



# **Tian Poh Resources Limited**

(ABN 46 168 910 978)

## **Half-Year Report**

30 June 2018

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## Corporate Information

ABN 46 168 910 978

### Directors

Mr Poh Kay Ping *Managing Director & CEO*  
Mr Tan-Kang Kee Sing *Non-Executive Director*  
Mr Michael van Uffelen *Non-Executive Director*

### Principal Office

48 Pandan Road  
Singapore 609289

### Company Secretary

Mr Michael van Uffelen

### Web Address

[www.tianpoh.com](http://www.tianpoh.com)

### Registered Office

C/- PKF  
Level 4  
35 – 37 Havelock Street  
West Perth WA 6005

Telephone: +61 8 9426 8999

Facsimile: +61 8 9426 8900

Email: [info@tianpoh.com](mailto:info@tianpoh.com)

ASX Code: TPO

### Auditors

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

## Directors' Report

Your Directors present their report on Tian Poh Resources Limited (the "Company") and the entities it controlled (the "Group") for the half-year ended 30 June 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

### Directors

The names of directors who held office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Poh Kay Ping	Managing Director & CEO
Mr Tan-Kang Kee Sing	Non-Executive Director
Mr Michael van Uffelen	Non-Executive Director

### Principal Activities

The principal activity during the period was the exploration for minerals in Mongolia.

### Review of Operations

- The Company held its AGM with all resolutions being passed.
- The Company progressed with pre-feasibilities studies of its Nuurst Coal Project in Mongolia.
- Activities have been limited while the Company assesses funding for the next stage of development of the Company's projects.

### Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the period.

### Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 15 and forms part of this Directors' report for the half-year ended 30 June 2018.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



**Mr KP Poh**  
**Managing Director and CEO**

Singapore, 13 September 2018

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Note	30 June 2018 \$	30 June 2017 \$
Interest income		4,672	9,985
Finance costs	8	(305,029)	(45,428)
Employee benefits expense		(265,403)	(142,570)
General and administrative expenses		(218,917)	(207,636)
Impairment expense	4(a)	(96,206)	-
Professional Fees		(158,552)	(66,787)
Other income		60	9,334
<b>Loss from operating activities</b>		<b>(1,039,375)</b>	<b>(443,102)</b>
Income tax expense		-	-
<b>Loss for the period after tax</b>		<b>(1,039,375)</b>	<b>(443,102)</b>
- Other comprehensive income, net of tax			
o Exchange differences on translation of foreign operations		(190,080)	(443,215)
<b>Total comprehensive (loss) for the year attributable to the owners</b>		<b>(1,229,455)</b>	<b>(886,317)</b>
Basic and diluted (loss) per share (cents per share)		(0.5)	(0.5)

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	As at 30 June 2018 \$	As at 31 December 2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		379,052	2,264,180
Trade and other receivables		4,115	18,656
Loans receivable	4	<u>104,760</u>	<u>263,600</u>
<b>Total Current Assets</b>		<b><u>487,927</u></b>	<b><u>2,546,436</u></b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation assets	5	5,473,596	5,163,277
Loans receivable	4	134,484	141,314
Other		<u>22,763</u>	<u>23,268</u>
<b>Total Non-Current Assets</b>		<b><u>5,630,843</u></b>	<b><u>5,327,859</u></b>
<b>TOTAL ASSETS</b>		<b><u>6,118,770</u></b>	<b><u>7,874,295</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	539,370	504,349
Financial liabilities	4	<u>1,239,725</u>	<u>1,650,353</u>
<b>Total Current Liabilities</b>		<b><u>1,779,095</u></b>	<b><u>2,154,702</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	4	<u>-</u>	<u>150,463</u>
<b>Total Current Liabilities</b>		<b><u>-</u></b>	<b><u>150,463</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>1,779,095</u></b>	<b><u>2,305,165</u></b>
<b>NET ASSETS</b>		<b><u>4,339,675</u></b>	<b><u>5,569,130</u></b>
<b>EQUITY</b>			
Issued capital	7	13,819,982	13,819,982
Reserves		(204,837)	(14,757)
Accumulated losses		<u>(9,275,470)</u>	<u>(8,236,095)</u>
<b>TOTAL SHAREHOLDERS EQUITY</b>		<b><u>4,339,675</u></b>	<b><u>5,569,130</u></b>

