

***EQUATORIAL RESOURCES LIMITED***

***INTERIM FINANCIAL REPORT***  
***For the half year ended 31 December 2019***

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**CORPORATE DIRECTORY**
**Directors**

Ian Middlemas – Chairman  
 Robert Behets – Non-Executive Director  
 Mark Pearce – Non-Executive Director  
 John Welborn – Non-Executive Director

**Company Secretary**

Greg Swan

**Registered Office**

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**Share Registry**

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 Tel: 1300 557 010  
 Int: +61 8 9323 2000  
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**Stock Exchange**

Australian Securities Exchange (ASX)  
 Home Branch – Perth  
 Level 40, Central Park  
 152-158 St Georges Terrace  
 Perth WA 6000

**ASX Code**

EQX – Fully paid ordinary shares

**Bankers**

Australia and New Zealand Banking Group Limited

**Solicitors**

DLA Piper Australia

**Auditors**

Ernst & Young

**Website**

[www.equatorialresources.com.au](http://www.equatorialresources.com.au)

**CONTENTS**

Directors' Report .....	2
Auditor's Independence Declaration.....	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	5
Consolidated Statement of Financial Position .....	6
Consolidated Statement of Changes in Equity .....	7
Consolidated Statement of Cash Flows.....	8
Notes to the Financial Statements.....	9
Directors' Declaration .....	12
Independent Auditor's Report .....	13

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Equatorial Resources Limited for the year ended 30 June 2019 and any public announcements made by Equatorial Resources Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Directors of Equatorial Resources Limited present the consolidated financial report of Equatorial Resources Limited ("**Company**" or "**Equatorial**") and the entities it controlled during the half year ended 31 December 2019 ("**Consolidated Entity**" or "**Group**").

## DIRECTORS

The names and details of the Company's Directors in office at any time during the financial year or since the end of the financial year are:

Mr Ian Middlemas – Chairman  
Mr Robert Behets – Non-Executive Director  
Mr Mark Pearce – Non-Executive Director  
Mr John Welborn – Non-Executive Director

Unless otherwise stated, all Directors held their office from 1 July 2019 until the date of this report.

## OPERATING AND FINANCIAL REVIEW

### Operations

During and subsequent to the half year, Equatorial continued to advance its existing mineral resource assets in Africa as well as searching for new opportunities in the resources sector which have the potential to build shareholder value.

### Badondo Iron Project

Equatorial is the 80% owner of the Badondo Iron Project ("Badondo"), which is held by Equatorial's 80% owned subsidiary Congo Mining Exploration Ltd SARL. Badondo is a potentially large-scale iron project in the northwest region of the Republic of Congo ("ROC"), within a regional cluster of world-class iron ore exploration projects including Sundance Resources Limited's Mbalam-Nabebe project.

Badondo has a large direct shipping ore hematite exploration target and assay results received to-date have confirmed the presence of thick high-grade iron mineralisation at, and close to, surface.

In November 2016, the Company lodged a Mining Licence Application ("MLA") for Badondo. Under the terms of the ROC Mining Code, exploration licences are granted for an initial 3-year period and are then capable of being renewed, upon application, for two further periods of two years. The Badondo Exploration Licence was renewed for the second time by Government Decree dated 7 December 2015. According to the ROC Mining Code, if an exploration licence expires before a decision is made by the mining administration in regards to a MLA in respect of that exploration licence, then the validity of the exploration licence shall be extended. On 22 November 2016, Equatorial lodged the MLA for Badondo based on completed exploration work in order to position the Company with a 25 year right to mine at the project.

During the half year, Equatorial continued to work with the Government with the aim of securing the Badondo Mining Licence. The Company has submitted additional information requested by the Government to support the previously submitted MLA and has had further meetings with the Government subsequent to the end of the half year to assist in progressing their review of the MLA.

