236)	-	(258,246)	(2,100,414)

(i) Segment revenues represents interest revenue. There were no inter-segment revenues in the current period.

31 December 2017	Continuing Operations		Discontinued Operations	Unallocated items	Consolidated
	Mineral Exploration	Other	Exploration		
Segment revenue (i)	-	10,775	-	-	10,775
Segment loss before income tax expense	(2,820,646)	(755,064)	(931,291)	-	(4,507,001)
Segment assets	3,114,627	1,715,894	-	-	4,830,521
Segment liabilities	(487,984)	(35,987)	-	(138,742)	(662,713)

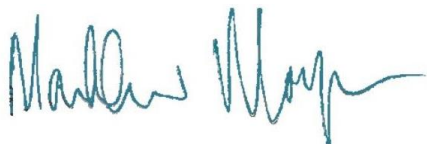
(i) Segment revenues represents interest revenue. There were no inter-segment revenues in the current period.

---

**DIRECTORS' DECLARATION**

1. In the opinion of the directors of Ausmex Mining Group Limited ('the company'):
  - a. the accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
    - i. giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year then ended; and
    - ii. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
  - b. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
  - c. the interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the *Corporations Act 2001* for the half-year ended 31 December 2018.

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



Matthew Morgan  
Director

15 March 2019





## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Ausmex Mining Group Limited

### **Report on the Interim Financial Report**

#### *Conclusion*

We have reviewed the accompanying interim financial report of Ausmex Mining Group Limited ("the Group") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Ausmex Mining Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Emphasis of matter - material uncertainty related to going concern*

We draw attention to Note 1 in the interim financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### *Directors' responsibility for the interim financial report*

The directors of the Group are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.



A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**15 March 2019**

A handwritten signature in blue ink, appearing to read 'M R Ohm', written in a cursive style.

**M R Ohm**  
**Partner**