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2018

	30 June 2018	30 June 2017
	\$	\$
<b>Cash flows from Operating Activities</b>		
Payments to suppliers and employees	(506,838)	(398,587)
Interest received	4,672	9,985
<b>Net cash (outflow) from operating activities</b>	<b>(502,166)</b>	<b>(388,602)</b>
<b>Cash Flows from Investing Activities</b>		
Payment for acquisition, exploration and evaluation costs	(19,756)	(56,169)
Proceeds on the sale of investments	-	-
Receipt of loan repayments	6,677	54,139
<b>Net cash (outflow) from investing activities</b>	<b>(13,079)</b>	<b>(2,030)</b>
<b>Cash Flows from Financing Activities</b>		
Advances by related parties	-	123,332
Advances from other parties	-	288,755
Repayment of borrowings	(1,369,883)	-
<b>Net cash inflow from financing activities</b>	<b>(1,369,883)</b>	<b>412,087</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,885,128)</b>	<b>21,455</b>
Cash and cash equivalents at the beginning of the financial period	2,264,180	72,245
<b>Cash and cash equivalents at the end of the financial period</b>	<b>379,052</b>	<b>93,700</b>

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Ordinary Shares	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance as at 1 January 2018	13,819,982	(14,757)	(8,236,095)	5,569,130
Loss for the period	-	-	(1,039,375)	(1,039,375)
Net exchange differences on the translation of the financial reports of foreign subsidiaries	-	(190,080)	-	(190,080)
<b>Total comprehensive loss for the year</b>	-	(190,080)	(1,039,375)	(1,229,455)
<b>Balance as at 30 June 2018</b>	<b>13,819,982</b>	<b>(204,837)</b>	<b>(9,275,470)</b>	<b>4,339,675</b>

	Ordinary Shares	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance as at 1 January 2017	9,977,008	(409,019)	(6,839,568)	2,728,421
Loss for the period	-	-	(443,102)	(443,102)
Net exchange differences on the translation of the financial reports of foreign subsidiaries	-	(443,215)	-	(443,215)
<b>Total comprehensive loss for the year</b>	-	(443,215)	(443,102)	(886,317)
<b>Balance as at 30 June 2017</b>	<b>9,977,008</b>	<b>(852,234)</b>	<b>(7,282,670)</b>	<b>1,842,104</b>

The accompanying notes form part of these financial statements



## **1. CORPORATE INFORMATION**

The financial report of Tian Poh Resources Limited (the "Company") for the half-year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 13 September 2018.

Tian Poh Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Group during the half-year was exploration and evaluation of mineral licences in Mongolia.

## **2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

### **Basis of Preparation**

These general purpose condensed consolidated financial statements for the half-year ended 30 June 2018 have been prepared in accordance with AASB 134 Interim Financial Reporting as issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of the Group as at 31 December 2017.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Company during the half-year ended 30 June 2018 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

### **Going concern**

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss of \$1,039,375 (2017: \$443,102), net operating cash outflows of \$502,166 (2017: \$388,602) and net investing cash outflows of \$13,079 (2017: \$2,030) for the period.

The Group's ability to continue as a going concern and pay its debts as and when they fall due is dependent on the following:

- Active management of the current level of discretionary expenditure in line with the funds available to the Group;
- The ability of the Group to extend the repayment of loans.
- The ability to raise additional funding through either debt facilities or capital raising.
- Continued financial support from the Directors including cash advances and a willingness to not call upon loan balances.

These conditions indicate the existence of a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business.

Based on the existing cash resources, the ability to raise additional funding either by way of debt or capital raisings if required, the directors are satisfied that the going concern basis of preparation is appropriate.

## **2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**

### **Going concern (continued)**

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that may be necessary if the Group is unable to continue as a going concern

### **Adoption of new or revised accounting standards and interpretations**

In the half-year ended 30 June 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 reporting periods beginning on or after 1 January 2018. A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of the adoption of the following standards:

- AASB 9 Financial Instruments; and
- AASB 15 Revenue from Contracts with Customers.

The impact of the adoption of these standards and the new accounting policies are disclosed below. The impact of these standards, and the other new and amended standards adopted by the Group, has not had a material impact on the amounts presented in the Group's financial statements.