Subsequent to the end of the half year, Equatorial entered into a strategic alliance agreement with Rock Mining SARL ("Rock Mining") to advance the development of Badondo. Rock Mining is a Congolese company whose management has strong regional business and government relationships and considerable experience in the mining industry in ROC. The strategic alliance is focused on the advancement of Badondo via securing a valid Mining Licence for the project and progressing the opportunities for regional collaboration that will enable the financing of a future mining operation at Badondo as well as access to the transport infrastructure required.

Pursuant to the strategic alliance, Rock Mining will assist Equatorial with its ongoing activities in the ROC in relation to Badondo, including logistical support, staffing, and maintaining relationships with the ROC government, local communities and other stakeholders. As consideration for entering into the alliance agreement and provision of the above services, Rock Mining will be granted a 20% indirect economic interest in Equatorial's Congolese subsidiary, Congo Mining Exploration Ltd SARL, which is the legal and beneficial owner of Badondo, in accordance with the strategic alliance and shareholders agreement on usual terms including board composition, pre-emptive transfer rights and drag along provisions based on each party's shareholding.

Following receipt of the Badondo Mining Licence the Company will finalise its plans for further exploration programs and technical/economic studies at Badondo on the basis that current iron ore prices, and recent regional infrastructure developments, justify new development activities at Badondo. The Company will continue to investigate additional opportunities for partnership and cooperation with strategic investors at a project level, in order to maximise the value of Badondo for shareholders.

## OPERATING AND FINANCIAL REVIEW (continued)

### Other Projects

Equatorial retains a 2% royalty on all future production from Mayoko-Moussondji Iron Project, located in the southwest region of the Republic of Congo, calculated on the value of all sales of ore extracted, produced, sold or otherwise disposed of from the project.

In addition to maximising the value of existing assets, the Company continues to identify and evaluate resource projects which have the potential to build shareholder value. During the half year, Equatorial assessed a number of new business opportunities and will make announcements to the market as appropriate should an acquisition occur.

### Operating Results

The net profit of the Consolidated Entity for the half year ended 31 December 2019 was \$65,716 (31 December 2018: \$185,015).

### Financial Position

At 31 December 2019, the Company had cash reserves of \$40,367,401 (30 June 2019: \$40,276,839) and no debt, placing the Company in a strong financial position to conduct its current activities and to pursue new business development opportunities. At 31 December 2019, the Company had net assets of \$42,568,628 (30 June 2019: \$42,498,824).

### SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- (i) On 4 February 2010, the Company announced that it had entered into a strategic alliance agreement with Rock Mining SARL ("Rock Mining") to advance the development of Badondo. The strategic alliance is focused on the advancement of Badondo via securing a valid Mining Licence for the project and progressing the opportunities for regional collaboration that will enable the financing of a future mining operation at Badondo as well as access to the transport infrastructure required. Pursuant to the strategic alliance, Rock Mining will assist Equatorial with its ongoing activities in the ROC in relation to Badondo. As consideration for entering into the alliance agreement and provision of these services, Rock Mining will be granted a 20% indirect economic interest in the Company's Congolese subsidiary, Congo Mining Exploration Ltd SARL, which is the legal and beneficial owner of Badondo.

Other than as outlined above, at the date of this report, there are no matters or circumstances which have arisen since 31 December 2019 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2019, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 31 December 2019, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 31 December 2019, of the Consolidated Entity.

### AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 December 2019 has been received and can be found on page 4 of the Interim Financial Report.

Signed in accordance with a resolution of the directors.



**MARK PEARCE**  
Director

6 March 2020



Ernst & Young  
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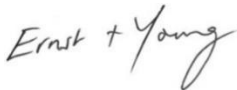
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## Auditor's Independence Declaration to the Directors of Equatorial Resources Limited

As lead auditor for the review of the half-year financial report of Equatorial Resources Limited for the half-year ended 31 December 2019, I declare 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Equatorial Resources Limited and the entities it controlled during the financial period.



