



**RESOURCES LIMITED**

ACN 064 121 133

**Half-Year Financial Report**

**31 December 2018**

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## CORPORATE DIRECTORY

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### Board and Management

Justin Mannolini	Non-Executive Chairman
Pip Darvall	Managing Director
Lindsay Dudfield	Executive Director
Patricia (Trish) Farr	Executive Director/Company Secretary
Greg Ledger	Company Secretary

### Registered Office & Principal Place of Business

Level 2  
9 Havelock Street  
West Perth, WA 6005  
Telephone: +61 (8) 9321 7550  
Facsimile: +61 (8) 9321 7950  
Email: enquiry@jindalee.net  
Web: www.jindalee.net

### Auditors

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco, WA 6008

### Legal Advisors

House Legal  
86 First Avenue  
Mount Lawley, WA 6050

### Share Registry

Advanced Share Registry  
110 Stirling Highway  
Nedlands, WA 6000  
Telephone: +61 (8) 9389 8033  
Facsimile: +61 (8) 9262 3723

### Securities Exchange Listing

The Company is listed on the Australian Securities Exchange Ltd ("ASX")  
Home Exchange: Perth, Western Australia

ASX Code: **JRL**

## THE DIRECTORS' REPORT

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Your Directors present the financial report for the Consolidated Entity consisting of Jindalee Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

### DIRECTORS

The names of persons who were directors of Jindalee Resources Limited during the whole of the half-year and up to the date of this report are:

Justin Mannolini *B.Com/LL (Hons), LLM (Law), GAICD.*  
Pip Darvall *M.Sc. (Geology), MBA, GAICD.*  
Lindsay Dudfield *B.Sc.*  
Patricia Farr *GradCertProfAcc. GradDipACG, GAICD, FGIA/FCIS.*

### OPERATIONS AND FINANCIAL REVIEW

The principal activity of the Group is mineral exploration. The Group holds interests in tenements in the United States, Tasmania and Western Australia prospective for lithium, magnesite, gold, diamonds, nickel and iron ore, with most of these tenements wholly owned. The Group also has indirect interests in uranium, gold and base metals through investee companies.

In line with the Group's business strategy, during the period management continued to evaluate projects in both Australia and overseas, with a view to securing an opportunity capable of growing the Group and creating wealth for Shareholders.

The Consolidated Entity incurred an operating loss after income tax for the half-year ended 31 December 2018 of \$949,732 (half-year ended 31 December 2017: operating loss after income tax of \$652,097). The Directors believe the Group is in a sound financial position to continue its exploration endeavours.

### EVENTS OCCURRING AFTER REPORTING PERIOD

On 16 January 2019 the Company issued 100,000 fully paid ordinary shares and 200,000 unlisted \$0.50 options expiring on 30 June 2022 as consideration for the purchase of geological data.

On 19 January 2019 the Company announced it had significantly expanded its land position at the McDermitt Lithium project in the United States following the staking of an additional 112 claims adjacent to the existing 242 claims and expanding the size of the project by approximately 45% to 28.6km<sup>2</sup>. Further information on the announcement can be found on the Company's website [www.jindalee.net](http://www.jindalee.net).

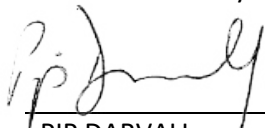
On 31 January 2019 the Company sold half of its financial assets (equity investment) in Dacian Gold Limited for net proceeds (before tax) of \$62,544.

With the exception of the issue of shares for geological data and the expansion of the US Lithium tenements and the sale of a portion of the financial assets in Dacian Gold Limited as outlined above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial periods.

## **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 6 of this half-year report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



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PIP DARVALL  
Managing Director  
PERTH  
6 MARCH 2019

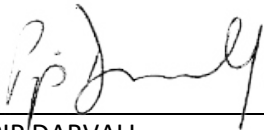
## DIRECTORS' DECLARATION

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In the opinion of the Directors of Jindalee Resources Limited:

- a) the consolidated financial statements, and notes set out on pages 7 to 15, are in accordance with the *Corporations Act 2001*, including:
  - i) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
  - ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; 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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



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PIP DARVALL  
Managing Director

PERTH  
6 MARCH 2019

**DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF JINDALEE RESOURCES LIMITED**

As lead auditor for the review of Jindalee Resources Limited for the half-year ended 31 December 2018, 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 Jindalee Resources Limited and the entities it controlled during the period.



