

ADAVALE RESOURCES LIMITED

ACN 008 719 015

HALF YEAR REPORT

31 DECEMBER 2019

This financial report covers the consolidated entity consisting of Adavale Resources Limited and its controlled entities.

This Interim Financial Report should be read in conjunction with the Company's annual report for the period ended 30 June 2019.

ADAVALE RESOURCES LIMITED
FINANCIAL REPORT

for the half year ended 31 December 2019
ACN 008 719 015

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Directors

Louis Clinton (Chairman) (Appointed 29 November 2019)
Peter Tsegas (Appointed 29 November 2019)
Gary Stewart (Appointed 11 December 2019)
Haryono Eddyarto (Resigned 29 November 2019)
Huili Guo (Resigned 29 November 2019)
Khamtane Signavong (Resigned 29 November 2019)
Allan Ritchie (Resigned 11 December 2019)

Company Secretary

Jurgen Behrens (Appointed 18 December 2019)
Julian Rockett (Resigned 7 March 2020)

Registered Office

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SYDNEY NSW 2000

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Share Registry

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000

Auditor

HLB Mann Judd (WA) Partnership
Level 4, 130 Stirling Street
PERTH WA 6000

Stock Exchange

Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

ASX Code

ADD (fully paid ordinary shares)

The Directors of Adavale Resources Limited submit herewith the financial report 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 names of the Directors of the company during or since the end of the half year and up to the date of this report are:

Louis Clinton (Chairman)	(Appointed 29 November 2019)
Peter Tsegas	(Appointed 29 November 2019)
Gary Stewart	(Appointed 11 December 2019)
Haryono Eddyarto	(Resigned 29 November 2019)
Huili Guo	(Resigned 29 November 2019)
Khamtane Signavong	(Resigned 29 November 2019)
Allan Ritchie	(Resigned 11 December 2019)

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activity

The principal activities of the Group during the period were mining exploration and development in Australia and southern Africa. The following sets out the major changes to the Group from a corporate and operational perspective during the reporting period and up to the date of this report.

Corporate

On 26 November 2019 the Company announced major changes to the Capital Structure and ownership, the assignment of the Convertible Note to new investors, and a change to board membership.

The \$1 Million Convertible Note converting 7 January 2022, (the previous owner having agreed to extend the maturity date) has been assigned to new investors with a non-call or convert for a certain period.

Since the above announcement a placement of shares to the value of \$160,000 has taken place issuing 21,333,333 shares. Leading up to the announcement, 6,428,572 shares were issued in accordance with the terms of the Standby Subscription Agreement (SSA) capitalizing \$45,000.

Board and Office Changes

Resulting from the above corporate changes, Messrs H Eddyarto, H Guo, K Signavong and A Ritchie resigned from the Board, and Messrs Louis Clinton appointed new Chairman and Peter Tsegas and Gary Stewart appointed non-executive directors.

Mr. Jurgen Behrens has been appointed Company Secretary and Chief Financial Officer.

Standby Subscription Agreement

As previously reported, on 24 July 2017 the Company announced a Standby Subscription Agreement with GTI Holdings Ltd for a \$1,000,000 facility to provide working capital to the Company. To the end of December 2019, \$683,158 had been drawn against this facility with 72,610,221 shares issued. This Standby Subscription Agreement is no longer being used by mutual agreement.

Subsequent to the half year end the Company has entered into a new SSA to the value of \$250,000.

Ongoing Board Strategy

Subsequent to the appointment of the new Board, the Company recently announced the results of a strategy review meeting held in the latter part of December 2019 to help fast track the advancement of the Company. As a result of this review, the Group will shift its focus to target highly prospective projects to feed into the "new energy" sector of Lithium ion Batteries.

To this end the Company has begun the process of setting up a subsidiary in Asia and has finalized the set-up of an African subsidiary in Tanzania. The Group intends to target potential projects in these regions utilizing the skills and contacts of newly appointed directors Louis Clinton and Peter Tsegas who combined have spent over four decades in these continents.

On the 9th January 2020 the Company announced that applications have been submitted over the Kabanga North and Kabanga North East tenements, adjoining tenements to the world famous Kabanga Nickel Sulphide Project. The tenements are in the Karagwe-Ankolean system which hosts the Kabanga Nickel Project, and cover 411 sq km. On 4th March 2020 the Company announced the granting of the tenements at Kabanga North and North East. The Company intends to test high grade targets identified via historic data along with field work to begin soon.

