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ABN 91 124 752 745

**Financial Statements**

**For the Half-Year Ended  
31 December 2019**

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## **Directors' Report**

The Directors present the consolidated financial statements of GBM Resources Limited for the half-year ended 31 December 2019.

### **Directors**

The following persons were directors of GBM Resources Limited during the whole of the half-year and up to the date of this report, unless stated otherwise:

Peter Mullens (Executive Chairman effective 25 Nov 2019, appointed 9 Oct 2019)

Mr. Mullens (*B.Sc, Geology, Fellow AUSIMM*) has over 35 years' experience in the mining industry from early exploration to development and mine production. He has been involved with major companies having worked for Rio Tinto and Mt Isa Mines at world class Broken Hill and Mt Isa Ag, Pb, Zn mines located in Australia.

Peter has been closely involved in companies raising in excess of USD \$250 million since 2002. He is currently CEO of GPM Metals listed on the TSX, and Non-Executive Chairman of Royal Road Minerals (TSX-RYR) who are exploring in Colombia.

He has had a history of success with junior exploration companies over the last 20 years including acquiring Aquiline Resources' Argentinean projects and the resulting sale to Pan American Silver for CAD \$ 630 million in 2009, Chief Geologist and director for Laramide Resources, and co-founder and director of Lydian Resources (TSX-LYD) who discovered the 4 million-ounce Amulsar Gold Deposit located in Armenia.

Peter Rohner (*Managing Director appointed 25 Nov 2019*)

Mr Rohner (Grad Dip Applied Finance & Investment, BSc - Metallurgy) has over 30 years' experience in the mining industry. In particular, he has been heavily involved in mineral process technology development including development of the Jameson flotation cell, IsaMill fine grinding and, more recently, significant involvement in further development of Glencore's Albion Process (fine grind oxidative leach) technology.

Mr Rohner is currently a Technical Director of both the Core Group, which provides metallurgical processing solutions to its global clients, and Stibium China Holdings Ltd, which owns a producing gold asset in South Africa. He is also a director of Stibium Mining Pty Ltd and Tartana Resources Limited.

Peter Thompson (*Executive Director – Resigned Executive Chairman 25 Nov 2019*)

Sunny Loh (*Non-Executive Deputy Chairman*)

Neil Norris (*Executive Director*)

### **Company Secretary**

Kevin Hart

### **Review of Operations**

The consolidated net loss after income tax for the half-year was \$848,642 (31 December 2018: \$562,506), which includes exploration costs expensed and written off of \$110,725 (31 December 2018: \$116,432).

At the end of the half-year the Group had \$1,234,723 (30 June 2019: \$332,540) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure at 31 December 2019 was \$10,509,618 (30 June 2019: \$9,644,180).

### Exploration

Exploration expenditure incurred for the six months ended 31 December 2019 on the Company's wholly owned projects was \$976,163, which includes capitalised acquisition costs of \$524,415 in respect of the acquisition of Millstream Resources Pty Ltd, (31 December 2018: \$433,571) and for the Farm-in projects was \$287,470 (31 December 2018: \$356,964).

Exploration activities for the period were focussed on the Company's gold project at Mt Coolon and on joint venture iron ore-copper-gold (IOCG) projects at Cloncurry.

## **Directors' Report**

### **Significant Changes in the State of Affairs of the Group**

During the period the Company issued 15 million shares in consideration for the acquisition of a 100% interest in Millstream Resources Pty Ltd (Millstream). Millstream may earn an initial 50% interest in the White Dam copper-gold heap leach project (with an option to acquire a 100% interest) pursuant to a joint venture agreement with Round Oak Minerals Pty Ltd.

Other than as stated in this report, there have been no significant changes in the state of affairs of the Group during the period ended 31 December 2019.

### **Events Subsequent to the Reporting Date**

Other than the matter stated below, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 22 January 2020 the Company issued 13,846,600 ordinary fully paid shares at 3 cents per share pursuant to a share placement approved by shareholders at the 2019 annual general meeting to raise \$415,398.

