



**mount burgess mining**

ACN 009 067 476

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# **Half-Year Financial Report**

## **31 December 2019**

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 for the year ended 30 June 2019 and any public announcements made by Mount Burgess Mining NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Directors of Mount Burgess Mining N.L. submit herewith the financial report of Mount Burgess Mining N.L. and its subsidiaries (the Group) for the half-year ended 31 December 2019. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

## DIRECTORS

The following persons were directors of Mount Burgess Mining NL during the half-year and up to the date of this report:

Nigel Raymond Forrester (Chairman and Managing Director)

Chris Campbell-Hicks

Karen Clark

Harry Warriess

Jason Stirbinskis – resigned 18 July 2019

## REVIEW OF OPERATIONS

### Overview

- (a) The objectives of the Group are to explore for and in the event of discovery, develop commercial deposits of mineral resources. To this end, during the financial year the Group was involved with the following:

#### Western Ngamiland, Botswana – Base Metals

A two-year renewal of PL 43/2016 to 31 December 2020 was granted on 29 November 2018, with a right to renew for a further two years to 31 December 2022. PL 43/2016 covers an area of 1000 sq km within which is situated a Neoproterozoic belt prospective for base metals.

To date the Group has developed 2004 JORC compliant indicated and inferred SEDEX resources amounting to 25 million tonnes @ 3% Zinc equivalent grade made up of Zinc and Lead, including 3.3 million ozs of silver. Not included in the 2004 JORC compliant resource calculations are Vanadium and Germanium credits, which at current prices could represent significant credits. These 2004 JORC code resources are made up of the Kihabe and Nxuu deposits seven km apart, both of which have the potential to be open cut mining operations.

Delineated as a SEDEX system of mineralisation, potential exists for the discovery of further resources within PL 43/2016.

- (b) Performance and indicators used by management in carrying out the above objectives include:
- Assessing and reviewing the likelihood of making a discovery through exploration
  - Assessing the risks and rewards relative to the costs of exploration and the values of the minerals being explored for
- (c) As the Group is involved only in exploration and resource development at this stage, any significant commercial discovery or resource upgrade could have a significant impact on the capitalisation of the Group. However, inherent in all exploration are risk factors relative to rates of success. Even beyond exploration at the point of resource development, risks prevail relative to fluctuations in commodity prices, rates of exchange and political risk.

### Operations and Principal Activities

- (a) The main business activity of the Group during the six months to 31 December 2019 consisted of assessing the way forward for the project. This included investigating the potential to exploit additional known metal credits such as Vanadium and Germanium and investigating various metallurgical processes that could be applied to enhance the potential for on-site beneficiation of metal production.

Funds applied to the various exploration activities were as follows:

	31 Dec 2019 Half year	2019	2018	2017	2016
	\$	\$	\$	\$	\$
Resource development for base metals in Botswana	95,758	266,207	644,773	521,135	158,428

*For the half-year ended 31 December 2019*

- (b) As the Group was involved in exploration and resource development over the Kihabe-Nxuu Project during the six months to 31 December 2019, there were not any returns to shareholders by way of dividends and increase in shareholder funds. Between 2016 and 2019 the Company's shares traded as follows:

31 Dec 2019 Half year		2019		2018		2017		2016	
Low cents	High cents	Low cents	High cents	Low cents	High cents	Low cents	High cents	Low cents	High cents
0.1	0.8	0.2	0.8	0.5	1.5	0.4	2.1	0.2	2.0

Since the Group regained title to its Kihabe-Nxuu base metals project through the grant of PL43/2016, the Company has been in a far more favourable position to raise funds for ongoing resource development and exploration expenditure for the project.