**Phillip Murdoch**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 6 March 2019

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

### For the half-year ended 31 December 2018

	Notes	31 December 2018 \$	31 December 2017 \$
Revenue from continuing operations		19,204	36,957
Other income	3	320,742	109,136
Employee benefits expenses		(118,440)	(119,631)
Depreciation expense		(3,596)	(8,404)
Exploration expenditure		(71,627)	(145,219)
Fair value movement on financial assets	6	(857,224)	-
Tenancy and operating		(51,289)	(56,139)
Impairment of exploration and evaluation assets	5	-	(19,095)
Other administration expenses		(94,490)	(80,916)
Foreign exchange income		9,199	-
Share-based payments		(63,749)	(330,546)
Corporate regulatory expenses		(38,462)	(38,240)
<b>Loss before income tax</b>		<b>(949,732)</b>	<b>(652,097)</b>
Income tax benefit		-	-
<b>Loss for the half-year after tax</b>		<b>(949,732)</b>	<b>(652,097)</b>
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Fair value movement on available for sale			
<b>Other comprehensive loss for the period</b>		-	(53,000)
<b>Total comprehensive loss for the period</b>		<b>(949,732)</b>	<b>(705,097)</b>
<b>Loss per share attributable to the members of Jindalee Resources Ltd:</b>			
Basic loss per share (cents per share)	4	(2.72)	(1.87)
Diluted loss per share (cents per share)		(2.72)	(1.87)

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



## Consolidated Statement of Financial Position

As at 31 December 2018

	Notes	31 December 2018 \$	30 June 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,289,761	2,312,083
Trade and other receivables		25,853	16,159
Prepayments		9,190	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,324,804</b>	<b>2,328,242</b>
<b>NON CURRENT ASSETS</b>			
Available for sale financial assets	6	-	2,601,522
Other receivables		59,086	58,418
Property, plant and equipment		24,829	28,424
Exploration and evaluation assets	5	1,137,642	545,961
Financial assets at fair value through profit and loss	6	2,024,298	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>3,245,855</b>	<b>3,234,328</b>
<b>TOTAL ASSETS</b>		<b>4,570,658</b>	<b>5,562,567</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		9,800	60,663
Dividend payable	9	-	66,610
Provision for annual leave		10,332	7,619
<b>TOTAL CURRENT LIABILITIES</b>		<b>20,132</b>	<b>134,892</b>
<b>NON CURRENT LIABILITIES</b>			
Provision for long service leave		8,834	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>8,834</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>28,966</b>	<b>134,892</b>
<b>NET ASSETS</b>		<b>4,541,692</b>	<b>5,427,675</b>
<b>EQUITY</b>			
Contributed equity		7,227,254	7,227,254
Accumulated losses		(5,217,124)	(5,204,784)
Reserves		2,531,562	3,405,205
<b>TOTAL EQUITY</b>		<b>4,541,692</b>	<b>5,427,675</b>

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

## Consolidated Statement of Cash Flows

### For the half-year ended 31 December 2018

	31 December 2018 \$	31 December 2017 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(368,283)	(433,136)
Interest received	19,588	41,174
<b>Net cash outflow from operating activities</b>	<u>(348,694)</u>	<u>(391,962)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	(10,182)
Proceeds from sale of tenements	-	90,377
Payments for exploration and evaluation	(606,349)	(109,584)
Refund/(payment) of bond	(668)	81,393
<b>Net cash inflow/(outflow) from investing activities</b>	<u>(607,017)</u>	<u>52,004</u>
<b>Cash flows from financing activities</b>		
Payment of dividends	(66,610)	-
<b>Net cash outflow from financing activities</b>	<u>(66,610)</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents held</b>	(1,022,322)	(339,958)
Cash and cash equivalents at the beginning of reporting period	2,312,083	3,282,998
<b>Cash and cash equivalents at the end of reporting period</b>	<u><u>1,289,761</u></u>	<u><u>2,943,040</u></u>

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

## Consolidated Statement of Changes in Equity

### For the half-year ended 31 December 2018

	Contributed equity	Share-based payment reserve	Available for sale investments revaluation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
At 1 July 2018 as originally presented	7,227,254	2,467,813	937,392	(5,204,784)	5,427,675
Change in accounting policy	-	-	(937,392)	937,392	-
Restated total equity as at 1 July 2018	7,227,254	2,467,813	-	(4,267,392)	5,427,675
<i>Total comprehensive income for the half-year:</i>					
Loss for the half-year	-	-	-	(949,732)	(949,732)
<i>Other comprehensive income</i>	-	-	-	-	-
Total comprehensive income/(loss) for the half-year	-	-	-	(949,732)	(949,732)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	63,749	-	-	63,749
<b>At 31 December 2018</b>	<b>7,227,254</b>	<b>2,531,562</b>	<b>-</b>	<b>(5,217,124)</b>	<b>4,541,692</b>
At 1 July 2017	7,227,254	1,969,774	130,091	(3,809,492)	5,517,627
<i>Total comprehensive income for the half-year:</i>					
Loss for the half-year	-	-	-	(652,097)	(652,097)
<i>Other comprehensive income:</i>					
Revaluation of investments	-	-	(53,000)	-	(53,000)
Total comprehensive income/(loss) for the half-year	-	-	(53,000)	(652,097)	(705,097)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	330,546	-	-	330,546
<b>At 31 December 2017</b>	<b>7,227,254</b>	<b>2,300,320</b>	<b>77,091</b>	<b>(4,461,589)</b>	<b>5,143,076</b>