### **Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

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

DATED at Perth this 6<sup>th</sup> day of March 2020.



**Peter Rohner**  
**Managing Director**

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of GBM Resources Limited for the half-year ended 31 December 2019, 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  
6 March 2020



**D I Buckley**  
Partner

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**GBM Resources Limited**  
**ABN 91 124 752 745**

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2019**

	Note	Consolidated	
		31 December 2019 \$	31 December 2018 \$
Revenue	3	46,594	25,680
Employee expenses		(227,239)	(242,686)
Employee expenses – share based	13	(275,161)	-
Gain on disposal of exploration assets	4	-	100,000
Interest paid		(32,234)	-
Project costs expensed		-	(47,298)
Depreciation and amortisation expenses		(4,369)	(12,387)
Consulting and professional expenses		(62,796)	(70,400)
Travel expenses		(42,580)	(44,627)
Exploration costs expensed and written off	11	(110,725)	(116,432)
Other and administration expenses		(140,132)	(154,356)
<b>Loss before income tax</b>		<b>(848,642)</b>	<b>(562,506)</b>
Income tax benefit		-	-
<b>Net loss for the half-year attributable to the members of the parent entity</b>		<b>(848,642)</b>	<b>(562,506)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the period attributable to the members of the parent entity</b>		<b>(848,642)</b>	<b>(562,506)</b>
<b>Loss per share</b>			
Basic and diluted loss per share (cents)		<b>(0.7)</b>	<b>(0.5)</b>

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

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**GBM Resources Limited**  
**ABN 91 124 752 745**

**Condensed Consolidated Statement of Financial Position**  
**As At 31 December 2019**

		Consolidated	
		31 December 2019 \$	30 June 2019 \$
	Note		
<b>Current assets</b>			
Cash and cash equivalents		1,234,723	332,540
Trade and other receivables	5	25,999	7,298
<b>Total current assets</b>		<b>1,260,722</b>	<b>339,838</b>
<b>Non-current assets</b>			
Trade and other receivables	5	806,565	802,021
Property, plant and equipment		68,772	73,141
Exploration and evaluation assets	11	10,509,618	9,644,180
<b>Total non-current assets</b>		<b>11,384,955</b>	<b>10,519,342</b>
<b>Total assets</b>		<b>12,645,677</b>	<b>10,859,180</b>
<b>Current liabilities</b>			
Borrowings	14	700,000	350,000
Trade and other payables		552,246	711,944
<b>Total current liabilities</b>		<b>1,252,246</b>	<b>1,061,944</b>
<b>Non-current liabilities</b>			
Provision for rehabilitation		754,258	754,258
<b>Total non-current liabilities</b>		<b>754,258</b>	<b>754,258</b>
<b>Total liabilities</b>		<b>2,006,504</b>	<b>1,816,202</b>
<b>Net assets</b>		<b>10,639,173</b>	<b>9,042,978</b>
<b>Equity</b>			
Issued capital	6	35,143,934	32,915,823
Option reserve		-	610,175
Accumulated losses		(24,799,954)	(24,561,487)
Share based payment reserve		295,193	78,467
<b>Total equity</b>		<b>10,639,173</b>	<b>9,042,978</b>

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

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**GBM Resources Limited**  
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**Condensed Consolidated Statement of Changes in Equity**  
**For the half-year ended 31 December 2019**

	Issued capital \$	Accumulated losses \$	Option reserve \$	Share based payment reserve \$	Total \$
At 1 July 2018	31,795,094	(20,322,028)	610,175	-	12,083,241
Total comprehensive result for the half-year:					
Other comprehensive income	-	-	-	-	-
Loss for the half-year	-	(562,506)	-	-	(562,506)
Shares issued net of costs	1,120,728	-	-	-	1,120,728
At 31 December 2018	32,915,822	(20,884,534)	610,175	-	12,641,463
<b>At 1 July 2019</b>	<b>32,915,823</b>	<b>(24,561,487)</b>	<b>610,175</b>	<b>78,467</b>	<b>9,042,978</b>
Total comprehensive result for the half-year:					
Other comprehensive income	-	-	-	-	-
Loss for the half-year	-	(848,642)	-	-	(848,642)
Shares issued net of costs	2,228,111	-	-	-	2,228,111
Transfer on cancellation of options	-	610,175	(610,175)	-	-
Fair value of options vesting	-	-	-	216,726	216,726
At 31 December 2019	35,143,934	(24,799,954)	-	295,193	10,639,173

