



mount burgess mining

ACN 009 067 476

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Half-Year Financial Report

31 December 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 for the year ended 30 June 2020 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 2020. 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

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 period the Group was involved with the following:

Western Ngamiland, Botswana – Base Metals

A two-year renewal of PL 43/2016 to 31 December 2022 was granted on 26 November 2020. 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 Copper, 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 likeliness 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 2020 consisted of assessing the way forward for the project. This included investigating the potential to exploit additional known metal credits such as Copper, 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:

	Half year to 31 Dec 2020	2020	2019	2018	2017
	\$	\$	\$	\$	\$
Resource development for base metals in Botswana	143,462	213,700	250,664	644,773	521,135

- (b) As the Group was involved in exploration and resource development over the Kihabe-Nxuu Project during the six months to 31 December 2020, there were not any returns to shareholders by way of dividends and increase in shareholder funds. Between 2017 and 2020 the Company's shares traded as follows:

31 Dec 2020 Half year		2020		2019		2018		2017	
Low cents	High cents	Low cents	High cents	Low cents	High cents	Low cents	High cents	Low cents	High cents
0.1	2.2	0.2	0.6	0.2	0.8	0.5	1.5	0.4	2.1

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.

At the end of the half year ended 31 December 2020, the Group had cash resources of \$187,633.

- (b) 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 \$485,946; funding of \$650,890 provided via a loan from Jan and Nigel Forrester; funding of \$50,000 provided via a loan from Harry Warriess; funding of \$14,000 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 2020, the Directors' loans outstanding were \$1,687,750 (Note 7) and accruals for unpaid salaries for director and his related party amounting to \$1,802,408 (Note 6).

- (c) As the Group was mainly involved in exploration and resource development over the Kihabe-Nxuu project during the half year then later assessing the way forward of the project there was not any cash generated from operations.
- (d) 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.
- (e) The Review Report as at 31 December 2020 issued by the Group's auditor, contains a "Material uncertainty related to going concern" paragraph in relation to the Group's ability to continue as a going concern. 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 Group to be successful in securing additional funds through debt or equity issues as and when the need to raise working capital arises.

SUBSEQUENT EVENTS

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 6 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, 11 March 2021

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For the half-year ended 31 December 2020

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, 11 March 2021

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 2020, 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, 11 March 2021

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
For the half-year ended 31 December 2020

MOUNT BURGESS MINING N.L.

		Consolidated	
		Half year Ended 31 Dec 2020 \$	Half year Ended 31 Dec 2019 \$
	Other income	10,063	46
	Administration expenses	(256,790)	(142,535)
	Finance costs	(15,657)	(20,352)
	Depreciation	(53)	-
	Loss before income tax	(262,437)	(162,841)
	Income tax benefit / (expense)	-	-
	Loss after income tax for the half year	(262,437)	(162,841)
	Other comprehensive income	-	-
	Total comprehensive loss for the half year attributable to the owners of Mount Burgess Mining NL	(262,437)	(162,841)
	Loss per share for the period attributable to the members of Mount Burgess Mining NL:		
	Basic Loss per Share (cents per share)	(0.04)	(0.03)
	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 2020

	Note	Consolidated	
		31 Dec 2020	30 June 2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	187,633	21,286
Trade and other receivables		1,546	753
TOTAL CURRENT ASSETS		189,179	22,039
NON CURRENT ASSETS			
Plant and equipment		1,527	-
Exploration interests	4	1,863,397	1,719,935
TOTAL NON CURRENT ASSETS		1,864,924	1,719,935
TOTAL ASSETS		2,054,103	1,741,974
CURRENT LIABILITIES			
Trade and other payables	6	1,862,496	1,781,417
Borrowings	7	1,687,750	1,737,682
Provisions		319,240	301,208
TOTAL CURRENT LIABILITIES		3,869,486	3,820,307
TOTAL LIABILITIES		3,869,486	3,820,307
NET LIABILITIES		(1,815,383)	(2,078,333)
EQUITY			
Issued capital	8	45,886,726	45,361,339
Reserves		490,017	490,017
Accumulated losses		(48,192,126)	(47,929,689)
TOTAL DEFICIENCY		(1,815,383)	(2,078,333)

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

For the half-year ended 31 December 2020

	Issued Capital \$	Employee Equity Settled Benefits Reserve \$	Assets Realisation Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2019	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	-	-	-	-	-
Total comprehensive loss for the half year	-	-	-	(162,841)	(162,841)
Transactions with owners in their capacity as owners:					
Share placement to professional investors	99,970	-	-	-	99,970
Balance at 31 December 2019	45,308,339	380,045	109,972	(47,826,493)	(2,028,137)
Balance at 1 July 2020	45,361,339	380,045	109,972	(47,929,689)	(2,078,333)
Loss for the half year	-	-	-	(262,437)	(262,437)
Other comprehensive income for the half year	-	-	-	-	-
Total comprehensive loss for the half year	-	-	-	(262,437)	(262,437)
Transactions with owners in their capacity as owners:					
Share placement to professional investors	435,387	-	-	-	435,387
Shares issued in lieu of directors' fees	90,000	-	-	-	90,000
Balance at 31 December 2020	45,886,726	380,045	109,972	(48,192,126)	(1,815,383)

