Castle Minerals Limited

ABN 83 116 095 802

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2019

These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Financial Statements for the year ended 30 June 2019 and any public announcements made by Castle Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

Your directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of Castle Minerals Limited ("Castle" or "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Stephen Stone

Michael Atkins

James Guy

REVIEW AND RESULTS OF OPERATIONS

A summary of consolidated revenues and results for the half-year is set out below:

	2019		2018	
	Revenue and Other Income	Results	Revenue and Other Income	Results
	$	$	$	$
Consolidated entity revenue and other income and profit/(loss)	**333,986**	**42,092**	1,026	(343,918)

During the period, the consolidated entity undertook the following activities:

Pilbara Gold Projects – Beasley Creek

At Beasley Creek, which lies on the northern flanks of the Rocklea Dome, historical stream sediment and geophysical datasets have been reprocessed and reviewed ahead of planned field work to define structural-style gold targets within the older Archean sequences. These lie immediately below the paleo-conglomerate horizons which have been the most recent focus of exploration by Castle. The extensive sheared granite - greenstone contact present at Beasley Creek and a "Paulsen Gold Mine" type geological setting within gabbro/dolerite units that intrude the Hardey Sandstone in the northern part of the project area, are of particular interest.

Ghana - Degbiwu & Gbiniyiri Licences

In August 2019 the Group signed a binding term sheet ("Agreement") with private Ghana company Iguana Resources Ltd ("Iguana"), whereby Iguana may earn up to an 80% interest in the Group's Degbiwu and Gbiniyiri licenses in Ghana's Upper West region by spending a total of US$11.7 million in three stages over five years. The Agreement includes payments to the Group of US$15,000 upon execution (since paid) and upon, amongst other things, Ghanaian government ministerial approval (still pending). Iguana are also required to spend a minimum of US$250,000 on exploration before it can withdraw from the Agreement.

Ghana – Julie West Licence

On 23 October 2019 the Company announced that it had agreed with Azumah Resources Limited ("Azumah") to amend the Julie West Put Option and Sale Agreement ("Option Agreement") whereby the parties to that Option Agreement waived the condition precedent requiring the approval (since received) of the Ghana Minister of Mines and Natural Resources to the transfer to Azumah of the Julie West prospecting licence (refer ASX releases 28 September 2015 and 27 April 2016). Accordingly, Azumah made the final cash payment of $250,000 to complete the sale of the Julie West prospecting licence. Pursuant to the Option Agreement, the Company will retain a 4% net smelter precious metal royalty over the Julie West prospecting licence.

DIRECTORS' REPORT CONTINUED

New Opportunities

The Company continues to actively generate and review new project opportunities spanning a range of commodities in Australia and overseas. None of these have yet met the Company's acquisition criteria.

SUBSEQUENT EVENTS

On 4 February 2020 the Company advised that after completing a review of the Coolyia Creek Project (Pilbara) the Board resolved to relinquish the project.

On 19 February 2020 the Company announced that the Ghana Minister of Lands and Natural Resources had approved the transfer of the Julie West licence to Azumah Resources Limited.

On 21 February 2020 the Company announced a non-renounceable pro-rata entitlement offer ("Entitlement Offer") on the basis of one (1) fully paid ordinary share for every one (1) ordinary share held by shareholders of Castle at 5pm (WST) on Tuesday, 3 March 2020. The Entitlement Offer will provide eligible shareholders the opportunity to subscribe for up to 237,231,273 new ordinary shares in the Company at an issue price of $0.006 per share, to raise approximately $1.423 million (before offer expenses). Details of the Entitlement Offer are set out in the offer document lodged with the ASX on 26 February 2020.

Other than those matters set out above, no other matter or circumstance has arisen since 31 December 2019, which has significantly affected, or may significantly affect the operations of the Group, the result 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 page 5.

This report is made in accordance with a resolution of directors.

