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BLACKEARTH

Specialising in Critical Commodities

ASX:BEM

ABN 66 610 168 191

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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CORPORATE DIRECTORY

DIRECTORS

George Bauk
Non-Executive Director
Chairman

Thomas Revy
Managing Director

David Round
Finance Director

Heather Zampatti
Non-Executive Director – appointed on 25 October 2021

COMPANY SECRETARY

David Round

REGISTERED OFFICE

Level 3
1138 Hay Street
West Perth WA 6005

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AUDITORS

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

SHARE REGISTRY

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000

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DIRECTORS' REPORT

The Directors present their report on BlackEarth Minerals NL ("BEM" or "the Company") and its controlled entities (the "Consolidated Entity") for half-year ended 31 December 2021.

BOARD OF DIRECTORS

The names of the Directors who held office during the financial period and until the date of this report are:

George Bauk	Chairman, Non-Executive Director
Thomas Revy	Managing Director
David Round	Finance Director
Heather Zampatti	Non-Executive Director (appointed on 25 October 2021)

REVIEW OF OPERATIONS

In the first half of 2021/22, the Company has undertaken significant work on its Maniry Graphite Project situated in southern Madagascar, developed its interest in its Joint Venture in India and continued exploration at its Donnelly River Ni-Cu-PGE exploration project located in Western Australia. An outline of these activities included:

- The signing of a Right to Export agreement with Port d'Ehoala SA, Madagascar ("POE") which provides for the Company to export up to 30,000 tonnes of graphite concentrate produced from its Maniry project with a provision to increase this over time.
- The completion of the Company's 2nd Phase Large Pilot Plant program which yielded outstanding results with approximately 50 tonnes of concentrate produced and available for testing by a range of downstream graphite producers.
- Substantial work completed on the Company's Definitive Feasibility Study with leading external advisers appointed to assist with this.
- The signing of our formal Joint Venture Agreement with Metachem, India to jointly develop an Expandable Graphite production plant during 2022.
- Continued exploration and development of our Maniry Project tenements which included substantial increases to our statement resource inventory.
- An update to the Company's Scoping Study to outline improvements and material increases to the Company's financial projections.
- Preliminary geochemical sampling at Donnelly River.
- Planning and costing for future exploration works at Donnelly River.

During the second half of 2021/22, the Company plans to:

- Advance and conclude arrangements with a number of key groups in relation to its downstream graphite processing strategy.
- Continued exploration and resource development at the Company's Maniry Graphite Project.
- Commence plant development for the Company's JV operations in India in preparation for the commencement of production in Q3 2022.
- Continue to progress and complete the Company's Independent DFS in the middle of 2022.
- Undertake exploration activities at our Donnelly River projects.
- Commence planning for the operational construction of the Maniry Mine operations following completion of the DFS.
- Carry out Environmental, Social and Governance ("ESG") reporting audit.

RESULTS OF OPERATIONS

The operating loss after income tax of the Consolidated Entity for the half-year ended 31 December 2021 was \$2,023,187 (31 December 2020: \$862,864).

No dividend has been paid during or is recommended for the financial period ended 31 December 2021.

DIRECTORS' REPORT (CONTINUED)

FINANCIAL POSITION

The Consolidated Entity's working capital surplus, being current assets less current liabilities was \$2,740,457 at 31 December 2021 (30 June 2021 was \$6,231,413).

In the Directors' opinion, 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.

SUBSEQUENT EVENTS

- On 24 January 2022, the Company completed a placement to institutional and sophisticated investors to raise gross proceeds of \$6,837,879 before costs at 13.5 cents per share following which the Company issued 50,650,955 fully paid ordinary shares to the placement participants.
- On 25 January 2022, upon receiving approval from the shareholders at the Annual General meeting held on 20 January 2022, the Company issued 20,475,000 performance rights to the Directors pursuant to the Company's Securities Plan.
- On 3 February 2022, the Company signed an Offtake and Supply Agreement with a world leading company in the supply of graphite concentrate and downstream products, Technogرافit GmbH, Germany. Under the terms of the Agreement, the Company will acquire up to 2,500 tonnes per annum of graphite concentrate from Technogرافit GmbH from the commencement date of the joint venture operations in India.