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

For the half-year ended 31 December 2020

	Half Year Ended 31 Dec 2020 \$	Half Year Ended 31 Dec 2019 \$
Cash flows from operating activities		
Payments to suppliers and employees	(184,983)	(113,047)
Other income and interest income received	10,063	46
Interest and other costs of finance paid	(109)	(225)
R&D Tax Incentives	-	34,441
Net cash outflow from operating activities	<u>(175,029)</u>	<u>(78,785)</u>
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(36,757)	(8,639)
Purchase of fixed assets	(1,580)	-
R&D Tax incentives – exploration and evaluation expenditure	-	14,108
Net cash (outflow) / inflow from investing activities	<u>(38,337)</u>	<u>5,469</u>
Cash flows from financing activities		
Proceeds from issues of equity securities	462,029	100,000
Payment for share issue costs	(26,642)	(30)
Proceeds from borrowings	10,000	10,000
Repayment of borrowings	(65,652)	(22,822)
Net cash inflow from financing activities	<u>379,735</u>	<u>87,148</u>
Net increase cash and cash equivalents	166,369	13,832
Cash and cash equivalents at the beginning of the half year	21,286	35,165
Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>(22)</u>	<u>24</u>
Cash and cash equivalents at the end of the half year	<u>187,633</u>	<u>49,021</u>
Cash and cash equivalents	<u>187,633</u>	<u>49,021</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* AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

Basis of preparation

The half-year financial report does not include all notes of the type normally included within the annual financial report. It cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report and should be read in conjunction with the 30 June 2020 annual financial report of Mount Burgess Mining NL.

It is also recommended that the half-year financial report to be considered together with any public announcements made by Mount Burgess Mining NL during the half-year ended 31 December 2020 in accordance with the continuous disclosure obligations arising under Corporations Act 2001.

The half-year financial reports have been prepared on the accrual basis and are based on 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 2020.

Accounting standards and Interpretation adopted

New accounting standards and Interpretation applicable to 31 December 2020

In the half-year ended 31 December 2020, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2020.

As a result of this review, the Directors have determined that there is no material impact on the Company of any new and revised Standards and Interpretations and therefore no material change is necessary to accounting policies.

New accounting standards and interpretations issued but not yet effective for the period ending to 31 December 2020

The Directors have also reviewed all the new and revised Standards and Interpretations in issue, not yet adopted, that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2021.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue, not yet adopted, on the Company and therefore no material change is necessary to accounting policies.

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 \$262,437 (31 December 2019: \$162,841) and net cash outflows from operating and investing activities of \$213,366 (31 December 2019: \$73,316) for the half year ended 31 December 2020. As at 31 December 2020, the Consolidated Entity had a working capital deficiency of \$3,680,307 (30 June 2020 \$3,798,268) and cash and cash equivalents of \$187,633 (30 June 2020: \$21,286).

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.

For the half year ended 31 December 2020

1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 2020, the Directors' loans outstanding were \$1,687,750 (Note 7) and accruals for unpaid salaries for director and his related party amounting to \$1,802,408 (Note 6);
- (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 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 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

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. ADMINISTRATION EXPENSES

	Half year ended 31 Dec 2020 \$	Half year ended 31 Dec 2019 \$
Administration expenses include:		
Salaries and wages	68,876	59,244
Directors' fees	90,000	(14,225)
Defined contribution plans	5,826	5,467
Net foreign exchange loss / (gain)	(9,248)	27,435

4. EXPLORATION INTEREST

	Half year ended 31 Dec 2020 \$	Full year ended 30 June 2020 \$
Exploration expenditure at cost		
Balance as at the start of the financial period	1,719,935	1,520,343
Additions	143,462	213,700
R&D tax rebate	-	(14,108)
Balance as at the end of the financial period	1,863,397	1,719,935
Total Exploration Interests	1,863,397	1,719,935

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 2020.

For the half year ended 31 December 2020

5. CASH AND CASH EQUIVALENTS

	Half Year Ended 31 Dec 2020 \$	Full year ended 30 June 2020 \$
Cash	187,633	21,286

6. TRADE AND OTHER PAYABLES

Included in accruals are unpaid salaries for a director and his related parties amounting to \$1,802,408 (30 June 2020: \$1,561,317).