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

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**GBM Resources Limited**  
**ABN 91 124 752 745**

**Condensed Consolidated Statement of Cash Flows**  
**For the half-year ended 31 December 2019**

	Consolidated	
	31 December 2019 \$	31 December 2018 \$
Note		
<b>Cash flows from operating activities</b>		
Other income and recharges	682	-
Interest received	206	3,430
JV management fee income	40,868	22,209
Interest paid	(32,234)	-
Payments to suppliers and employees	(510,779)	(465,316)
<b>Net cash used in operating activities</b>	<b>(501,257)</b>	<b>(439,677)</b>
<b>Cash flows from investing activities</b>		
Payments for environmental bonds and deposits	(4,500)	(53,832)
Proceeds on sale of exploration assets	-	100,000
Funds provided by JV partner under farm-in agreement	343,071	185,078
Payments for exploration and evaluation, including joint venture spend	(637,634)	(772,700)
<b>Net cash (used in investing activities)</b>	<b>(299,063)</b>	<b>(541,454)</b>
<b>Cash flows from financing activities</b>		
Loans received	350,000	-
Proceeds from the issue of shares	1,384,602	1,135,150
Payments for transaction costs relating to issues of securities	(32,099)	(21,090)
<b>Net cash from financing activities</b>	<b>1,702,503</b>	<b>1,114,060</b>
<b>Net increase in cash held</b>	<b>902,183</b>	<b>132,929</b>
<b>Cash at the beginning of the period</b>	<b>332,540</b>	<b>351,438</b>
<b>Cash at the end of the period</b>	<b>1,234,723</b>	<b>484,367</b>

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

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**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2019**

**Note 1 Basis of preparation of half-year report**

These general purpose financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Compliance with AASB 134 ensures that the financial statements comply with International Financial Reporting Standard IAS 134: Interim Financial Reporting.

The financial report has been prepared on the historical cost basis.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2019 and any public announcements made by GBM Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies, accounting judgements, key estimates and methods of computation have been followed in these half-year financial statements as compared with the most recent annual financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year. The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2019. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies. This assessment includes consideration of AASB16 Leases.

The consolidated half-year financial statements were approved by the Board of Directors on 6<sup>th</sup> March 2020.

**Going Concern Basis for Preparation of Financial Statements**

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The ability of the Group to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets.

As at 31 December 2019 the Group has cash assets of \$1,234,723, and total current liabilities at that date amounting to \$1,252,246 (including a \$700,000 convertible loan). The loss for the six months to 31 December 2019 was \$848,642 of which \$110,725 related to the expensing and write off of exploration costs. Operating cash outflows for the six months to 31 December 2019 were \$501,257.

During the period the Company raised \$1,384,602 (before costs) pursuant to share placements and settled employee liabilities of \$292,173 by the issue of shares. In addition, since balance date the Company raised \$415,398 via a share placement at 3 cents per share.

The Group will be required to raise additional funds in order to meet its budgeted expenditure. The Group has the ability to scale back discretionary expenditure pending the timing of raising of additional funds. Should these measures not be achieved there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2019**

**Note 2 Segment information**

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's activity is mineral exploration and resource development within Australia.

The reportable segments are as per the primary financial statements.

**Note 3 Revenue**

	<b>Consolidated</b>	
	<b>31 December 2019 \$</b>	31 December 2018 \$
Other income and recharges	5,476	-
Interest income	250	3,471
Joint venture management fee income	40,868	22,209
	<b>46,594</b>	25,680

**Note 4 Acquisition of Millstream Resources Pty Ltd**

During the period the Group completed the acquisition of a 100% interest in the issued capital of Millstream Resources Pty Ltd (Millstream). Millstream may earn an initial 50% interest in the White Dam heap leach project in South Australia pursuant to a joint venture agreement with Round Oak Limited.

