

# **Resource Base Limited**

**ABN 57 113 385 425**

**Interim Report - 31 December 2020**

**Resource Base Limited**  
**Corporate directory**  
**31 December 2020**

Directors

Shannon Green (Executive Chairman)  
John Lewis (Executive Director)  
Jamie Myers (Non-Executive Director)

Company secretary

Shannon Coates

Registered office

Suite 5, 62 Ord Street  
West Perth WA 6005

Principal place of business

Suite 5, 62 Ord Street  
West Perth WA 6005

Share register

Link Market Services  
Level 4 Central Park  
152 St George Terrace  
Perth WA 6000

Auditor

Elderton Pty Ltd  
Level 2, 267 St Georges Tce,  
Perth WA 6000

**Resource Base Limited**  
**Directors' report**  
**31 December 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Resource Base Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled during, the half-year ended 31 December 2020.

**Directors**

The following persons were directors of Resource Base Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Shannon Green  
Jamie Myers  
Michael Kennedy (resigned 26 October 2020)  
John Lewis (appointed 26 October 2020)

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of assessment of exploration and commercial opportunities to leverage off Resource Base's existing assets.

**Review of operations**

The loss for the period after providing for income tax amounted to \$1,030,445 (31 December 2019: \$481,953).

The shares in the company continued to be suspended from trading on the ASX between 1 July 2020 and 19 November 2020 when the Company was officially delisted from the ASX.

The potential to utilise the idled Broula King processing site and all other assets held by the Company's 100% owned subsidiary Broula King Joint Venture Pty Ltd were sold to Sunshine Reclamation Pty Ltd on 18 December 2020.

In addition to focusing on realising the Broula King site, discussions have been held with parties in respect of prospects located elsewhere around Australia. In particular, approaches have been received in respect of mineral exploration opportunities, and especially copper and gold bearing prospects. This reflects the continued high A\$ gold price, and the general high level of corporate activity throughout the gold sector. The company continues to investigate all opportunities with a view to completing a transaction early in 2021.

**Resource Base Limited**  
**Directors' report**  
**31 December 2020**

**Significant changes in the state of affairs**

As noted above the Company was officially delisted from the ASX on 19 November 2020 and the Company sold its investment in Broula King Joint Venture Pty Ltd effective on 18 December 2020.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Subsequent Events**

On 16 February 2021, the Company announced it had entered into a Binding Term Sheet (Term Sheet) with ASX listed Navarre Minerals Limited (ACN 113 385 425) (NML or the Vendor) pursuant to which the Company has agreed to acquire from the Vendor Exploration Licence 4590 (the Tenement or the Black Range Project) and all applicable mining information and the benefit of any applicable access, heritage and native title agreements relating to the Tenement area (together, the Sale Assets).

The Black Range Project, located 260km west of Melbourne in Victoria and approximately 60km north-west of Stavely Mineral's Limited's Cayley Lode copper discovery, includes the Eclipse prospect and is prospective for copper, gold and zinc. During FY2020, NML announced the completion of a 1,496m diamond drilling program across 3 holes at the Eclipse prospect. Results of the drilling program are included in NML's ASX announcement dated 18 June 2020.

The Term Sheet conditions among others normally associated with an agreement of this type included

- a. Resource Base completing a consolidation of capital at a ratio of one (1) new security for every eight (8) securities (unless another ratio is otherwise mutually agreed by both parties) (**Consolidation**);
- b. Resource Base completing a capital raising of not less than such amount as is required by ASX to allow the Company's securities to be admitted to trading on the Official List of the ASX following settlement of the Acquisition (**Capital Raising**);

The Company has entered into agreement with all the creditors whose debts are recorded as Borrowings in the accounts. Whereby these debts have been compromised and converted to share prior to the Consolidation referred to above. These agreements are conditional upon the Company completing the acquisition of the Black Range project raising sufficient capital and being quoted on the ASX.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future 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 4.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Shannon Green  
Director

10 March 2021

## Auditor's Independence Declaration

To those charged with the governance of Resource Base Limited

As auditor for the review of Resource Base Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

Elderton Audit Pty Ltd.