7. BORROWINGS

	Half Year Ended 31 Dec 2020 \$	Full year ended 30 June 2020 \$
Unsecured – at amortised cost		
Loan from a former Director's related company (i)	756,367	755,943
Loan from a Director (ii)	843,112	893,928
Loan from a Director (iii)	51,437	51,077
Loan from a Director (iv)	14,334	14,234
Loan from a former Director (v)	22,500	22,500
	<u>1,687,750</u>	<u>1,737,682</u>
Current	<u>1,687,750</u>	<u>1,737,682</u>

(i) The loan comprises two parts:

- a) Loan from a former Director's related company amounts to £20,618, equivalent to \$34,299 (30 June 2020: \$35,159) 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 \$451,647 (30 June 2020: \$457,191). 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 £151,749 (30 June 2020: £147,020), equivalent to \$270,421 (30 June 2020: \$263,593).

(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% above the Bank Bill Rate in Australia and is currently at 1.30% (30 June 2020: 1.45%). The above balance is inclusive of interest.

(iii) The loan was provided by Harry Warries. Mr Harry Warries is a Director of the Company. Interest will accrue on the loan at the rate of 1% above the Bank Bill Rate in Australia and is currently at 1.30% (30 June 2020: 1.45%). 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% above the Bank Bill Rate in Australia and is currently at 1.30% (30 June 2020: 1.45%). 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. Interest is not payable on this loan.

For the half year ended 31 December 2020

8. SHARE CAPITAL

	Half Year Ended 31 Dec 2020 \$	Full year ended 30 June 2020 \$
660,148,799 fully paid ordinary shares (30 June 2020: 567,462,724)	45,886,726	45,361,339

	Half year ended 31 Dec 2020 No.	Half year ended 31 Dec 2020 \$	Full year ended 30 June 2020 No.	Full year ended 30 June 2020 \$
Fully paid ordinary share capital				
Balance at 1 July	567,462,724	45,361,339	485,129,391	45,208,369
Share placements to professional investors	82,686,075	462,029	82,333,333	153,000
Less costs	-	(26,642)	-	(30)
Issue of ordinary shares in lieu (i)	10,000,000	90,000	-	-
	<u>660,148,799</u>	<u>45,886,726</u>	<u>567,462,724</u>	<u>45,361,339</u>

(i) Issue of ordinary shares in lieu of directors' fees

At the General Meeting of shareholders held on 30 November 2020, approval was given for the issue of fully paid ordinary shares in the Company in lieu of director fees and for a salary sacrifice as follows:

Ms K Clark	\$18,000 worth at 0.90 of a cent =	2,000,000
Ms S Chau	\$18,000 worth at 0.90 of a cent =	2,000,000
Ms J Forrester	\$18,000 worth at 0.90 of a cent =	2,000,000
M C Campbell-Hicks	\$18,000 worth at 0.90 of a cent =	2,000,000
Mr H Warrires	\$18,000 worth at 0.90 of a cent =	2,000,000
		<u>10,000,000</u>

9. OPTIONS

	Half Year Ended 31 Dec 2020 No.	Full year ended 30 June 2020 No.
34,666,666 listed options (30 June 2020: NIL)	34,666,666	NIL

(a) Movements in listed options on issue:

	Half year ended 31 Dec 2020 No.	Half year ended 31 Dec 2020 \$	Full year ended 30 June 2020 No.	Full year ended 30 June 2020 \$
Balance at 1 July	-	-	-	-
Options subscribed for as part of placement	34,666,666	-	-	-
Balance at 31 December	<u>34,666,666</u>	<u>-</u>	<u>-</u>	<u>-</u>

(b) Terms of Options

At the end of the half year ended 31 December 2020, there are 34,666,666 options over issued shares as follows:

Expiry Date	Exercise Price	Number of Options
31 May 2023	\$0.015	34,666,666

10. SEGMENT INFORMATION FOR THE HALF YEAR ENDING 31 DECEMBER 2020

Management has determined the operating segments based on the reports reviewed by the board of Directors that are used to make strategic decisions. 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 decisions.

11. RELATED-PARTY TRANSACTIONS

During the financial period, at the General Meeting of shareholders held on 30 November 2020, approval was given for the issue of fully paid ordinary shares in the Company in lieu of director fees to Directors or their nominees and their related party. For further details please refer to Note 8.

12. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

13. COMMITMENTS FOR EXPENDITURE

As at reporting date there were no changes from 30 June 2020 financial report.

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mount Burgess Mining N.L.

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mount Burgess Mining N.L. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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, a summary of significant 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 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 the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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.

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Responsibility of the directors for the 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 for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Company's financial position as at 31 December 2020 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*.

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.

BDO Audit (WA) Pty Ltd



Glyn O'Brien

Director

Perth, 11 March 2021