Ernst & Young



T S Hammond  
Partner  
6 March 2020

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	Notes	Half Year ended 31 Dec 2019	Half Year ended 31 Dec 2018
		\$	\$
<b>Operations</b>			
Interest income		414,939	531,378
Exploration and evaluation expenses		(42,779)	(30,576)
Corporate and administrative expenses		(161,399)	(174,985)
Business development expenses		(140,236)	(135,923)
Other expenses		(4,809)	(4,879)
<b>Profit before income tax</b>		<b>65,716</b>	<b>185,015</b>
Income tax expense		-	-
<b>Profit for the period</b>		<b>65,716</b>	<b>185,015</b>
<b>Profit attributable to members of Equatorial Resources Limited</b>		<b>65,716</b>	<b>185,015</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences arising on translation of foreign operations		(721)	(561)
Other comprehensive income/(loss) for the period, net of tax		(721)	(561)
<b>Total comprehensive income for the period</b>		<b>64,995</b>	<b>184,454</b>
<b>Total comprehensive income attributable to members of Equatorial Resources Limited</b>		<b>64,995</b>	<b>184,454</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (cents per share)		0.05	0.15

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

	Notes	31 Dec 2019 \$	30 Jun 2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	40,367,401	40,276,839
Trade and other receivables		174,684	216,162
<b>Total Current Assets</b>		<b>40,542,085</b>	40,493,001
<b>Non-current Assets</b>			
Exploration and evaluation assets	4	2,146,765	2,146,824
<b>Total Non-Current Assets</b>		<b>2,146,765</b>	2,146,824
<b>TOTAL ASSETS</b>		<b>42,688,850</b>	42,639,825
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		120,222	141,001
<b>Total Current Liabilities</b>		<b>120,222</b>	141,001
<b>TOTAL LIABILITIES</b>		<b>120,222</b>	141,001
<b>NET ASSETS</b>		<b>42,568,628</b>	42,498,824
<b>EQUITY</b>			
Contributed equity	5	177,682,852	177,682,852
Reserves	6	335,145	331,057
Accumulated losses		(135,449,369)	(135,515,085)
<b>TOTAL EQUITY</b>		<b>42,568,628</b>	42,498,824

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

	Contributed Equity	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>177,682,852</b>	<b>57,933</b>	<b>273,124</b>	<b>(135,515,085)</b>	<b>42,498,824</b>
Net profit for the period	-	-	-	65,716	65,716
<b>Other comprehensive income/(loss)</b>					
Exchange differences on translation of foreign operations	-	-	(721)	-	(721)
<b>Total comprehensive income/(loss) for the period</b>	-	-	(721)	65,716	64,995
<b>Transactions with owners, recorded directly in equity</b>					
Share-based payments expense	-	4,809	-	-	4,809
<b>Balance at 31 December 2019</b>	<b>177,682,852</b>	<b>62,742</b>	<b>272,403</b>	<b>(135,449,369)</b>	<b>42,568,628</b>
<b>Balance at 1 July 2018</b>	<b>177,682,852</b>	<b>48,393</b>	<b>273,664</b>	<b>(135,779,556)</b>	<b>42,225,353</b>
Net loss for the period	-	-	-	185,015	185,015
<b>Other comprehensive income:</b>					
Exchange differences on translation of foreign operations	-	-	(561)	-	(561)
<b>Total comprehensive income/(loss) for the period</b>	-	-	(561)	185,015	184,454
<b>Transactions with owners, recorded directly in equity</b>					
Share-based payments expense	-	4,809	-	-	4,809
<b>Balance at 31 December 2018</b>	<b>177,682,852</b>	<b>53,202</b>	<b>273,103</b>	<b>(135,594,541)</b>	<b>42,414,616</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