The impact of the impairment requirements of AASB 9 on cash and cash equivalents and other receivables has not resulted in a material impact to the financial statements.

Under AASB 9, the Group was required to revise the impairment methodology used in the calculation of its provision for doubtful debts to the expected credit loss model. This change in methodology has not had a material impact on the financial statements. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and loans.

### **AASB 9 Financial Instruments – Accounting Policies Applied from 1 January 2018**

#### *Classification*

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on how the Group manages the financial assets and the contractual terms of the cash flows. At half year end, all of the Group's financial assets have been classified as those to be measured at amortised cost.

#### *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### *Impairment*

From 1 January 2018, the Group assesses expected credit losses associated on a forward looking basis. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

### Adoption of new or revised accounting standards and interpretations (continued)

#### AASB 15 Revenue from Contracts with Customers – Impact of Adoption

The Group has adopted AASB 15 *Revenue from Contracts with Customers* from 1 January 2018 which resulted in changes to accounting policies but no adjustments to the amounts recognised in the financial statements.

#### AASB 15 Revenue from Contracts with Customers – Accounting policies

The Group is currently not generating revenue as it is still conducting exploration activities.

The Group has no material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

### Significant accounting judgements, estimates and assumptions

#### Financial Assets

Loans are carried at amortised cost using the effective interest method and other financial assets are carried at fair value. Financial assets are derecognised when the rights to receive the cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

#### Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest acquired where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

## 3. SEGMENT REPORTING

The Group operates predominately in the mineral exploration industry. For management purposes, the Group is organised into one main operating segment, which involves the exploration for minerals. All of the Group activities are inter-related 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 results of the Group as a whole.

## 4. FINANCIAL ASSETS AND LIABILITIES

	At 30 June 2018 \$	At 31 December 2017 \$
<i>Current assets</i>		
Loans receivable (a)	104,760	263,300
	<u>104,760</u>	<u>263,600</u>
<i>Non-current assets</i>		
Loans receivable	134,484	141,314
	<u>134,484</u>	<u>141,314</u>

**4. FINANCIAL ASSETS AND LIABILITIES (continued)**

	<b>At 30 June 2018</b>	<b>At 31 December 2017</b>
	\$	\$
Related party loans (b)	224,652	1,376,204
Convertible notes and accrued interest (c)	472,594	274,149
Short term loans (d)	542,479	-
	<u>1,239,725</u>	<u>1,650,553</u>
Non-current assets		
Convertible notes and accrued interest (c)	-	150,462
	<u>-</u>	<u>150,462</u>

(a) Loans receivable

Loans receivable of \$96,206 were impaired during the period.

(b) Related party loans

Related party loans are interest free and have no fixed maturity date.

(c) Convertible notes

The following convertible notes are on issue:

- USD 192,000 convertible notes bearing 8% interest net of any applicable withholding tax, from 23 March 2016, paid annually in arrears unless redeemed or converted earlier, maturing on 19 April 2019 and convertible into fully paid ordinary shares at A\$0.02 per share;
- SGD 16,050 convertible notes bearing 5% interest net of any applicable withholding tax, from 16 March 2017, paid annually in arrears unless redeemed or converted earlier, maturing on 15 March 2019 and convertible into fully paid ordinary shares at A\$0.015 per share;
- AUD 75,000 convertible notes bearing 5% interest net of any applicable withholding tax, from 18 April 2017, paid annually in arrears unless redeemed or converted earlier, maturing on 17 April 2019 and convertible into fully paid ordinary shares at A\$0.015 per share; and
- AUD 60,000 - AUD convertible notes bearing 5% interest net of any applicable withholding tax, from 20 April 2017, paid annually in arrears unless redeemed or converted earlier, maturing on 19 April 2019 and convertible into fully paid ordinary shares at A\$0.015 per share.

A convertible note was issued by the Group as part of a share purchase agreement, which includes embedded derivatives (option to convert the security to variable number of shares in the Group). This convertible note was initially recognised as financial liabilities at fair value. On initial recognition, the fair value of the convertible note and value of the equity components (options issued at commencement of facility) equated to the proceeds received. Subsequently the convertible note was measured at fair value with movements recognised in the profit or loss as finance costs.

(d) Short term loans

Short term loans are repayable 7 days from demand and accrue interest of 6% per annum.