#### FINANCIAL CONDITIONS

- (a) Further resource exploration requirements beyond the Group's current cash resources can only be funded from further share and loan capital raisings or the sale or joint venture of equity in the projects.
- (b) At the end of the financial year, the Group had cash resources of \$49,021.
- (c) A loan agreement is in place with Exchange Services Ltd, a company controlled by A P Stirling, a former Director of the Company for funding up to £275,618 equivalent to \$461,787; funding of \$717,889 provided via a loan from Jan and Nigel Forrester; funding of \$40,000 provided via a loan from Harry Warriess; funding of \$9,000 provided via a loan from Chris Campbell-Hicks; and \$22,500 from Ron O'Regan, a former director of the Company. There were no other resources available to the Group that are not reflected in the Statement of Financial Position, other than the availability to raise further funds through the issue of shares, loan funds, the sale or joint venture of equity in projects and the sale of assets.

The Consolidated Entity has continued financial support from the Directors, former Directors and their associated entities, in that the Directors have confirmed in writing that they will not recall upon their loans to be repaid within the next 12 months, unless sufficient funds are available to do so without affecting the Company's going concern. As at 31 December 2019, the Directors and former Directors loans outstanding were \$1,754,980 (Note 5) and accruals for unpaid salaries for director and his related party amounting to \$1,561,317 (Note 4).

- (d) As the Group was mainly involved in exploration and resource development over the Kihabe-Nxuu project during the year then later assessing the way forward of the project there was not any cash generated from operations.
- (e) The financial condition of the Group was not impacted by any legislation or other external requirements during the reporting period. It is not currently foreseen that the financial condition will be materially affected by such issues in future reporting periods.

#### SUBSEQUENT EVENTS

Since 31 December 2019 the Company has secured commitments for the placement of 35,333,333 ordinary shares by way of a placement to sophisticated investors, in accordance with Listing Rules 7.1. The issue price of the share is 0.15 of one cent per share and will raise the Company \$53,000 before costs.

Since 31 December 2019 the Company has received a total of \$2,000 as loan funding from Mr Chris Campbell-Hicks, a Non-Executive Director of the Company.

Since 31 December 2019 the Company has received a total of \$10,000 as loan funding from Mr Harry Warriess, a Non-Executive Director of the Company.

No other matters or circumstances of which the Directors are aware, other than those referred to in the condensed financial statements or notes thereto, have arisen since the end of the half-year which significantly affect, or may significantly affect the operations, results or state of affairs of the consolidated entity in subsequent financial periods.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration is included on Page 5 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors



**N R Forrester**  
**Chairman and Managing Director**  
Perth, 12 March 2020

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*For the half-year ended 31 December 2019*

The Directors declare that:

- a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporation Act 2001*, including compliance with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements and giving a true and fair view of the financial position and performance of the consolidated entity.
- c) The attached financial statements and notes thereto comply with the Corporations Act 2001, Australia Accounting Standard AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements.

Signed in accordance with a resolution of the Directors made pursuant to s.303 (5) of the *Corporations Act 2001*.

On behalf of the Directors



**N R Forrester**  
**Chairman and Managing Director**  
Perth, 12 March 2020

**DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF MOUNT BURGESS MINING NL**

As lead auditor for the review of Mount Burgess Mining NL for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mount Burgess Mining NL and the entities it controlled during the period.



**Glyn O'Brien**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 12<sup>th</sup> March 2020

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

**MOUNT BURGESS MINING N.L.**

*For the half-year ended 31 December 2019*

	Consolidated	
	Half year Ended 31 Dec 2019 \$	Half year Ended 31 Dec 2018 \$
Revenue	46	50
Administration expenses	(142,535)	(144,665)
Finance costs	(20,352)	(35,547)
Loss before income tax	(162,841)	(180,162)
Income tax benefit / (expense)	-	-
<b>Loss after income tax for the half year</b>	<b>(162,841)</b>	<b>(180,162)</b>
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive loss for the half year attributable to the owners of Mount Burgess Mining NL</b>	<b>(162,841)</b>	<b>(180,162)</b>
Loss per share for the period attributable to the members of Mount Burgess Mining NL:		
Basic Loss per Share (cents per share)	(0.03)	(0.04)
Diluted Loss per Share (cents per share)	N/A	N/A

