BULLETIN RESOURCES LIMITED

ACN 144 590 858

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2018

BULLETIN RESOURCES LIMITED
ACN 144 590 858

CONTENTS

BULLETIN RESOURCES LIMITED
ACN 144 590 858

COMPANY DIRECTORY

DIRECTORS

Paul Poli	(Director, Chairman)
Frank Sibbel	(Director)
Robert Martin	(Director)

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Andrew Chapman

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152-158 St George's Terrace
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ASX Code: BNR

Your Directors submit the financial report of the consolidated entity consisting of Bulletin Resources Limited ("the Company") and the entities it controlled ("the Group") at the end of, or during, the half-year ended 31 December 2018.

DIRECTORS

The names of the Directors of the Company in office during the half year and to the date of this report are:

Paul Poli
Frank Sibbel
Robert Martin

RESULT

The loss after tax for the half-year ended 31 December 2018 was $1,443,155 (31 December 2017: $320,484).

REVIEW OF OPERATIONS

Geko Gold Project

On 6 August 2018, the Company, via its wholly owned subsidiary Gekogold Pty Ltd (Gekogold) announced it had executed a Deed of Settlement and Release with Coolgardie Minerals Limited (CM1) whereby the development of the Gekogold Project (Project) can move forward with all legal claims resolved. This interest came at no cost to the Company.

In addition to the Deed of Settlement and Release, both parties have executed a Profit Share Agreement, Exploration and Production Joint Venture Agreement and Third Variation to the TAA.

The key terms of the Deed of Settlement and Release are as follows:

1. Gekogold will retain a royalty, payable in cash, over the Project on the following terms:
   (i) 10% of the first 25,000 oz Au produced;
   (ii) 4% of the next 60,039 oz Au produced; and
   (iii) 2% of all production over and above 85,039 oz Au.

   The above royalty is reduced by a capped amount of $3.25M at a rate of 3.33% per ounce.

2. Gekogold will be entitled to 30% of the profit earned from the sale of minerals from the Project after CM1 has earned $9M profit. Gekogold makes no contribution to the costs of the Project and is not responsible for any losses incurred on the Project.

3. Mining at the Project must commence by 1st October 2018, subject to no major adverse event occurring.

4. Gekogold and CM1 will form a joint venture on a 30:70 basis on the tenement area outside the Project. CM1 will operate the joint venture.

5. Gekogold has subscribed for $500,000 in fully paid ordinary shares in CM1's Initial Public Offering.

6. Both parties execute, within two business days of a formal Deed of Settlement, a memorandum of consent order dismissing all legal proceedings (completed).

During the period CM1 announced that they had commenced gold production of oxide ore from the Geko gold mine and that they had entered into and Ore Purchase agreement with Northern Star Resources Limited (NST). On 31 December 2018 CM1 announced that the third parcel of oxide ore from the Geko gold mine pit has been sold to NST and that NST has the option to purchase an additional circa 90,000 tonnes of oxide ore with a grade above 2.75g/t Au before 31 March 2019.

The sale of the ore by CM1 triggers the commencement of BNR's entitlement to receipt of royalties from CM1 in accordance with the terms above. Bulletin has calculated that, under the royalty agreement, the sale of ore during the quarter means a royalty of $247,000 ex GST is expected to be received on the 31 January 2019.

During the period CM1 also announced that they had conducted an initial exploration drilling program at its Geko Project to test a new, highly prospective gold mineralisation zone which may have the potential to extend the resource. The initial results are positive with mineralisation intersected in three of the four holes drilled. Please refer to CM1 ASX announcements for full details.

Geko Gold Project

The Geko Gold project is in the shire of Coolgardie, Western Australia, approximately 25 kilometres west-north-west of the township of Coolgardie, or about 15 kilometres north of the Bullabulling Gold Mine. It is situated within the Bullabulling Station pastoral lease, in the Jaurdi Land Division of the Coolgardie Mineral Field. It consists of two tenements being M15/621 and L15/229.