**5. EXPLORATION AND EVALUATION ASSETS**

	<b>Half-year Ended 30 June 2018</b>	<b>Year Ended 31 December 2017</b>
	\$	\$
Opening balance	5,163,277	5,773,473
Exchange rate difference	290,563	(555,270)
Impairment	-	(196,765)
Expenditure	19,756	141,839
At 30 June	<u>5,473,596</u>	<u>5,163,277</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

**6. TRADE AND OTHER PAYABLES**

	<b>At 30 June 2018</b>	<b>At 31 December 2017</b>
	\$	\$
Trade payables	11,190	105,339
Accruals	528,180	399,010
	<u>539,370</u>	<u>504,349</u>

**7. CONTRIBUTED EQUITY**

	<b>Number of shares</b>	<b>\$</b>
<u>Movements in ordinary share capital:</u>		
Balance at 31 December 2017	386,512,810	13,819,982
Movements during the period	-	-
Balance at 30 June 2018	<u>386,512,810</u>	<u>13,819,982</u>
<u>Movements in ordinary share capital:</u>		
Balance at 31 December 2016	193,256,405	9,977,008
Movements during the period	-	-
Balance at 30 June 2017	<u>193,256,405</u>	<u>9,977,008</u>

8. FINANCE COSTS

	Half-year Ended 30 June 2018	Half-year Ended 30 June 2017
	\$	\$
Interest expense	(15,368)	(273,773)
Foreign currency gains	-	50,082
Fair value adjustment (see note 4(c))	<u>(289,661)</u>	<u>178,263</u>
	<u>(305,029)</u>	<u>(45,428)</u>

9. COMMITMENTS & CONTINGENT LIABILITIES

There has been no change in commitments or contingent liabilities since the last annual reporting date.

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the Company's accounting policies. All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, is described as follows:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

*Recognised fair value measurements*

The following table presents the Group's liabilities measured at fair value at 30 June 2018 and 31 December 2017:

At 30 June 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Convertible notes	-	472,594	-	472,594
<b>Total</b>	<b>-</b>	<b>472,594</b>	<b>-</b>	<b>472,594</b>

  

At 31 December 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Convertible notes	-	274,149	-	274,149
<b>Total</b>	<b>-</b>	<b>274,149</b>	<b>-</b>	<b>274,149</b>

*Fair value of other financial instruments not measured at fair value*

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

**11. INTEREST IN SUBSIDIARIES**

**(a) Subsidiaries**

The consolidated financial statements include the financial statements of Tian Poh Resources Limited and the subsidiaries listed in the following table:

<b>Name</b>	<b>Country of Incorporation</b>	<b>% Equity interest 2018</b>	<b>% Equity interest 2017</b>
Poh Golden Ger Resources Limited	Seychelles	100%	100%
Poh Golden Ger Resources Pte Ltd	Singapore	100%	100%
Poh Golden Ger Resources LLC	Mongolia	100%	100%
Amulet LLC	Mongolia	100%	100%
Mandal-Urgukh LLC	Mongolia	100%	100%
Khangailand LLC	Mongolia	100%	100%
Derong Mining Limited	Hong Kong	100%	100%
Huabei Kuangye LLC	Mongolia	100%	100%
Modun Resources LLC	Mongolia	100%	100%

**12. RELATED PARTY TRANSACTIONS**

There were no other transactions with related parties during the half-year other than those that were on the same basis as stated in the 31 December 2017 Annual Report.

**13. EVENTS AFTER BALANCE DATE**

There are no significant events subsequent to reporting date which may affect the financial position of the Group.

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes thereto, as set out on pages 7 to 13:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting, Corporation Act 2001, the Corporations Regulations 2001 and mandatory professional reporting requirements; and
  - b. give a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to S303 (5) of the Corporations Act 2001.



**Mr KP Poh**  
**Managing Director**

13 September 2018



DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF TIAN POH  
RESOURCES LIMITED

As lead auditor for the review of Tian Poh Resources for the half-year ended 30 June 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 Tian Poh Resources Limited and the entities it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 13 September 2018

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Tian Poh Resources Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Tian Poh Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 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, 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 30 June 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 *Corporations Regulations 2001*.

#### Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 2 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 30 June 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', written over a horizontal line.

Phillip Murdoch

Director

Perth, 13 September 2018