	Half Year ended 31 Dec 2019	Half Year ended 31 Dec 2018
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers, employees and others	(361,215)	(345,847)
Interest received	451,777	617,519
<b>Net cash flows from operating activities</b>	<b>90,562</b>	<b>271,672</b>
<b>Net increase in cash and cash equivalents</b>	<b>90,562</b>	<b>271,672</b>
Cash and cash equivalents at beginning of period	40,276,839	39,847,619
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>40,367,401</b>	<b>40,119,291</b>
	3	

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Equatorial Resources Limited ("Equatorial" or the "Company") is a for profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange. The consolidated interim financial statements of the Company as at and for the period from 1 July 2019 to 31 December 2019 comprise the Company and its subsidiaries (together referred to as the "Group"). The nature of the operations and principal activities of the Group are as described in the Directors' Report.

The interim consolidated financial statements of the Group for the half year ended 31 December 2019 were authorised for issue in accordance with the resolution of the directors on 5 March 2020.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Equatorial for the year ended 30 June 2019 and any public announcements made by Equatorial and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

### (a) Basis of Preparation of Half Year Financial Report

The interim consolidated financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars, unless otherwise stated.

The interim consolidated financial statements have been prepared on a going concern basis that contemplates the continuity of normal business activities and the realisation of assets and the extinguishment of liabilities in the ordinary course of business. The re-classification of items in the financial statements of the previous period was made in accordance with the classification of items in the financial statements of the current period.

### (b) Statement of Compliance

This general purpose interim financial report for the half year reporting period ended 31 December 2019 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2019, other than as detailed below.

In the current half year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 16 Leases
- Interpretation 23 *Uncertainty over Income Tax Treatments*
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement

The adoption of the aforementioned standards have resulted in no impact on interim financial statements of the Company as at 31 December 2019. A discussion on the adoption of AASB 16 and Interpretation 23 is included in note 1(c).

### (c) Changes in Significant Accounting Policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those applied in the preparation of the Group's annual financial report for the year ended 30 June 2019, except for new standards, amendments to standards and interpretations effective 1 January 2019 as set out in note 1(b).

#### AASB 16 Leases

AASB 16 Leases has replaced the previous accounting requirements for leases under AASB 117 Leases. Under the previous requirements, leases were classified based on their nature as either finance leases, which were recognised on the Statement of Financial Position, or operating leases, which were not recognised on the Statement of Financial Position.

Under AASB 16 Leases, the Group's accounting for operating leases as a lessee will result in the recognition of a right-of-use ("ROU") asset and an associated lease liability on the Statement of Financial Position. The lease liability represents the present value of future lease payments, with the exception of short-term and low value leases. An interest expense will be recognised on the lease liabilities and a depreciation charge will be recognised for the ROU assets. There will also be additional disclosure requirements under the new standard.

The Group's adoption of AASB 16 has resulted in no impact to the financial statements of the Group due to the fact that the Group has not entered into any transactions or arrangements that would be accounted for as a lease under the new standard.

#### AASB Interpretation 23

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes ("AASB 112") and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. There was no impact on the financial report from the Group's adoption of AASB Interpretation 23.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (d) Issued standards and interpretations not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ended 31 December 2019. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Group
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	1 July 2020
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	1 July 2020
<i>Conceptual Framework for Financial Reporting</i> (Conceptual Framework)	1 January 2020	1 July 2020
2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020	1 July 2020
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	1 July 2020

## 2. SEGMENT INFORMATION

AASB 8 *Operating Segments*, requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one segment, being mineral exploration. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

## 3. CASH AND CASH EQUIVALENTS

	31 Dec 2019	30 Jun 2019
	\$	\$
Cash on hand	467,401	576,839
Deposits at call	39,900,000	39,700,000
	<b>40,367,401</b>	<b>40,276,839</b>