New Project Review

On 3 August 2018 Bulletin announced it had entered into a Sale and Purchase Agreement (SPA) with unlisted public company, Territory Minerals Limited (TML) to acquire an 80% direct interest in the Mareeba Gold Project (MGP) (formerly Hodgkinson Basin Gold Project) in north Queensland, west of Cairns.

The MGP comprises approximately 784km^2 of ground including 19 Exploration Permit for Minerals (EPM) tenements and 11 granted or pending Mining Leases.

Bulletin entered into SPA, Joint Venture, Security Deed and Royalty agreements with TML to acquire an 80% direct interest in the MGP tenements by paying TML $1.65M over 30 months with a possible future production payment, to acquire an 80% direct equity interest. Bulletin paid a non-refundable deposit of $50,000.

In addition to the cash payments, TML is free-carried on the project until Bulletin has spent $7M on the project. The $7M can be spent on exploration, development and production expenditure as applicable and has no set timeframe to occur. Upon Bulletin meeting the expenditure requirements, TML must either contribute its share of ongoing expenditure (20%) or be diluted to a net smelter royalty (NSR) of 1.125% on all gold produced and any other metals. Should TML dilute to the NSR, Bulletin will then own a 100% interest in the project.

Due diligence including a site visit, focused on rectifying historical tenure and legal issues with a view to settlement of the acquisition in January 2019.

Bulletin continues to review and conduct due diligence on a number of opportunities in the resources sector but has yet to conclude a transaction. Bulletin will continue to identify an appropriate opportunity that it believes is in its and shareholders best interests.

EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the period, on 25 January 2019 Bulletin advised that it had withdrawn from the proposed acquisition and advised TML that it had formally terminated the SPA. Bulletin was unable to satisfy itself from its due diligence conducted that the acquisition should proceed under the terms originally agreed.

On 1 March 2019 CM1 announced that it had appointed Pitcher Partners as Joint and Several Administrators of the Company. On 6 March 2019 it was announced that Cor Cordis had been appointed as Receivers and Managers of CM1. These appointments directly affect the Company's carrying value of its investment in CM1 and accordingly has resulted in an impairment of the CM1 investment. The appointments do not affect the Company's interest in the Gekogold Project.

Other than the above, no matter or circumstance has arisen subsequent to the balance date, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 7 for the half year ended 31 December 2018**.**

This report is signed in accordance with a resolution of the Board of Directors.

Paul Poli
Chairman

Dated this 8th day of March 2019

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DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF BULLETIN RESOURCES LIMITED

As lead auditor for the review of Bulletin 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 Bulletin Resources Limited and the entities it controlled during the period.

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 8 March 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Half-Year ended 31 December 2018

	Note	31 December 2018 $	31 December 2017 $
Revenue		-	-
Interest received		16,550	42,744
Other income		357	8,441
Other expenses			
Listing and share registry expense		(27,349)	(26,025)
Professional fees		(35,753)	(10,800)
Director and employee benefits expense		(208,612)	(100,312)
Exploration expenditure		(155,940)	(11,481)
Legal fees		(106,434)	(123,112)
Administration expenses		(72,446)	(84,240)
Fair value movement on financial assets	2	(562,820)	-
Share based payments expense	6	(290,708)	-
Loss from operations before income tax expense		(1,443,155)	(304,785)
Income tax expense		-	(15,699)
Loss after income tax expense for the period		(1,443,155)	(320,484)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Net change in fair value of available-for-sale financial assets		-	(4,140)
Available-for-sale financial assets – realised in profit or loss on disposal, net of tax		-	37,000
Total comprehensive income for the half-year		-	32,860
Total comprehensive loss for the period attributable to equity holders of the company		(1,443,155)	(287,624)
Basic and diluted (loss) per share (cents per share)		(0.80)	(0.18)