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 page 5.

Signed in accordance with a resolution of the Board of Directors.



Thomas Revy
Managing Director

Perth, 2 March 2022

To the Board of Directors,

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of BlackEarth Minerals NL for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated on the 2nd day of March 2022
Perth, Western Australia

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2021

	31 December 2021	31 December 2020
Note	\$	\$
Other revenue	98,139	116,490
Research and development rebate	-	116,775
Administration costs	(523,134)	(325,196)
Personnel and consulting costs	(633,368)	(416,963)
Share-based payments expense	9 (222,197)	(47,147)
Occupancy costs	(34,933)	(20,645)
Exploration and evaluation costs written off	(458,666)	(273,378)
Depreciation and amortisation	(4,568)	(4,677)
Other expenses	(244,460)	(8,123)
Loss before income tax	(2,023,187)	(862,864)
Income tax expense	-	-
Loss after income tax	(2,023,187)	(862,864)
Exchange differences on translation of foreign operations	11,122	(13,344)
Total comprehensive income for the period	(2,012,065)	(876,208)
Basic and diluted loss per share (cents per share)	0.93	0.67

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

		31 December 2021	30 June 2021
	Notes	\$	\$
Current Assets			
Cash and cash equivalents		3,558,569	6,565,750
Trade and other receivables		230,551	241,864
Total current assets		3,789,120	6,807,614
Non-Current Assets			
Capitalised exploration and evaluation expenditure	2	2,544,114	659,646
Property, plant and equipment		67,124	24,118
Total non-current assets		2,611,238	683,764
TOTAL ASSETS		6,400,358	7,491,378
Current Liabilities			
Trade and other payables		939,267	512,107
Provisions		109,396	64,094
Total current liabilities		1,048,663	576,201
TOTAL LIABILITIES		1,048,663	576,201
NET ASSETS		5,351,695	6,915,177
Equity			
Issued capital	3	17,500,224	17,371,915
Reserves	4	1,367,924	1,036,528
Accumulated losses		(13,516,453)	(11,493,266)
TOTAL EQUITY		5,351,695	6,915,177

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2021

	Issued capital	Foreign Currency Translation Reserve	Share Based Payment Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	9,461,604	(8,043)	262,739	(8,038,646)	1,677,654
Loss for the period	-	-	-	(862,864)	(862,864)
Exchange differences on translation of foreign operations	-	(13,344)	-	-	(13,344)
Total comprehensive loss for the period	-	(13,344)	-	(862,864)	(876,208)
Issue of shares	1,830,111	-	-	-	1,830,111
Share issue transaction costs	(79,383)	-	-	-	(79,383)
Amortisation of performance rights	-	-	47,147	-	47,147
Balance at 31 December 2020	11,212,332	(21,387)	309,886	(8,901,510)	2,599,321
	Issued capital	Foreign Currency Translation Reserve	Share Based Payment Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	17,371,915	(9,507)	1,046,035	(11,493,266)	6,915,177
Loss for the period	-	-	-	(2,023,187)	(2,023,187)
Exchange differences on translation of foreign operations	-	11,122	-	-	11,122
Total comprehensive loss for the period	-	11,122	-	(2,023,187)	(2,012,065)
Issue of shares	226,386	-	-	-	226,386
Share issue transaction costs	(187,787)	-	187,787	-	-
Issue of performance rights	-	-	38,482	-	38,482
Amortisation of performance rights	-	-	183,715	-	183,715
Exercise of performance rights	89,710	-	(89,710)	-	-
Balance at 31 December 2021	17,500,224	1,615	1,366,309	(13,516,453)	5,351,695