## 4. EXPLORATION AND EVALUATION ASSETS

	31 Dec 2019	30 Jun 2019
	\$	\$
<b>Areas of Interest</b>		
Badondo Iron Project <sup>1</sup>	2,146,765	2,146,824

### Notes:

<sup>1</sup> The ultimate recoupment of costs carried for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. The carrying values above are based upon the Group's assumption that the Badondo exploration license remain valid. In November 2016, the Company lodged a mining licence application ("MLA") for Badondo. Under the terms of the ROC Mining Code, exploration licences are granted for an initial 3-year period and are then capable of being renewed, upon application, for two further periods of two years. The Badondo exploration licence was renewed for the second time by Government Decree dated 7 December 2015. According to the ROC Mining Code, if an exploration licence expires before a decision is made by the mining administration in regards to a MLA in respect of that exploration licence, then the validity of the exploration licence shall be extended.

## 5. CONTRIBUTED EQUITY

	31 Dec 2019	30 Jun 2019
	\$	\$
<b>Issued capital</b>		
Fully paid ordinary shares: 124,445,353 (30 June 2019: 124,445,353)	<b>177,682,852</b>	177,682,852

There were no movements in ordinary shares during the period.

## 6. RESERVES

		31 Dec 2019	30 Jun 2019
		\$	\$
Share-based payments reserve	6(a)	<b>62,742</b>	57,933
Foreign currency translation reserve		<b>272,403</b>	273,124
		<b>335,145</b>	331,057

### (a) Movements in share-based payments reserve during the period

Date	Details	Number of Incentive Options	\$
1 Jul 19	Opening Balance	<b>500,000</b>	<b>57,933</b>
1 Jul 19 – 31 Dec 19	Share-based payment expense	-	<b>4,809</b>
31 Dec 19	Closing Balance	<b>500,000</b>	<b>62,742</b>

## 7. FINANCIAL INSTRUMENTS

### (a) Fair Value Measurement

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits. Due to the short-term nature of the financial assets and financial liabilities, the carrying value is considered to approximate the fair value. At 31 December 2019 and 30 June 2019, the Group has no material financial assets and liabilities that are measured at fair value on a recurring basis.

## 8. CONTINGENT ASSETS AND LIABILITIES

There have been no material changes to the commitments or contingencies disclosed in the most recent annual financial report of the Company.

## 9. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividend has been paid or provided for during the half year (31 December 2018: Nil).

## 10. EVENTS SUBSEQUENT TO BALANCE DATE

- (i) On 4 February 2010, the Company announced that it had entered into a strategic alliance agreement with Rock Mining SARL ("Rock Mining") to advance the development of Badondo. The strategic alliance is focused on the advancement of Badondo via securing a valid Mining Licence for the project and progressing the opportunities for regional collaboration that will enable the financing of a future mining operation at Badondo as well as access to the transport infrastructure required. Pursuant to the strategic alliance, Rock Mining will assist Equatorial with its ongoing activities in the ROC in relation to Badondo. As consideration for entering into the alliance agreement and provision of these services, Rock Mining will be granted a 20% indirect economic interest in the Company's Congolese subsidiary, Congo Mining Exploration Ltd SARL, which is the legal and beneficial owner of Badondo.

Other than as outlined above, at the date of this report, there are no matters or circumstances which have arisen since 31 December 2019 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2019, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 31 December 2019, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 31 December 2019, of the Consolidated Entity.

## **DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Equatorial Resources Limited:

In the opinion of the directors:

- (a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - (i) section 304 (compliance with accounting standards and the Corporations Regulations 2001) and;
  - (ii) section 305 (giving a true and fair view of the financial position of the Group as at 31 December 2019 and of its performance for the half year ended on that date); and
- (b) there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**MARK PEARCE**  
Director

6 March 2020



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## Independent auditor's review report to the members of Equatorial Resources Limited

### Report on the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Equatorial Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial 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*.

#### 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 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, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2019 and its consolidated financial 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.

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.

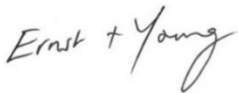
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## Independence

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



Ernst & Young



T S Hammond  
Partner  
Perth  
6 March 2020

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