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

BULLETIN RESOURCES LIMITED
ACN 144 590 858

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Note	31 December 2018 $	30 June 2018 $
Current Assets			
Cash and cash equivalents		2,108,813	3,379,180
Other receivables	3	273,573	1,770
Other financial assets	2	170,460	227,880
Total Current Assets		2,552,846	3,608,830
Non Current Assets			
Exploration and evaluation assets	4	85,484	250,000
Total Non Current Assets		85,484	250,000
Total Assets		2,638,330	3,858,830
Current Liabilities			
Trade and other payables		68,436	136,489
Total Current Liabilities		68,436	136,489
Total Liabilities		68,436	136,489
Net Assets		2,569,894	3,722,341
Equity			
Issued capital	5	1,200,704	1,200,704
Reserves		559,189	216,761
Retained earnings		810,001	2,304,876
Total Equity		2,569,894	3,722,341

The above 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 2018

	Issued Capital $	Other Reserves $	Equity Settled Benefits Reserve $	Retained Earnings $	Total $
Balance at 1 July 2017	1,200,704	(98,980)	268,481	2,891,751	4,261,956
Comprehensive gain/(loss) for period attributable to members	-	32,860	-	(320,484)	(287,624)
Total comprehensive gain for the period	-	32,860	-	(320,484)	(287,624)
Balance at 31 December 2017	1,200,704	(66,120)	268,481	2,571,267	3,974,332
Balance at 1 July 2018	1,200,704	(51,720)	268,481	2,304,876	3,722,341
Comprehensive loss for period attributable to members	-	-	-	(1,443,155)	(1,443,155)
Total comprehensive loss for the period	-	-	-	(1,443,155)	(1,443,155)
Share based payment	-	-	290,708	-	290,708
Transfer to retained earnings (Note 1a)	-	51,720	-	(51,720)	-
Balance at 31 December 2018	1,200,704	-	559,189	810,001	2,569,894

The above 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 2018

	31 December 2018 $	31 December 2017 $
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(493,439)	(303,729)
Interest received	17,455	43,604
Other income	357	-
Net cash outflows in operating activities	(475,627)	(260,125)
Cash flows from investing activities		
Payments for exploration expenditure	(289,340)	(11,240)
Payments for Other Financial Assets	(505,400)	-
Loan monies advanced	-	(125,000)
Proceeds from sale of available-for-sale-investments	-	108,441
Net cash outflows in investing activities	(794,740)	(27,799)
Cash flows from financing activities		
Net cash outflows in financing activities	-	-
Net decrease in cash and cash equivalents held	(1,270,367)	(287,924)
Cash and cash equivalents at the beginning of the period	3,379,180	5,350,840
Cash and cash equivalents at the end of the period	2,108,813	5,062,916

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION

(a) The half year financial report as at and for the six months ended is prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting, applicable accounting standards and other mandatory professional reporting requirements.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Bulletin Resources Limited during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The half year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the consolidated financial performance, consolidated financial position and cash flows of the entity as in the full financial report.

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 financial year ended 30 June 2018 except for the following:

AASB 9 Financial Instruments

On 1 July 2018 (the date of initial application of AASB 9), the group's management has assessed which business models apply to the financial assets held by the group. The main effects resulting from this is the reclassification from available-for-sale to Financial Assets at Fair Value Through Profit and Loss (FVPL).

Certain investments in listed equity securities were reclassified from available-for-sale to financial assets at FVPL ($227,880 as at 1 July 2018). They do not meet the AASB 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

Related fair value loss of $51,720 were transferred from the available-for-sale financial assets reserve (recognised within reserves) to retained earnings on 1 July 2018.

There is no further significant impact under AASB 9.

Other new or amended standards became applicable for the current reporting period but had no impact on the financial statements include;

- AASB 15 *Revenue from Contracts with Customers*

(b) Impact of standards issued but not yet applied by the entity

AASB 16 *Leases* was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The group does not intend to adopt the standard before its effective date.

(c) 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

1. BASIS OF PREPARATION (continued)

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.

(d) Significant accounting judgements and key estimates

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Carrying value of Exploration and Evaluation (E&E) Assets

Subsequent to the half-year reporting date, Bulletin's joint venture partner, Coolgardie Minerals Limited entered voluntary administration. The Board has considered the impact of this and are of the view that this does not have a significant impact on the carrying value of the E&E Asset. For further detail, refer to Note 11.