Stephen Stone
Managing Director
Perth, 11 March 2020

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF CASTLE MINERALS LIMITED

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

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

This declaration is in respect of Castle Mineral Limited and the entity it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 11 March 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Half-year	
		2019	**2018**
		$	**$**
Interest income		**111**	1,026
Net gain on disposal of tenements		**272,833**	-
Fair value gains on financial assets		**61,042**	-
		333,986	1,026
EXPENDITURE			
Depreciation expense		**(1,113)**	(1,396)
Salaries and employee benefits expense		**(107,499)**	(104,965)
Exploration expenses		**(50,990)**	(141,479)
Corporate expenses		**(36,764)**	(24,816)
Administration expenses		**(68,866)**	(62,700)
Loss on settlement of liability	5(2)	**(26,662)**	-
Fair value losses on financial assets		**-**	(9,588)
PROFIT/(LOSS) BEFORE INCOME TAX		**42,092**	(343,918)
Income tax expense		**-**	-
PROFIT/(LOSS) AFTER TAX FOR THE HALF-YEAR ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED		**42,092**	(343,918)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(801)**	621
Other comprehensive (loss)/income for the period, net of tax		**(801)**	621
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED		**41,291**	(343,297)
Basic and diluted earnings/(loss) per share (cents)		**0.02**	(0.15)

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 2019

	Note	31 December 2019 $	30 June 2019 $
CURRENT ASSETS			
Cash and cash equivalents		**330,221**	242,288
Other receivables		**701**	-
Financial assets at fair value through profit or loss	3	**-**	112,804
TOTAL CURRENT ASSETS		**330,922**	355,092
NON-CURRENT ASSETS			
Plant and equipment		**9,948**	11,061
TOTAL NON-CURRENT ASSSETS		**9,948**	11,061
TOTAL ASSETS		**340,870**	366,153
CURRENT LIABILITIES			
Trade and other payables	4	**56,890**	244,382
TOTAL CURRENT LIABILITIES		**56,890**	244,382
TOTAL LIABILITIES		**56,890**	244,382
NET ASSETS		**283,980**	121,771
EQUITY			
Contributed equity	5	**26,029,672**	25,908,754
Reserves		**923,817**	924,618
Accumulated losses		**(26,669,509)**	(26,711,601)
TOTAL EQUITY		**283,980**	121,771

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Contributed Equity	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$	$	$	$	$
BALANCE AT 1 JULY 2018	25,878,754	674,736	249,466	(26,216,863)	586,093
Loss for the period	-	-	-	(343,918)	(343,918)
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	-	-	621	-	621
TOTAL COMPREHENSIVE INCOME/(LOSS)	-	-	621	(343,918)	(343,297)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the period	30,000	-	-	-	30,000
BALANCE AT 31 DECEMBER 2018	25,908,754	674,736	250,087	(26,560,781)	272,796
BALANCE AT 1 JULY 2019	**25,908,754**	**674,736**	**249,882**	**(26,711,601)**	**121,771**
Profit for the period	**-**	**-**	**-**	**42,092**	**42,092**
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	**-**	**-**	**(801)**	**-**	**(801)**
TOTAL COMPREHENSIVE INCOME/(LOSS)	**-**	**-**	**(801)**	**42,092**	**41,291**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the period	**120,918**	**-**	**-**	**-**	**120,918**
BALANCE AT 31 DECEMBER 2019	**26,029,672**	**674,736**	**249,081**	**(26,642,847)**	**283,980**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Half-year	
	2019	**2018**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds on sale of financial assets	**173,846**	-
Proceeds on sale of mining interests	**272,044**	-
Expenditure on mining interests	**(53,402)**	(122,144)
Payments to suppliers and employees	**(304,650)**	(195,654)
Interest received	**111**	1,026
Net cash inflow/(outflow) from operating activities	**87,949**	(316,772)
Net increase/(decrease) in cash and cash equivalents	**87,949**	(316,772)
Cash and cash equivalents at the beginning of the half-year	**242,288**	685,260
Effects of exchange rate changes on cash and cash equivalents	**(16)**	1,239
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	**330,221**	369,727

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This consolidated interim financial report for the half-year reporting period ended 31 December 2019 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Castle Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated.

New and amended standards adopted by the Group

In the half-year ended 31 December 2019, the Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current period that are relevant to the Group include:

- AASB 16 *Leases*; and
- Interpretation 23 *Uncertainty over Income Tax Treatments*.

AASB 16 Leases

The Group has adopted AASB 16 *Leases* from 1 July 2019 which would result in changes in the classification, measurement and recognition of leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (lease payments) and removes the former distinction between ‘operating’ and ‘finance’ leases. The exceptions are short-term leases and leases of low value assets.