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2021

	31 December 2021	31 December 2020
	\$	\$
Cash flows from operating activities		
Receipts from customers	88,764	19,914
Payments to suppliers and employees	(1,312,325)	(624,112)
Expenditure on exploration	(458,666)	(355,477)
Proceeds from government grants and tax incentives	-	161,960
Interest received	909	1,495
Net cash used in operating activities	<u>(1,681,318)</u>	<u>(796,220)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(47,574)	(7,380)
Payment for exploration and evaluation expenditure	(1,523,924)	-
Net cash used in investing activities	<u>(1,571,498)</u>	<u>(7,380)</u>
Cash flows from financing activities		
Proceeds from issue of shares	241,826	1,810,694
Payment for capital raising costs	-	(84,620)
Net cash generated by financing activities	<u>241,826</u>	<u>1,726,074</u>
Net (decrease)/increase in cash held	(3,010,990)	922,474
Cash and cash equivalents at the beginning of the period	6,565,750	1,133,917
Effect of exchange rates on cash balances	3,809	(23,875)
Cash and cash equivalents at the end of the period	<u><u>3,558,569</u></u>	<u><u>2,032,516</u></u>

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

These condensed consolidated financial statements and notes represent those of BlackEarth Minerals NL and its controlled entities (the "Consolidated Entity"). BlackEarth Minerals NL is a no liability company, incorporated and domiciled in Australia.

The Consolidated Entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The condensed consolidated financial statements for the period ended 31 December 2021 were approved and authorised for issue by the Board of Directors on 2 March 2022.

1. BASIS OF PREPARATION

This condensed consolidated 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*.

This condensed consolidated 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. It is therefore recommended that this condensed consolidated half-year financial report be read in combination with the annual consolidated financial statements of the Consolidated Entity for the year ended 30 June 2021, together with any public announcements made during the half-year.

The accounting policies and methods of computation adopted in the preparation of this half-year financial report are consistent with those adopted and disclosed in the Company's 2021 annual financial report for the year ended 30 June 2021.

Adoption of new and revised Accounting Standards

The Consolidated Entity has adopted all new and revised Standards and Interpretations issued by Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

Key accounting estimates, judgements and assumptions

The key accounting estimates, judgements and assumptions applied in the preparation of the half-year financial report were consistent with those applied in the Company's last annual financial statements for the year ended 30 June 2021.

Change in accounting policy – capitalisation of exploration and evaluation expenditure

During the current reporting period, the Consolidated Entity elected to capitalise costs associated with areas of interest that have progressed to a definitive feasibility stage. The previous accounting policy was that expenditure on exploration and evaluation activities were expensed in the period they were incurred.

The new accounting policy is adopted during the current reporting period and has been applied retrospectively but there was no impact on adoption of the new accounting policy in the prior period. The Directors believe that the change in accounting policy will provide more relevant information to the users of the Consolidated Entity's financial statements. Capitalisation of exploration and evaluation expenditure is considered to be appropriate upon the identification of areas of interest that have progressed to a definitive feasibility stage as it appropriately recognises that the projects are in the advanced exploration, evaluation or feasibility phases. Both the previous and new accounting policies are compliant with AASB 6 *Exploration for and Evaluation of Mineral Resources*.

2. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2021	30 June 2021
	\$	\$
Balance at beginning of the period	659,646	659,646
Additions	1,884,468	-
Balance at end of the period	2,544,114	659,646

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the half-year ended 31 December 2021

3. ISSUED CAPITAL

	31 December 2021		30 June 2021	
	Shares	\$	Shares	\$
Fully paid ordinary shares (a)	217,645,267	17,403,821	211,474,527	17,311,653
Partly-paid ordinary shares at 0.01 cent (b)	-	-	4,541,426	454
Partly-paid ordinary shares at 2.01 cents (b)	4,796,186	96,403	2,975,500	59,808
Balance at end of the period	222,441,453	17,500,224	218,991,453	17,371,915

(a) Movement in fully paid ordinary shares

	31 December 2021		30 June 2021	
	Shares	\$	Shares	\$
Balance at beginning of the period	211,474,527	17,311,653	113,655,521	9,458,790
Exercise of performance rights	3,250,000	89,710	2,300,000	71,326
Partly-paid ordinary shares fully paid up	2,720,740	163,245	20,625,824	1,237,549
Issued for services rendered at 13.5 cents per share	200,000	27,000	-	-
Issued for cash at 5 cents per share	-	-	36,213,880	1,810,693
Issued for cash at 13.5 cents per share	-	-	36,134,220	4,878,120
Exercise of unlisted options	-	-	2,000,000	217,193
Issue of shares to Directors	-	-	545,082	19,417
Share issue transaction costs	-	(187,787)	-	(381,435)
Balance at end of the period	217,645,267	17,403,821	211,474,527	17,311,653