Capital Raising

During the period the company raised \$205,000 cash by share placement. It is the Company intention to proceed toward a further substantial share placement within the Company's Listing Rule 7.1 and 7.1A capacity, in order to effectively fund the Tanzanian project and meet obligations with respect to its "Lake Surprise" Uranium tenements. To this end the Company has since the half year end raised a further \$240,000 share capital to assist with working capital and project costs.

The Group continues to hold its uranium tenements at Lake Surprise in South Australia and is actively seeking joint venture partners to further explore the area.

Dividends

No dividends were paid or declared for payment during the financial period.

Review of Operations

The operating result after income tax for the half year ended 31 December 2019 was a loss of \$259,414 (December 2018: net loss \$286,480).

The loss from ordinary activities before income tax expense includes the following revenues and expenses relevant in explaining the financial performance of the entity:

	Half Year Ended 31 Dec 2019 \$	Half Year Ended 31 Dec 2018 \$
Revenue from continuing operations	-	-
Expenses from continuing operations	(259,414)	(286,480)
Gain/(loss) for the period	(259,414)	(286,480)

The result for the half-year is in line with Management and Board expectations.

Post balance date events.

Subsequent to the half year end the Company has entered into a new Share Subscription Agreement to the value of \$250,000. In addition the Company has since the half year end raised a further \$240,000 share capital to assist with working capital and project costs.

On the 9th January 2020 the Company announced that applications have been submitted over the Kabanga North and Kabanga North East tenements, adjoining tenements to the world famous Kabanga Nickel Sulphide Project. The tenements are in the Karagwe-Ankolean system which hosts the Kabanga Nickel Project, and cover 411 sq km. On 4th March 2020 the Company announced the granting of the tenements at Kabanga North and North East.

Except as referred to above no matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of Directors.

On behalf of the Directors.



Mr. Louis Clinton
Non-Executive Director
13th March 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Adavale 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
13 March 2020

B G McVeigh
Partner

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ADAVALE RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2019

	Note	Consolidated 31 Dec 2019 \$	Consolidated 31 Dec 2018 \$
Continuing operations			
Other revenue		-	-
Total Revenue		<u> </u>	<u> </u>
Insurance		(15,800)	(13,296)
Share registry fees		(23,230)	(29,251)
Management and administration		(168,690)	(99,362)
Finance cost – financial Instrument		-	(94,374)
Interest expense – convertible loan		(40,326)	(40,326)
Interest expense - funding		(1,292)	(1,011)
Exploration and evaluation expenditure		(8,613)	(7,397)
Other expenses from ordinary activities		(1,463)	(1,463)
Total expenses		<u>(259,414)</u>	<u>(286,480)</u>
Loss before income tax		<u>(259,414)</u>	<u>(286,480)</u>
Income tax expense		-	-
Loss for the period from continuing operations		<u>(259,414)</u>	<u>(286,480)</u>
Other Comprehensive Income:		-	-
Total comprehensive Loss for the period		<u><u>(259,414)</u></u>	<u><u>(286,480)</u></u>
Earnings Per Share:			
Basic (cents per share)			
Earnings from continuing operations		(0.20)	(0.34)
			-
Diluted (cents per share)			
Earnings from continuing operations		(0.20)	(0.34)
			-

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

ADAVALE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2019

	Note	Consolidated 31 Dec 2019 \$	Consolidated 30 June 2019 \$
CURRENT ASSETS			
Cash assets		50,024	23,855
Other current assets		14,277	30,806
TOTAL CURRENT ASSETS		64,301	54,661
TOTAL ASSETS		64,301	54,661
CURRENT LIABILITIES			
Payables	4	277,373	275,946
TOTAL CURRENT LIABILITIES		277,373	275,946
NON-CURRENT LIABILITIES			
Borrowings	10	1,000,000	1,000,000
TOTAL NON-CURRENT LIABILITIES		1,000,000	1,000,000
TOTAL LIABILITIES		1,277,373	1,275,946
NET LIABILITIES		(1,213,072)	(1,221,285)
EQUITY			
Share capital	8	2,585,786	2,318,159
Reserves		299,408	299,408
Accumulated losses		(4,098,266)	(3,838,852)
TOTAL DEFICIENCY		(1,213,072)	(1,221,285)

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

ADAVALE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
for the half year ended 31 December 2019

	Note	Consolidated 31 Dec 2019 \$	Consolidated 31 Dec 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(138,086)	(161,779)
Payments for exploration and evaluation expenditure		(8,613)	(7,397)
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(146,699)	(169,176)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash lost on disposal of subsidiary		-	-
Proceeds from borrowings		-	25,000
Net proceeds from issue of equity securities		172,868	140,000
NET CASH FLOWS FROM FINANCING ACTIVITIES		172,868	165,000
NET INCREASE/(DECREASE) IN CASH ASSETS HELD		26,169	(4,176)
Cash assets at the beginning of the half year		23,855	13,469
CASH ASSETS AT THE END OF THE HALF YEAR		50,024	9,293