In applying AASB 16 for the first time, as permitted by the standard, the Group has elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered before the transition date the Group relied on its assessment made applying AASB 117 *Leases* and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts. At the initial adoption date, the Group was not a party to any lease contracts. During the half-year the Group entered a lease agreement for the office premises for a fixed period of 12 months commencing 1 January 2020. Under AASB 16 this lease is classified as a short-term lease defined as a lease with a lease term of 12 months or less. Payments associated with this short-term lease will be recognised on a straight-line basis as an expense in profit or loss.

Impact of standards issued but not yet applied by the Group

The Group has 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 its business and, therefore, no change necessary to Group accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

Going concern

For the half-year ended 31 December 2019 the entity, when taking into consideration the two one off transactions being the disposal of tenements and sale of financial assets, Castle had a loss of $291,783 and had net cash outflows from operating activities of $357,941. The Group had no cash generating assets in operation at 31 December 2019 and is unlikely to generate any operating revenue unless its projects are successfully developed or its interests in them monetised. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the entity to continue as a going concern and to continue to fund its operational and marketing activities is dependent on management's ability to secure additional funding. This may be achieved in a number of ways including, but not limited to, the issuance of debt or equity instruments, royalty financing or other capital market alternatives, strategic partnerships, joint ventures and the sale of interests in its projects. These can be complemented by general and exploration expenditure reductions, reductions in licences held and other operational cost-saving initiatives.

While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Group or that they will be available on terms which are acceptable to the Group. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to 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.

Management believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. Subsequent to period end the entity expects to receive additional funds via the Entitlement Offer, as announced to the ASX on 21 February 2020.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business as the Directors are confident that they will be able to raise additional equity as and when required.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

NOTE 2: SEGMENT INFORMATION

For management purposes, the Group has identified two reportable segments being: exploration activities undertaken in Australia; and, exploration activities undertaken in Ghana, West Africa. These segments include activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in the respective geographic location.

Segment performance is evaluated based on the operating profit or loss and cash flows and is measured in accordance with the Group's accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 2: SEGMENT INFORMATION (continued)

	Half-year	
	2019	2018
Exploration Segments	$	$
Segment income – Australia	-	-
Segment income – Ghana	272,833	-
Segment income – Total	272,833	-
Reconciliation of segment income to total income before tax:		
Interest income	111	1,026
Other income	61,042	-
Total income	333,986	1,026
Segment results – Australia	(37,841)	(135,967)
Segment results – Ghana	259,684	(5,511)
Segment results – Total	221,843	(141,478)
Reconciliation of segment result to loss before tax:		
Corporate depreciation	(1,113)	(1,396)
Other corporate and administration	(178,638)	(201,044)
Profit/(loss) before tax	42,092	(343,918)

	31 December 2019	30 June 2019
	$	$
Segment operating assets – Australia	-	-
Segment operating assets – Ghana	-	-
Segment operating assets – Total	-	-
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	340,870	366,153
Total assets	340,870	366,153
Segment operating liabilities – Australia	2,200	4,308
Segment operating liabilities – Ghana	9,747	10,056
Segment operating liabilities – Total	11,947	14,364
Reconciliation of Ghana segment operating liabilities to total liabilities:		
Other corporate and administration liabilities	44,943	230,018
Total liabilities	56,890	244,382

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 3: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2019 $	30 June 2019 $
Australian listed equity securities	-	112,804
Opening balance	**112,804**	31,585
Fair value movements	**61,042**	81,219
Disposals	**(173,846)**	-
Closing balance	**-**	112,804

Changes in fair values of financial assets at fair value through profit or loss are recorded directly on the face of the statement of comprehensive income.

NOTE 4: TRADE AND OTHER PAYABLES

	31 December 2019 $	30 June 2019 $
Trade payables	**19,304**	123,535
Director's fees accruals	**-**	61,003
Other payables and accruals	**37,586**	59,844
	56,890	244,382

NOTE 5: MOVEMENTS OF EQUITY SECURITIES

Ordinary Share Capital	**2019 Shares**	**2019 $**	2018 Shares	2018 $
As at 1 July	**223,795,976**	**25,908,754**	221,795,976	25,878,754
Issued during the half-year				
Issued as part consideration for tenement acquisitions(1)	**-**	**-**	2,000,000	30,000
Issued in lieu of Directors' fees(2)	**13,435,297**	**120,918**	-	-
Transaction costs	**-**	**-**	-	-
As at 31 December	**237,231,273**	**26,029,672**	223,795,976	25,908,754