Consideration for the acquisition of Millstream Resources Pty Ltd was 15,000,000 ordinary fully paid shares at a price of 3.5 cents per share (total consideration \$525,000) – refer note 6.

	<b>\$</b>
Acquisition consideration	<b>525,000</b>
Net assets acquired:	
GST recoverable	660
Trade payables	(75)
	585
Fair value attributed to exploration assets	<b>524,415</b>

This acquisition has been treated as an acquisition of assets.

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**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2019**

**Note 5 Trade and other receivables**

	Consolidated	
	31 December 2019 \$	30 June 2019 \$
<b>Current</b>		
GST recoverable	12,045	4,271
Other debtors	13,954	3,027
	<b>25,999</b>	<b>7,298</b>
<b>Non-current</b>		
Environmental bonds and security deposits	806,565	802,021

**Note 6 Issued capital**

Issued capital - Shares	31 December 2019 #	31 December 2018 #	31 December 2019 \$	31 December 2018 \$
At the beginning of the period	1,090,596,975	863,566,975	32,915,823	31,795,094
Share purchase plan <sup>1</sup>	-	47,030,000	-	235,150
Share placement <sup>1</sup>	-	180,000,000	-	900,000
Share placement <sup>2</sup>	90,909,091	-	300,000	-
Share consolidation <sup>6</sup>	(1,063,355,337)	-	-	-
Share placement <sup>3</sup>	36,153,400	-	1,084,602	-
Shares issued to directors <sup>4</sup>	9,739,100	-	350,608	-
Shares issued to acquire subsidiary <sup>5</sup>	15,000,000	-	525,000	-
Costs related to share issues	-	-	(32,099)	(14,422)
At the end of the period	<b>179,043,229</b>	1,090,596,975	<b>35,143,934</b>	32,915,822

<sup>1</sup> Placement Shares issued at 0.5 cents per share.

<sup>2</sup> Placement Shares issued at 0.33 cents per share.

<sup>3</sup> Placement Shares issued at 3 cents per share.

<sup>4</sup> Shares issued to directors at a deemed price of 3.6 cents per share in lieu of payment of accrued salaries (refer note 13).

<sup>5</sup> Shares issued at 3.5 cents per share in consideration for the acquisition of a 100% interest in the issued capital of Millstream Resources Pty Ltd – refer note 4.

<sup>6</sup> Share consolidation on a 1:10 basis, as approved at the Company's 2019 Annual General Meeting.

**Note 7 Dividends**

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2019.

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**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2019**

**Note 8 Contingencies and commitments**

*(i) Contingent liabilities*

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

*(ii) Contingent assets*

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

*(iii) Exploration commitments*

There has been no material change in exploration commitments since the last annual reporting date.

**Note 9 Events occurring after the balance date**

Other than the matters stated below, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 22 January 2020 the Company issued 13,846,600 ordinary fully paid shares at 3 cents per share pursuant to a share placement approved by shareholders at the 2019 annual general meeting, to raise \$415,398.

**Note 10 Fair value**

The fair value of financial assets and liabilities measured at fair value on a non-recurring basis approximate their carrying amount at balance date.

**Note 11 Exploration and evaluation assets**

The capitalised exploration and evaluation costs of \$10,509,618 (30 Jun 2019: \$9,644,180) represent expenditure and acquisition costs incurred by the Group on its exploration assets. Exploration costs capitalised for the period include an amount of \$524,415 in acquisition costs in relation to an interest in the White Dam copper-gold heap leach project in South Australia via the acquisition of Millstream Resources Pty Ltd.