This above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

ADAVALE RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2019

	Share Capital \$	Accumulated Losses \$	Equity Component Instrument \$	Options Reserve \$	Total \$
Balance at 1 July 2018	1,988,159	(3,339,759)	299,408	28,000	(1,024,192)
Loss for the period	-	(286,480)	-	-	(286,480)
Total Comprehensive income for the period	-	(286,480)	-	-	(286,480)
Net issue of shares	190,000	-	-	-	190,000
Balance at 31 December 2018	2,178,159	(3,626,239)	299,408	28,000	(1,120,672)

	Share Capital \$	Accumulated Losses \$	Equity Component Instrument \$	Options Reserve \$	Total \$
Balance at 1 July 2019	2,318,159	(3,838,852)	299,408	-	(1,221,285)
Loss for the period	-	(259,414)	-	-	(259,414)
Total Comprehensive loss for the period	-	(259,414)	-	-	(259,414)
Net issue of shares	267,627	-	-	-	267,627
Balance at 31 December 2019	2,585,786	(4,098,266)	299,408	-	(1,213,072)

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2019

1. NATURE OF OPERATIONS

Adavale Resources Limited (“the Company”) and its controlled entities (“the Group”) principal activities of the consolidated entity during the period include energy and resource exploration and development in Australia and Southern Africa.

Further detailed information on the changes in corporate ownership and strategy can be found in the Directors’ Report above.

2. GENERAL INFORMATION AND BASIS OF PREPARATION

The half year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting as well as International Financial Reporting Standards.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Adavale Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001. The half-year report does not include full disclosures of the type normally included in an annual financial report.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as referred to below, the interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group’s last annual financial statements for the year ended 30 June 2019.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements. The Group is a for-profit entity.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2019 and any public announcements made by Adavale Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

In the half year ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group’s operations and effective for annual reporting periods beginning on or after 1 July 2019.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

The Directors have 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 the Group and, therefore, no change is necessary to Group accounting policies. These half-year financial statements were approved by the Board of Directors on 13 March 2020.

For the purposes of preparing the half-yearly financial statements the half year has been treated as a discrete reporting period.

ADAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 31 December 2019

Critical Accounting Estimates and Judgements

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2019.

Going Concern

The Group is at the exploration and evaluation phase of each of its mining tenements.

The Group has incurred a loss from continuing operations for the period of \$259,414 and a cash outflow from operating activities of \$146,699. At period end, the Group's current liabilities exceeded its current assets by \$213,072.

The Group is also committed to payments to maintain rights to perform its evaluation activity. As a result, the Group has and expects further cash outflows from operating and investing activities in the next 12 months. Funding of ongoing activities is required from future capital raisings, debt funding and / or asset sales. Therefore, at balance date material uncertainty exists as to the Group's ability to continue as a going concern.

As previously reported, on 24 July 2017 the Company announced a Standby Subscription Agreement with GTI Holdings Ltd for a \$1,000,000 facility to provide working capital to the Company. To the end of December 2019 \$683,158 had been drawn against this facility with 72,610,221 shares issued. This Standby Subscription Agreement is no longer being used by mutual agreement. Subsequent to the half year end the Company has entered into a new SSA agreement to the value of \$250,000.

On 26 November 2019 the Company announced major changes to the Capital Structure and ownership, the assignment of the Convertible Note to new investors, and a change to board membership.

The \$1 Million Convertible Note converting 7 January 2022, (the previous owner having agreed to extend the maturity date) has been assigned to new investors with a non-call or convert for a certain period.

Since the above announcement and during the half year period a placement of shares to the value of \$160,000 has taken place issuing 21,333,333 shares. Leading up to the announcement, 6,428,572 shares were issued in accordance with the terms of the Standby Subscription Agreement (SSA) capitalizing \$45,000.

It is the Company's intention to proceed toward a further substantial share placement within the Company's Listing Rule 7.1 and 7.1A capacity, in order to effectively fund the Tanzanian project and meet obligations with respect to its "Lake Surprise" Uranium tenements. To this end the Company has raised by way of share capital a further \$240,000 for the purpose of working capital and funding project costs.

As at 31 December 2019 the Company had shareholder approval for full capacity under the ASX Listing rules amounting to 26,933,668 shares being approximately \$215,000.