(1) Due to the nature of the asset acquired, the fair value of the transaction has been determined by reference to the fair value of the equity instruments issued. The fair value of the shares issued was determined by reference to the closing price of $0.015 on the grant date (settlement date of the acquisition) of 13 July 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 5: MOVEMENTS OF EQUITY SECURITIES (continued)

(2) Resolutions were approved by shareholders at the Annual General Meeting of the Company held on 14 November 2019 to issue shares to Directors in lieu of directors' fees for the period 1 January 2019 to 30 September 2019. Each Director had agreed to waive their right to cash remuneration in respect of their net director fees for this period, in substitution for subscribing in advance for ordinary shares in the Company. The issue price of the shares was calculated by reference to the monthly VWAP for the month that the fees were earnt. The directors collectively waived their rights to $94,256 in net directors' fees to subscribe for 13,435,297 ordinary shares in the Company. The closing price of $0.009 on the date of the Annual General Meeting was the grant date fair value of the shares issued, for a total fair value of $120,918. The settlement of this liability by the issue of shares has resulted in a net loss for accounting purposes, resulting from the increase in the value of shares issued in respect to directors' fees from the time that the fees accrued to the grant date fair value at the date of issue. This net loss is recognised in the profit or loss for the half-year of $26,662.

Options	**Number of options**	
	2019	**2018**
As at 1 July	**6,000,000**	6,000,000
Expired on 30 November 2019, exercisable at $0.03	**(6,000,000)**	-
As at 31 December	**-**	6,000,000

NOTE 6: CONTINGENCIES

a) In accordance with a tenement acquisition agreement entered during the 2018 financial year, the following deferred consideration may become payable in future periods:

- 2,000,000 performance rights to vest into fully paid ordinary shares of Castle on the date that Castle submits a Form 5 (in the form specified in the Mining Act) stating that Castle has expended $500,000 on the tenement.

b) The mineral licences held in Ghana by the Company through its wholly owned Ghanaian subsidiary, Carlie Mining Limited, are subject to compliance with the Minerals and Mining Act 2006 (Act 703) and various other laws and regulations governing their application, granting, extension, renewal and general operation. Failure to comply with these conditions may render the licences liable for forfeiture. The Company has applied for extensions of term or renewal and/or a reduction in licence area for a majority of its licences and is awaiting approval from the Ghana MINCOM and the Ghana Minister of Lands and Natural Resources for these. Such approvals will be subject to the payment of various fees which the Company will consider and pay on an individual licence basis as-and-when such fees have been determined and presented. There is no guarantee that the obligations and terms pertaining to individual or all of the Company's licences can or will be economically complied with.

NOTE 7: DIVIDENDS

No dividends were paid during the half-year. No recommendation for payment of dividends has been made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 8: RELATED PARTY TRANSACTIONS

There has been no material change to related party transactions in the half-year ended 31 December 2019.

NOTE 9: SUBSEQUENT EVENTS

On 4 February 2020 the Company advised that after completing a review of the Coolyia Creek Project (Pilbara) the Board resolved to relinquish the project.

On 19 February 2020 the Company announced that the Ghana Minister of Lands and Natural Resources had approved the transfer of the Julie West licence to Azumah Resources Limited.

On 21 February 2020 the Company announced a non-renounceable pro-rata entitlement offer ("Entitlement Offer") on the basis of one (1) fully paid ordinary share for every one (1) ordinary share held by shareholders of Castle at 5pm (WST) on Tuesday, 3 March 2020. The Entitlement Offer will provide eligible shareholders the opportunity to subscribe for up to 237,231,273 new ordinary shares in the Company at an issue price of $0.006 per share, to raise approximately $1.423 million (before offer expenses). Details of the Entitlement Offer are set out in the offer document lodged with the ASX on 26 February 2020.

Other than those matters set out above, no other matter or circumstance has arisen since 31 December 2019, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 6 to 15 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 2019 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Castle Minerals Limited 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 directors.

Stephen Stone
Managing Director

Perth, 11 March 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Castle Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Castle Minerals Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Phillip Murdoch

Director

Perth, 11 March 2020