2. OTHER FINANCIAL ASSETS

	31 Dec 18 $	30 Jun 18 $
Investment in listed entities	170,460	227,880
	170,460	227,880

The fair value movement on financial assets in the profit or loss of $562,820 is made up of a $500,000 fair value decrease in Coolgardie shares purchased in the period, and the movement in all other listed investments from 30 June 2018. A summary of all investments held in the period is shown below:

(i) The Company holds shares and options in Auris Minerals Limited (AUR), which is involved in exploration of gold and base metals in Western Australia. AUR is listed on the Australian Securities Exchange.

At the end of the period the Company's investment was $91,260 (30 June 2018: $146,880) which is based on AUR's quoted share price at 31 December 2018.

(ii) The Company holds shares in Kalamazoo Resources Limited (KZR), which is involved in exploration of gold and base metals in Western Australia and Victoria. KZR is listed on the Australian Securities Exchange.

At the end of the period the Company's investment was $79,200 (30 June 2018: $81,000) which is based on KZR's quoted share price at 31 December 2018.

(iii) The Company purchased 2.5 million shares for $500,000 in Coolgardie Minerals Limited (CM1), which is involved in exploration and development of gold in Western Australia. CM1 is listed on the Australian Securities Exchange.

At the end of the period the Company's investment was $150,000 (30 June 2018: Nil) based on CM1's quoted share price at 31 December 2018. Subsequent to the end of the period CM1 had Administrator and a Receiver Manager appointed. As a result the Company has elected to fair value its whole investment in CM1 to nil at 31 December 2018.

3. OTHER RECEIVABLES

	31 Dec 18 $	30 Jun 18 $
Royalty receivable (i)	272,708	-
Other receivables	865	1,770
	273,573	1,770

(i) Royalty receivable as per Note 4(i) receipted on 30 January 2019.

4. EXPLORATION AND EVALUATION ASSETS

	31 Dec 18 $	31 Jun 18 $
Retained interest (i)	2,084	250,000
Joint venture contributions (ii)	83,400	-
	85,484	250,000

(i) Retained Interest

On 26 July 2017 the Company acquired Gekogold Pty Ltd (“Gekogold”), the then registered owner of the Geko gold project located 25 km’s WNW of Coolgardie. Gekogold is a party to a Tenements Acquisition Agreement with Coolgardie Minerals Limited (CM1), formerly Golden Eagle Mining Limited, an unlisted company, dated 19th December 2014, whereby CM1 has acquired the project under certain conditions from Gekogold in return for a royalty.

Following a dispute between the parties on 19th February 2018, both parties voluntarily entered into a mediation process to resolve all differences in good faith. In early August 2018 both parties reached settlement on the project dispute and entered into a Deed of Settlement and Release.

In addition to the Deed of Settlement and Release, both parties executed a Profit Share Agreement, Exploration and Production Joint Venture Agreement and Third Variation to the TAA.

The key terms of the Deed of Settlement and Release are as follows:

1. Gekogold will retain a royalty, payable in cash, over the Project on the following terms:
   (i) 10% of the first 25,000 oz Au produced;
   (ii) 4% of the next 60,039 oz Au produced; and
   (iii) 2% of all production over and above 85,039 oz Au.
   The above royalty is reduced by a capped amount of $3.25M at a rate of 3.33% per ounce.
2. Gekogold will be entitled to 30% of the profit earned from the sale of minerals from the Project after CM1 has earned $9M profit. Gekogold makes no contribution to the costs of the Project and is not responsible for any losses incurred on the Project with mining to commence by 1st October 2018, subject to no major adverse event occurring.
3. Gekogold and CM1 have formed a joint venture on a 30:70 basis on the tenement area outside the Project. CM1 will operate the joint venture.
4. Gekogold subscribed for $500,000 in fully paid ordinary shares in CM1’s Initial Public Offering in July 2018. CM1 was admitted to the ASX on 30 August 2018.