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

As at 31 December 2019

	Note	Consolidated	
		31 Dec 2019	30 June 2019
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		49,021	35,165
Trade and other receivables		1,786	2,259
<b>TOTAL CURRENT ASSETS</b>		<b>50,807</b>	<b>37,424</b>
<b>NON CURRENT ASSETS</b>			
Plant and equipment		-	727
Exploration interests	3	1,601,993	1,520,343
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,601,993</b>	<b>1,521,070</b>
<b>TOTAL ASSETS</b>		<b>1,652,800</b>	<b>1,558,494</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4	1,640,692	1,532,711
Borrowings	5	1,754,980	1,720,256
Provisions		285,265	270,793
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,680,937</b>	<b>3,523,760</b>
<b>TOTAL LIABILITIES</b>		<b>3,680,937</b>	<b>3,523,760</b>
<b>NET LIABILITIES</b>		<b>(2,028,137)</b>	<b>(1,965,266)</b>
<b>EQUITY</b>			
Issued capital	6	45,308,339	45,208,369
Reserves		490,017	490,017
Accumulated losses		(47,826,493)	(47,663,652)
<b>TOTAL DEFICIENCY</b>		<b>(2,028,137)</b>	<b>(1,965,266)</b>

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



For the half-year ended 31 December 2019

	Issued Capital \$	Employee Equity Settled Benefits Reserve \$	Assets Realisation Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2018</b>	44,955,869	380,045	109,972	(47,406,447)	(1,960,561)
Loss for the half year	-	-	-	(180,162)	(180,162)
Other comprehensive income for the half year	-	-	-	-	-
<b>Total comprehensive loss for the half year</b>	-	-	-	(180,162)	(180,162)
<b>Transactions with owners in their capacity as owners:</b>					
Share placement to professional investors	94,500	-	-	-	94,500
<b>Balance at 31 December 2018</b>	45,050,369	380,045	109,972	(47,586,609)	(2,046,223)
<b>Balance at 1 July 2019</b>	45,208,369	380,045	109,972	(47,663,652)	(1,965,266)
Loss for the half year	-	-	-	(162,841)	(162,841)
Other comprehensive income for the half year	-	-	-	-	-
<b>Total comprehensive loss for the half year</b>	-	-	-	(162,841)	(162,841)
<b>Transactions with owners in their capacity as owners:</b>					
Share placement to professional investors	99,970	-	-	-	99,970
<b>Balance at 31 December 2019</b>	45,308,339	380,045	109,972	(47,826,493)	(2,028,137)

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

For the half-year ended 31 December 2019

	Half Year Ended 31 Dec 2019 \$	Half Year Ended 31 Dec 2018 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(113,047)	(106,879)
Interest received	46	50
Interest and other costs of finance paid	(225)	(1)
R&D Tax incentives – administration expenditure	34,441	-
Net cash outflow from operating activities	<u>(78,785)</u>	<u>(106,830)</u>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(8,639)	5,215
R&D Tax incentives – exploration and evaluation expenditure	14,108	-
Net cash inflow from investing activities	<u>5,469</u>	<u>5,215</u>
<b>Cash flows from financing activities</b>		
Proceeds from issues of equity securities	100,000	94,500
Payment for share issue costs	(30)	-
Proceeds from borrowings	10,000	40,000
Repayment of borrowings	(22,822)	(7,237)
Net cash inflow from financing activities	<u>87,148</u>	<u>127,263</u>
Net increase / (decrease) cash and cash equivalents	13,832	25,648
<b>Cash and cash equivalents at the beginning of the half year</b>	35,165	26,134
Effects of exchange rate changes on the balance of cash held in foreign currencies	24	207
<b>Cash and cash equivalents at the end of the half year</b>	<u>49,021</u>	<u>51,989</u>
Cash and cash equivalents	<u>49,021</u>	<u>51,989</u>
	<u>49,021</u>	<u>51,989</u>

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

## 1. SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

### Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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 Company's annual financial report for the year ended 30 June 2019 except for the adoption of new standards set out below:

#### *Adoption of new and revised accounting standards*

AASB 16 *Leases* became mandatorily effective on 1 July 2019. Accordingly, these standards apply for the first time to this set of financial statements.