Exploration costs included in profit or loss of \$110,725 (31 Dec 18: \$116,432) include an amount of \$68,630 (31 Dec 18: \$59,199) in respect of the expensing previously capitalised exploration and evaluation costs on tenements derecognised or no longer held.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

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**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2019**

**Note 11 Exploration and evaluation assets (continued)**

	Consolidated	
	31 December 2019 \$	31 December 2018 \$
Capitalised exploration costs at 1 July	9,644,180	11,983,627
Acquisition costs capitalised (refer note 4)	524,415	-
Exploration and evaluation costs incurred (excluding joint venture costs incurred)	451,748	486,241
Less: previously capitalised exploration costs written off	(68,630)	(59,199)
Less: exploration costs not capitalised	(42,095)	(57,233)
	<b>10,509,618</b>	<b>12,353,436</b>

**Note 12 Loss per share**

	Consolidated	
	31 December 2019	31 December 2018
Basic and diluted loss per share	0.7 cents	0.5 cents
Loss used in calculation of basic and diluted loss per share	\$(848,642)	\$(562,506)
Weighted average number of shares used in calculation of basic and diluted loss per share (adjusted for consolidation of capital)	119,176,484	102,541,719

**Note 13 Share based payment expense**

	Consolidated	
	31 December 2019 \$	31 December 2018 \$
Fair value of options granted to directors <sup>1</sup>	216,726	-
Fair value of shares issued to directors in lieu of payment of accrued salary costs (refer note 6)	350,608	-
Less amounts accrued in respect of salary costs	(292,173)	-
Share based payments expense for the period	<b>275,161</b>	<b>-</b>

**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2019**

**Note 13 Share based payment expense (continued)**

<sup>1</sup>Fair value of options issued

During the reporting period the Company issued 8,000,000 unlisted options exercisable at 5 cents each and expiring 16 December 2022 to directors pursuant to shareholder approval at the 2019 annual general meeting of the Company.

The options were valued using the Black-Scholes option model using the following inputs:

Date of grant	Number of options	Exercise price	Expiry period	Share price at grant	Risk free rate	Volatility	Valuation of options
17 Dec 2019	8,000,000	\$0.05	36 months	\$0.042	0.82%	112%	\$216,727

**Note 14 Borrowings**

	<b>Consolidated</b>	
	<b>31 December 2019 \$</b>	30 June 2019 \$
Convertible note liability	<b>700,000</b>	350,000

The Company entered into a convertible note agreement during the 2019 financial year for funding of up to \$700,000. As at 31 December 2019, a total of \$700,000 had been drawn pursuant to the facility. The convertible notes pay interest at 10% per annum (paid quarterly) and had an initial 12-month term.

The face value of the notes were convertible at any time by the holder into fully paid ordinary shares in the capital of the Company at a conversion price of \$0.005 (on a pre-consolidation of capital basis).

At the Company's 2019 annual general meeting the Company's shareholders approved an extension to the term of the convertible note to 18 months and the amendment of the conversion price to \$0.03 per share (on a post consolidation of capital basis).

The conversion option has an immaterial fair value at the balance date. The convertible notes are secured by way of a mortgage over the issued share capital of Mt Coolon Gold Mines Pty Ltd which holds the Mt Coolon Gold Project (which has a carrying value of \$8,142,263 as at 31 December 2019).

The convertible note is a level 2 financial instrument within the fair value hierarchy.

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**Directors' Declaration**

The Directors of GBM Resources Limited ("the Company") declare that:

- (a) the half-year financial statements and notes set out on pages 6 to 15 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*, and the Corporations Regulations 2001, and other mandatory reporting requirements; and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
- (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.

This declaration is made in accordance with a resolution of the Directors, made pursuant to s303(5) of the Corporations Act 2001.

Signed at Perth this 6<sup>th</sup> day of March 2020.



**Peter Rohner**  
**Managing Director**

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GBM Resources Limited

### Report on the Condensed Half-Year Financial Report

#### *Conclusion*

We have reviewed the accompanying half-year financial report of GBM Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other 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 half-year financial report of GBM Resources 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 2019 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 financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year 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 half-year 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 half-year 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 half-year 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 2019 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 company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

A review of a half-year 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**  
**Chartered Accountants**

**Perth, Western Australia**  
**6 March 2020**



**D I Buckley**  
**Partner**

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