Given the nature of the funding facilities the Directors have put in place, and the Company intention to make further capital raisings, the Directors consider it is appropriate to prepare the financial statements on a going concern basis and hence no adjustments have been made in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary if the entity is unable to continue as a going concern. However, should the Group be unable to obtain sufficient funding as outlined above, there is a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report. The financial statements do not include any adjustments that might be necessary should it not continue as a going concern.

4. PAYABLES

	Consolidated	
	31 Dec 2019	30 June 2019
	\$	\$
Trade creditors	26,830	8,228
Accrued interest – Jun Moon Limited	214,123	134,129
Other creditors and accruals	36,420	30,297
	277,373	172,654

The accrued interest owing to related party will not be called upon for payment until the Company has available funds.

The terms and conditions of the transactions with directors and related parties are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

5. COMMITMENTS

There is no material change to the commitments disclosed by the Group in its 30 June 2019 annual report.

6. CONTINGENCIES

There are no contingencies identified by the Board as at 31 December 2019.

7. SEGMENT REPORTING

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

All activities were in relation to the operating activities of the Group. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results in this segment are equivalent to the financial statements of the Group as a whole.

ADAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 31 December 2019

8. SHARE CAPITAL

	Consolidated 31 Dec 2019		Consolidated 30 June 2019	
	Number	\$	Number	\$
Fully paid ordinary shares	159,194,340	2,585,786	119,431,105	2,318,159
Ordinary Shares				
Opening Balance	119,431,105	2,318,159	80,443,008	1,988,159
Shares issued	39,763,235	267,627	38,988,097	330,000
Closing Balance 31 December 2019	159,194,340	2,585,786	119,431,105	2,318,159

9. OPTION RESERVE

There has been no further issue of options since 30 June 2018.

Options Reconciliation	Consolidated 31 Dec 2019		Consolidated 30 June 2019	
	Number	\$	Number	\$
Opening Balance	-	-	4,000,000	28,000
Options issued	-	-	-	-
Options expired	-	-	(4,000,000)	(28,000)
Closing Balance at the end of the period	-	-	-	-

10. NON-CURRENT LIABILITIES – BORROWINGS

	Note	Consolidated 31 Dec 2019 \$	Consolidated 30 June 2019 \$
Borrowings	11(a)	1,000,000	1,000,000
Less: Equity component instrument		(299,409)	(299,409)
Add: Unwinding of interest		299,409	299,409
		1,000,000	1,000,000

(a) In 2017, the Company announced it had entered into a Convertible Loan Agreement with the then owner Jun Moon Limited.

(b) The full terms of the convertible loan are disclosed in the 30 June 2019 annual report.

(c) The convertible loan has been considered a compound financial instrument, that is, an instrument that has both a debt and an equity component. A review of the convertible loan for accounting purposes determined that applicable market interest rate for this convertible loan would be 30% pa., consequently the drawn down amount has been split between debt and equity using that rate as a basis for the split.

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2019

11. SUBSEQUENT EVENTS

Subsequent to the half year end the Company has entered into a new Share Subscription Agreement to the value of \$250,000. In addition the Company has since the half year end raised a further \$240,000 share capital to assist with working capital and project costs.

On the 9th January 2020 the Company announced that applications have been submitted over the Kabanga North and Kabanga North East tenements, adjoining tenements to the world famous Kabanga Nickel Sulphide Project.

The tenements are in the Karagwe-Ankolean system which hosts the Kabanga Nickel Project, and cover 411 sq km. On 4th March 2020 the Company announced the granting of the tenements at Kabanga North and North East.

Except as referred to above no matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

12. FINANCIAL INSTRUMENTS

The Directors consider that the carrying values of the financial assets and financial liabilities recognized in the condensed statement of financial position approximate their fair values.

ADAVALE RESOURCES LIMITED
DIRECTORS DECLARATION
for the half year ended 31 December 2019

The Directors of the Company declare that:

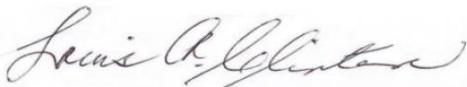
- (a) the attached financial statements and notes thereto comply with AASB 134 Interim Reporting;
- (b) the attached financial statements and notes thereto give a true and fair view of the consolidated financial position as at 31 December 2019 and of its performance for the half year ended on that date;

In the Directors' opinion:

- (a) the attached financial statements and the notes thereto are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

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.



Mr. Louis Clinton
Non-Executive Director
13th March 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Adavale Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Adavale Resources Limited ("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 ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity 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 Adavale Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity'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 3 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the Group 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 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

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would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
13 March 2020



B G McVeigh
Partner

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