AASB16 supersedes AASB 117 *Leases*. AASB 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases has been removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases. The accounting for lessors will not significantly change.

The new standard will no impact on the Consolidated Entity's financial statements as the Company does not presently have any long-term lease commitments.

### Going Concern

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

The Consolidated Entity has incurred net losses before tax of \$162,841 (30 June 2019: \$257,205) and net cash outflows from operating and investing activities of \$73,316 (30 June 2019: \$218,972) for the half-year ended 31 December 2019. As at 31 December 2019, the Consolidated Entity had a working capital deficiency of current assets to current liabilities of \$3,630,130 (30 June 2019: \$3,486,336) and cash and cash equivalents of \$49,021 (30 June 2019: \$35,165).

The ability of the Consolidated Entity to continue as a going concern is dependent upon continued financial support from its Directors related parties and creditors, and on securing additional funding through capital raising to continue to meet its working capital requirements in the next 12 months. These conditions indicate a material uncertainty that may cast significant doubt that the Consolidated entity will 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.

The Directors believe the Consolidated entity will continue as a going concern and be able to pay its debts as and when they fall due, for the following reasons:

- (a) The Consolidated Entity has continued financial support from the Directors, former Directors and their associated entities, in that they have confirmed in writing that they will not call upon their loans to be repaid within the next 12 months, unless sufficient funds are available to do so without affecting the Company's going concern. As at 31 December 2019, the Directors loans outstanding were \$1,754,980 (Note 5) and accruals for unpaid salaries for director and his related party amounting to \$1,561,317 (Note 4);
- (b) The Company has the ability to raise funds through equity issues. In relation to additional funding via capital raisings, initial discussions have commenced with potential brokers;
- (c) In addition, the Directors have also embarked on a strategy to reduce costs in line with the funds available to the Consolidated Entity; and
- (d) The Directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are confident in the ability of the Consolidated Entity to be successful in securing additional funds through debt or equity issues as and when the need to raise working capital arises.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and

For the half year ended 31 December 2019

classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Consolidated Entity be unable to continue as a going concern.

## 2. EVENTS OCCURRING AFTER REPORTING PERIOD

Since 31 December 2019 the Company has secured commitments for the placement of 35,333,333 ordinary shares by way of a placement to sophisticated investors, in accordance with Listing Rules 7.1. The issue price of the share is 0.15 of one cent per share and will raise the Company \$53,000 before costs.

Since 31 December 2019 the Company has received a total of \$2,000 as loan funding from Mr Chris Campbell-Hicks, a Non-Executive Director of the Company.

Since 31 December 2019 the Company has received a total of \$10,000 as loan funding from Mr Harry Warriess, a Non-Executive Director of the Company.

No other matters or circumstances of which the Directors are aware, other than those referred to in the condensed financial statements or notes thereto, have arisen since the end of the half-year which significantly affect, or may significantly affect the operations, results or state of affairs of the consolidated entity in subsequent financial periods.

## 3. EXPLORATION INTEREST

### Exploration expenditure at cost

Balance as at the start of the financial period  
Additions  
R&D tax rebate  
Balance as at the end of the financial period

	Half year ended 31 Dec 2019 \$	Full year ended 30 June 2019 \$
	1,520,343	1,324,336
	95,758	266,207
	(14,108)	(70,200)
	<u>1,601,993</u>	<u>1,520,343</u>
<b>Total Exploration Interests</b>	<u>1,601,993</u>	<u>1,520,343</u>

Recovery of the carrying amount of exploration expenditure is dependent on the continuance of the Group's right to tenure of the areas of interest, successful development of commercial exploration or sale of the respective tenements areas.

The R&D tax rebate is a cash rebate from Australian Tax Office in respect of research and development expenditure incurred during the year ended 30 June 2019.

## 4. TRADE AND OTHER PAYABLES

Included in accruals are unpaid salaries for a director and his related parties amounting to \$1,561,317 (30 June 2019: \$1,445,132).