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

## Notes to the Consolidated Financial Statements

### 1. Significant Accounting policies

#### **Basis of preparation of the half-year financial report**

This interim general purpose financial report for the half-year reporting period ended 31 December 2018 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-yearly financial report does not include all the notes of the type normally included in the annual financial statements and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as full financial statements. Accordingly, this half-year financial report is to be read in conjunction with the annual financial statements for the year ended 30 June 2018 and any public announcements made by Jindalee Resources Limited during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for those detailed under 'adoption of new and revised Accounting Standards'.

The half-year financial report has been prepared on an historical cost basis, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

#### **Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 2018, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

*Change in accounting policy for "Investment and financial assets" as a result of adoption of AASB 9 Financial Instruments.*

From 1 July 2018, the Group classifies financial assets measured subsequently at fair value through profit or loss ("FVPL"). Changes in the fair value of financial assets at FVPL are recognised in fair value movement of financial assets in the statement of profit or loss. This is an irrevocable election effective from 1 July 2018. Gains/(Losses) on disposal will be determined by comparing the proceeds with the carrying value and will be recognised in profit and loss.

*AASB 15 Revenue* establishes a new revenue recognition model that changes, expands and improves disclosures about revenue. Whilst this standard is effective from 1 July 2018, its adoption did not have a material impact on the Group.

#### **New and Revised Standards not yet effective**

*AASB 16 Leases* requires all leases, other than short term and low value asset leases to be accounted "on balance sheet". When this standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

The directors have also reviewed all other new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. 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 the Group's accounting policies. These accounting policies are consistent with Australian Accounting Standards and with International Reporting Standards.

## Notes to the Consolidated Financial Statements

### Impact of adoption of AASB 9 Financial Instruments

AASB 9 replaces the provisions of AAASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 resulted in changes in the Group's related accounting policy and a reclassification of amounts recognised in the financial statements.

The Group elected to treat investments as FVPL. The previously accumulated fair value gain of \$937,392 which was previously recognized in other comprehensive income in accordance with the Group's accounting policy under AASB 139, was subsequently transferred from the available for sale revaluation reserve to accumulated losses at 1 July 2018 as a transitional adjustment. There was no other impact on adoption.

AASB 9 has been adopted without restating comparative information. The reclassifications are therefore recognised in the opening Statement of Financial Position on 1 July 2018. The reclassifications are noted below:

Statement of Financial Position	30 June 2018	AASB 9	1 July 2018 Restated
	\$	\$	\$
Available for sale investments revaluation reserve	937,392	(937,392)	-
Accumulated losses	(5,204,784)	937,392	(4,267,392)

### Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 30 June 2018.

## 2. Segment Information

Management has determined that the Group has one reportable segment, being mineral exploration in Australia and the United States. As the Group is focused on mineral exploration, the Board periodically monitors the Group based on actual versus budgeted exploration expenditure incurred on the Group as a whole. This internal reporting framework is most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration programmes and activities, while also taking into consideration the results of exploration work that has been performed to date. The reportable segment is represented by the primary statements forming this financial report.

Notes to the Consolidated Financial Statements

3. Other Income

	31 December 2018	31 December 2017
	\$	\$
Sale of tenements <sup>#</sup>	315,402	90,377
Other	5,340	18,759
	<u>320,742</u>	<u>109,136</u>

<sup>#</sup>Refers to: sale of New Bore and Kelly Well tenements to Dacian Gold Ltd; sale of 80% of non-gold rights and payment of Option on Camel Bore and North Sinclair tenements by Aldoro Resources Ltd.