(ii) Joint Venture Contribution

Bulletin, via its wholly owned subsidiary Gekogold, has a 30% interest in the Gekogold Exploration and Production Joint Venture Agreement (Joint Venture) with CM1 whereby it contributes to the Joint Venture via way of cash calls. CM1 is the operator of the Joint Venture.

The above retained interest and Joint Venture Contributions should be read in conjunction with the subsequent events noted in Note 11.

	31 Dec 18 $	30 Jun 18 $
5. ISSUED CAPITAL		
179,293,074 (30 June 2018:179,293,074) ordinary shares	1,200,704	1,200,704

Movement of ordinary share capital

	31 Dec 18 Number	30 Jun 18 Number	31 Dec 18 $	30 Jun 18 $
At the beginning of the reporting period	179,293,074	179,293,074	1,200,704	1,200,704
Exercise of options	-	-	-	-
Return of capital (i)	-	-	-	
Transaction costs	-	-	-	-
At the end of the reporting period	179,293,074	179,293,074	1,200,704	1,200,704

No dividends have been paid or declared since the start of the financial period, and none are recommended.

6. SHARE BASED PAYMENTS

In November 2018 the Company granted 14,500,000 unlisted options to directors, the company secretary and a consultant with an exercise price of $0.043 each expiring on 30 November 2021. These options vested immediately. The fair value of the options granted during the six months to 31 December 2018 was estimated to have a value of $290,708 on the grant date being the approval at the company's 2018 AGM (15 November 2018) using the following assumptions:

	2018
Dividend yield (%)	-
Expected volatility (%)	106.05
Risk-free interest rate (%)	2.13
Expected life of options (years)	3.03
Option exercise price ($)	0.043
Share price at grant date ($)	0.033
Fair value at grant date (c)	0.02

The weighted average fair value of the options for the six months to 31 December 2018 was 1.7 cents (2017: Nil) per share.

7. SEGMENT REPORTING

The Group operates in the mineral exploration industry in Australia. For management purposes, the Group is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

8. CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors, there are no further contingent assets or liabilities as at 31 December 2018, other than those disclosed in Note 4.

9. COMMITMENTS

The Company has no commitments as at 31 December 2018 other than that disclosed in the Note 4.

10. RELATED PARTIES

There have been no material changes in the related party transactions from the annual report other than that as disclosed in Note 6 above. For details on these arrangements refer to the 30 June 2018 consolidated annual financial report.

11. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the period, on 25 January 2019 Bulletin advised that it had withdrawn from the proposed acquisition and advised TML that it had formally terminated the SPA. Bulletin was unable to satisfy itself from its due diligence conducted that the acquisition should proceed under the terms originally agreed.

On 1 March 2019, CM1 announced that it had appointed Pitcher Partners as Joint and Several Administrators of the Company. On 6 March 2019 it was announced that Cor Cordis had been appointed as Receivers and Managers of CM1. These appointments directly affect the Company's carrying value of its investment in CM1 and accordingly has resulted in an impairment of the CM1 investment. The appointments do not affect the Company's interest in the Gekogold Project.

Other than the above, no matter or circumstance has arisen subsequent to the balance date, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

12. 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.

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 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2018				
Financial asset at fair value through profit and loss	170,460	-	-	170,460
Total as at 31 December 2018	170,460	-	-	170,460
30 June 2018				
Available-for-sale financial asset	227,880	-	-	227,880
Total as at 30 June 2018	227,880	-	-	227,880

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

DIRECTORS DECLARATION

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 8 to 16, are in accordance with the Corporations Act 2001, including:

   (a) complying with Accounting Standards AASB134 Interim Financial Reporting, the Corporations Regulations 2001; and other mandatory professional reporting requirements

   (b) 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

2. In the directors' opinion there are reasonable grounds to believe that Bulletin Resources 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.

Dated at Perth this 8th day of March 2019

Paul Poli
Chairman

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bulletin Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Bulletin 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

Neil Smith

Director

Perth, 8 March 2019