## 5. BORROWINGS

### Unsecured – at amortised cost

Loan from a former Director's related company (i)  
Loan from a Director (ii)  
Loan from a Director (iii)  
Loan from a Director (iv)  
Loan from a former Director (v)

	Half Year Ended 31 Dec 2019 \$	Full year ended 30 June 2019 \$
	783,183	743,723
	899,452	914,648
	40,696	30,330
	9,149	9,055
	22,500	22,500
	<u>1,754,980</u>	<u>1,720,256</u>
<b>Current</b>	<u>1,754,980</u>	<u>1,720,256</u>

For the half year ended 31 December 2019

**5. BORROWINGS (Cont'd)**

(i) The loan comprises two parts:

- a) Loan from a former Director's related company amounts to £20,618, equivalent to \$38,320 (30 June 2019: \$38,218) to a wholly owned subsidiary Mount Burgess (Botswana) Proprietary Ltd. Interest is not payable on this loan.
- b) Loan from a former Director's related company amounts to £255,000 equivalent to \$479,509 (30 June 2019: \$461,787). Interest will accrue on the loan at the rate of 4% above the Bank Bill Rate in Australia as from 1 July 2010 until the loan has been repaid in full. The above balance is inclusive of interest payable amounting to £141,114 (30 June 2019: £134,582), equivalent to \$265,354 (30 June 2019: \$243,718).

(ii) The loan was provided by NR and JE Forrester. Mr NR Forrester is a Director of the Company. Interest will accrue on the loan at the rate of 1% (30 June 2019: 1%) above the Bank Bill Rate in Australia and is currently at 1.95% (30 June 2019: 2.45%). The above balance is inclusive of interest.

(iii) The loan was provided by NR and JE Forrester. Mr NR Forrester is a Director of the Company. Interest will accrue on the loan at the rate of 1% (30 June 2019: 1%) above the Bank Bill Rate in Australia and is currently at 1.95% (30 June 2019: 2.45%). The above balance is inclusive of interest.

(iv) The loan was provided by Chris Campbell-Hicks. Mr Chris Campbell-Hicks is a Director of the Company. Interest will accrue on the loan at the rate of 1% (30 June 2019: 1%) above the Bank Bill Rate in Australia and is currently at 1.95% (30 June 2019: 2.45%). The above balance is inclusive of interest.

(v) The loan was provided by Ron O'Regan. Mr Ron O'Regan was a Director of the Company. This loan is interest free.

**6. ISSUED CAPITAL**

	Half Year Ended 31 Dec 2019 \$	Full year ended 30 June 2019 \$
532,129,391 fully paid ordinary shares (30 June 2019: 485,129,391 )	45,308,339	45,208,369

	Half year ended 31 Dec 2019 No.	Half year ended 31 Dec 2019 \$	Full year ended 30 June 2019 No.	Full year ended 30 June 2019 \$
<b>Fully paid ordinary share capital</b>				
Balance at 1 July	485,129,391	45,208,369	423,179,391	44,955,869
Share placements to professional investors	47,000,000	100,000	37,950,000	480,500
Less costs	-	(30)	-	-
Issue of ordinary shares in lieu	-	-	24,000,000	72,000
	532,129,391	45,308,339	485,129,391	45,208,369

**7. SEGMENT INFORMATION FOR THE HALF YEAR ENDING 31 DECEMBER 2019**

Management has determined the operating segments based on the reports reviewed by the board of Directors that are used to make strategic decision. The Company does not have any operating segments with discrete financial information.

The board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. As a result, no reconciliation is required because the information as presented is what is used by the board to make strategic decision.

**8. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

As at reporting date there are no known contingent assets and liabilities.

**9. COMMITMENTS FOR EXPENDITURE**

As at reporting date there were no changes from 30 June 2019 financial report.

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mount Burgess Mining NL

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Mount Burgess Mining NL (the Company) and its subsidiaries (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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not 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 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. 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 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 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.

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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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

**BDO Audit (WA) Pty Ltd**

BDO  


**Glyn O'Brien**  
**Director**

Perth, 12<sup>th</sup> March 2020

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