4. Loss Per Share

	31 December 2018	31 December 2017
	\$	\$
Loss used in calculation of loss per share	<u>(949,732)</u>	<u>(652,097)</u>
Basic loss per share (cents per share)	(2.72)	(1.87)
Diluted loss per share (cents per share)	(2.72)	(1.87)
Weighted average number of ordinary shares used as the denominator in calculating loss per share	<u>34,894,775</u>	<u>34,894,775</u>

5. Exploration and Evaluation Assets

	31 December 2018	30 June 2018
	\$	\$
Exploration and evaluation assets	<u>1,137,642</u>	<u>545,961</u>
Balance at the beginning of the half-year	545,961	
Exploration expenditure incurred	<u>591,681</u>	
Balance at the end of the half-year	<u><u>1,137,642</u></u>	

During the half-year ended 31 December 2018, a total of \$nil (31 December 2017: \$19,095) has been taken as an impairment of the Group's exploration and evaluation assets and has been recognised as an 'impairment of exploration and evaluation assets' expense in the statement of profit or loss and other comprehensive income.

The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploitation or sale of the areas of interest.

## Notes to the Consolidated Financial Statements

## 6. Financial Assets at Fair Value Through Profit and Loss

	31 December 2018 \$	30 June 2018 \$
Financial assets at fair value through profit and loss	2,024,298	-
Balance at the beginning of the half-year after restatement <sup>1</sup>	2,601,522	
Financial assets acquired <sup>2</sup>	280,000	
Fair value movement on financial assets	(857,224)	
Balance at the end of the year	<u>2,024,298</u>	

<sup>1</sup> Due to a change in accounting policy upon adoption of AASB 9 *Financial Instruments* on 1 July 2018 (refer Note 1), financial assets previously classified as *available for sale financial assets* are now classified as *financial assets at fair value through profit and loss*.

<sup>2</sup> These financial assets were acquired as consideration for tenement sales (refer Note 3) and were non-cash transactions.

## 7. Contingencies and Commitments

*Tenement Subject to Option*

The Group entered into an agreement with Aldoro Resources Ltd (ARN) agreeing to vend an 80% interest in non-gold rights over tenements E36/895 and E36/910 into an initial public offering. The Group maintains a 20% free carried position to Decision to Mine. At Decision to Mine the Group can either contribute pro-rata or dilute, with the Group reverting to a 2% gross royalty if the Group's interest falls below 5%. As part of the terms of the sale, Jindalee are entitled to contingent consideration upon delineation of a JORC Code Compliant Non-Gold Mineral Resource, which consists of the greater in value of the following:

- i) Number of ordinary shares in ARN equivalent to \$500,000 at a deemed issue price equal to the 5 day VWAP; or
- ii) 1,250,000 ordinary shares in ARN.

The Group entered into an agreement with Dacian Gold Limited (DCN) for the sale of 90% of E38/3211 and E38/3272. The Group's 10% interest is free carried to the finalisation of a feasibility study at which point the Group can elect to contribute pro-rata or dilute, with the Group reverting to a 1% net smelter royalty if the Group's interest falls below 5%.

Other than the above, there has been no change in contingent liabilities, contingent assets or commitments since the last annual reporting date, 30 June 2018.

## 8. Fair Value Measurements of Financial Instruments

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and/or disclosure purposes.

## Notes to the Consolidated Financial Statements

*Fair value hierarchy*

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The table following analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>31 December 2018</b>				
Financial assets at fair value through profit and loss	2,024,298	-	-	2,024,298
<b>Total as at 31 December 2018</b>	<b>2,024,298</b>	<b>-</b>	<b>-</b>	<b>2,024,298</b>
<b>30 June 2018</b>				
Available-for-sale financial assets	2,601,522	-	-	2,601,522
<b>Total as at 30 June 2018</b>	<b>2,601,522</b>	<b>-</b>	<b>-</b>	<b>2,601,522</b>

Due to their short-term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value.

**9. Dividends**

No dividends have been paid or provided for during the half-year ended 31 December 2018 (31 December 2017: nil).

**10. Events Occurring After Reporting Date**

On 16 January 2019 the Company issued 100,000 fully paid ordinary shares and 200,000 unlisted \$0.50 options expiring on 30 June 2022 as consideration for the purchase of geological data.

On 19 January 2019 the Company announced it had significantly expanded its land position at the McDermitt Lithium project in the United States following the staking of an additional 112 claims adjacent to the existing 242 claims and expanding the size of the project by approximately 45% to 28.6km<sup>2</sup>. Further information on the announcement can be found on the Company's website [www.jindalee.net](http://www.jindalee.net).

On 31 January 2019 the Company sold half of its financial asset (investment) in Dacian Gold Limited for net proceeds (before tax) of \$62,544.

With the exception of the issue of shares for geological data and the expansion of the US Lithium tenements and the sale of a portion of the Company's financial assets as outlined above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial periods.



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Jindalee Resources Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Jindalee Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, 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, and 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 2018 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*.

#### 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 2018 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.

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  
A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line. The signature is written in a cursive style.

**Phillip Murdoch**  
**Director**

Perth, 6 March 2019