(b) Movement in partly-paid ordinary shares

	31 December 2021		30 June 2021	
	Shares	\$	Shares	\$
Balance at beginning of the period	7,516,926	60,262	28,142,750	2,814
Partly-paid ordinary shares fully paid up and become fully paid ordinary shares	(2,720,740)	(54,085)	(20,625,824)	(2,062)
Proceeds from 2 cents call per share	-	90,226	-	59,510
Balance at end of the period	4,796,186	96,403	7,516,926	60,262

Partly-paid ordinary shares carry one vote per share and carry a right to dividends in proportion to the amount already paid.

4. RESERVES

	31 December 2021		30 June 2021	
		\$		\$
Options (a)		848,323		660,536
Performance rights (a)		517,986		385,499
Foreign currency translation reserve		1,615		(9,507)
		1,367,924		1,036,528

(a) Refer to Note 9 for details.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the half-year ended 31 December 2021

5. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board has identified that the Consolidated Entity has two reportable segments which are exploration activities relating to minerals within Australia and Madagascar.

(a) Segment revenue and results

For the half-year ended 31 December 2021

	Australia	Madagascar	Total
	\$	\$	\$
Revenue	-	48,378	48,378
Exploration and evaluation expenditure	(288,636)	(170,030)	(458,666)
Personnel and consulting costs	(530,663)	(102,705)	(633,368)
Share-based payments expense	(222,197)	-	(222,197)
Occupancy costs	(24,000)	(10,933)	(34,933)
Administration costs	(438,328)	(77,549)	(515,877)
Depreciation and amortisation	(1,408)	(3,160)	(4,568)
Other expenses	-	(244,969)	(244,969)
Segment result	(1,505,232)	(560,968)	(2,066,200)
Other revenue			49,761
Other costs			(6,749)
Loss from continuing operations			(2,023,187)

For the half-year ended 31 December 2020

	Australia	Madagascar	Total
	\$	\$	\$
Revenue	-	47,416	47,416
Exploration and evaluation expenditure	(237,042)	(36,336)	(273,378)
Personnel and consulting costs	(322,681)	(94,282)	(416,963)
Share-based payments expense	(47,147)	-	(47,147)
Occupancy costs	(10,074)	(10,571)	(20,645)
Administration costs	(296,747)	(21,446)	(318,193)
Depreciation and amortisation	(2,235)	(2,442)	(4,677)
Other expenses	-	3,027	3,027
Segment result	(915,926)	(114,634)	(1,030,560)
Other revenue			185,849
Other costs			(18,153)
Loss from continuing operations			(862,864)

(b) Segment Assets

31 December 2021

	Australia	Madagascar	Total
	\$	\$	\$
Segment Assets	1,008,133	1,535,981	2,544,114
Unallocated:			
Cash and cash equivalents			3,558,569
Other assets			297,675
Total Consolidated Entity Assets			6,400,358

30 June 2021

	Australia	Madagascar	Total
	\$	\$	\$
Segment Assets	82,751	576,895	659,646
Unallocated:			
Cash and cash equivalents			6,565,750
Other assets			265,982
Total Consolidated Entity Assets			7,491,378

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the half-year ended 31 December 2021

5. SEGMENT INFORMATION (continued)

(c) Segment Liabilities

31 December 2021	Australia \$	Madagascar \$	Total \$
Segment Liabilities	-	-	-
Unallocated:			
Trade and other payables			939,267
Other current liabilities			109,396
Total Consolidated Entity Liabilities			1,048,663
30 June 2021	Australia \$	Madagascar \$	Total \$
Segment Liabilities	-	-	-
Unallocated:			
Trade and other payables			512,107
Other current liabilities			64,094
Total Consolidated Entity Liabilities			576,201

6. SUBSEQUENT EVENTS

- On 24 January 2022, the Company completed a placement to institutional and sophisticated investors to raise gross proceeds of \$6,837,879 before costs at 13.5 cents per share following which the Company issued 50,650,955 fully paid ordinary shares to the placement participants.
- On 25 January 2022, upon receiving approval from the shareholders at the Annual General meeting held on 20 January 2022, the Company issued 20,475,000 performance rights to the Directors pursuant to the Company's Securities Plan.
- On 3 February 2022, the Company signed an Offtake and Supply Agreement with a world leading company in the supply of graphite concentrate and downstream products, Technogرافit GmbH, Germany. Under the terms of the Agreement, the Company will acquire up to 2,500 tonnes per annum of graphite concentrate from Technogرافit GmbH from the commencement date of the joint venture operations in India.

7. COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

(a) Exploration expenditure

The Company has certain obligations with respect to tenements and minimum expenditure requirements in Australia, as follows:

	31 December 2021 \$	30 June 2021 \$
Within 12 months	106,000	72,000
Between 12 months and 5 years	106,000	72,000
Total	212,000	144,000

There are no minimum expenditure for tenements in Madagascar. However, annual fees of \$75,000 are due in March each year.

(b) Capital commitments

The Consolidated Entity has no capital expenditure contracted at 31 December 2021 (30 June 2021: \$nil).

(c) Contingent assets and liabilities

There were no contingent assets at 31 December 2021 (30 June 2021: \$nil). There has been no change in contingent liabilities since the last annual reporting date. The Directors are not aware of any significant breaches of environmental legislation and requirements during the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the half-year ended 31 December 2021

8. FINANCIAL INSTRUMENTS

The Consolidated Entity's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amounts of these financial assets and liabilities approximate their fair value.

9. SHARE-BASED PAYMENTS

(a) Performance rights issued to a Director

During the period ended 31 December 2021, 2,500,000 performance rights with a nil exercise price and expiry of 2.39 years were granted. The average fair value of the performance rights granted during the period is 10.25 cents.

The following table identifies the hurdles to which conversion of the 2,500,000 performance rights are linked during the term of the performance rights:

Hurdles	Number of rights
Tenure update – grant of mining licence including all relevant mining approvals	1,000,000
Positive feasibility study and financial investment decision	1,500,000
	2,500,000

(b) Share options

During the period ended 31 December 2021, 4,000,000 options were granted to a service provider as consideration for services rendered. Options granted have an exercise price of 17.5 cents per option and a contractual term of two years.

Fair value of options granted

The weighted average fair value of the options granted during the period was 4.7 cents. The price was calculated by using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

Inputs into the model:

Grant date share price	10.25 cents
Exercise price	17.50 cents
Expected volatility	122.20%
Option life	1.7 years
Dividend yield	0.00%
Risk-free interest rate	0.07%

(c) Movement in performance rights

	31 December 2021	31 December 2020
	Number of rights	Number of rights
Balance at beginning of the period	13,900,000	8,000,000
Granted	2,500,000	-
Exercised	(3,250,000)	-
Balance at end of the period	13,150,000	8,000,000

(d) Movement in options on issue

	31 December 2021	31 December 2020
	Number of options	Number of options
Balance at beginning of the period	7,500,000	4,000,000
Unlisted options issued, exercisable at 17.5 cents, expiring 30 March 2023	4,000,000	-
Balance at end of the period	11,500,000	4,000,000

DIRECTORS' DECLARATION

The Directors of BlackEarth Minerals NL declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Thomas Revy
Managing Director

Perth, 2 March 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BLACKEARTH MINERALS NL

Conclusion

We have reviewed the accompanying half-year financial report of Blackearth Minerals NL ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2021, 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, a summary of significant accounting policies and other selected explanatory notes, 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 Blackearth Minerals NL and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *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* that are relevant to our 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 in the same terms if given to the directors as at the time of this auditor's review report.

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 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.

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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 Consolidated Entity's financial position as at 31 December 2021 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.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated on the 2nd day of March 2022
Perth, Western Australia

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