**Elderton Audit Pty Ltd**

Nicholas Hollens

**Nicholas Hollens**  
Managing Director

10 March 2021

**Resource Base Limited**  
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**31 December 2020**

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**Resource Base Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>Dec 2020</b>	<b>Dec 2019</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>		-	28,319
Interest revenue calculated using the effective interest method		2,711	5,675
<b>Expenses</b>			
Administration expenses		(43,562)	(17,141)
Corporate expenses		(302,205)	(237,308)
Care and maintenance expenses		(118,802)	(18,181)
Occupancy		(7,125)	(8,993)
Movement in provision for rehabilitation		-	(72,000)
Other expenses		(1,095)	(8,138)
Loss on sale of Subsidiary	4	(331,228)	-
Finance costs		(229,139)	(154,186)
<b>Loss before income tax expense</b>		(1,030,445)	(481,953)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Resource Base Limited</b>		(1,030,445)	(481,953)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive loss for the half-year attributable to the owners of Resource Base Limited</b>		<u>(1,030,445)</u>	<u>(481,953)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	10	(3.72)	(1.75)
Diluted earnings per share	10	(3.72)	(1.75)

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

**Resource Base Limited**  
**Statement of financial position**  
**As at 31 December 2020**

	Note	Consolidated	
		Dec 2020	Jun 2020
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		39,065	24,265
Receivables		3,519	71,780
Other		-	3,204
		<u>42,584</u>	<u>99,249</u>
Non-current assets classified as held for sale	4	-	1,022,254
Total current assets		<u>42,584</u>	<u>1,121,503</u>
<b>Non-current assets</b>			
Plant and equipment		-	203
Total non-current assets		<u>-</u>	<u>203</u>
<b>Total assets</b>		<u>42,584</u>	<u>1,121,706</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	5	354,576	598,241
Borrowings	6	<u>3,607,691</u>	<u>2,630,115</u>
		<u>3,962,267</u>	<u>3,228,356</u>
Liabilities directly associated with assets classified as held for sale		-	572,000
Total current liabilities		<u>3,962,267</u>	<u>3,800,356</u>
<b>Non-current liabilities</b>			
Payables	7	-	210,588
Total non-current liabilities		<u>-</u>	<u>210,588</u>
<b>Total liabilities</b>		<u>3,962,267</u>	<u>4,010,944</u>
<b>Net liabilities</b>		<u>(3,919,683)</u>	<u>(2,889,238)</u>
<b>Equity</b>			
Issued capital		14,602,953	14,602,953
Reserves		46,583	46,583
Accumulated losses		<u>(18,569,219)</u>	<u>(17,538,774)</u>
<b>Total deficiency in equity</b>		<u>(3,919,683)</u>	<u>(2,889,238)</u>

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



**Resource Base Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2020**

	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total deficiency in equity \$</b>
<b>Consolidated</b>				
Balance at 1 July 2019	14,602,953	30,414	(16,640,876)	(2,007,509)
Loss after income tax expense for the half-year	-	-	(481,953)	(481,953)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(481,953)	(481,953)
Balance at 31 December 2019	<u>14,602,953</u>	<u>30,414</u>	<u>(17,122,829)</u>	<u>(2,489,462)</u>
	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total deficiency in equity \$</b>
<b>Consolidated</b>				
Balance at 1 July 2020	14,602,953	46,583	(17,538,774)	(2,889,238)
Loss after income tax expense for the half-year	-	-	(1,030,445)	(1,030,445)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,030,445)	(1,030,445)
Balance at 31 December 2020	<u>14,602,953</u>	<u>46,583</u>	<u>(18,569,219)</u>	<u>(3,919,683)</u>

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

**Resource Base Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2020**

	<b>Consolidated</b>	
	<b>Dec 2020</b>	<b>Dec 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	-	11,966
Payments to suppliers and employees (inclusive of GST)	(456,260)	(511,244)
	(456,260)	(499,278)
Interest received	2,711	6,171
Other revenue	-	24,526
Interest and other finance costs paid	-	(5,438)
Refund of security deposits	-	25,628
Loss on Sale of Subsidiary	289,173	-
Net cash used in operating activities	(164,376)	(448,391)
<b>Cash flows from investing activities</b>		
Proceeds from Sale of Subsidiary	100,000	-
Refund for deposit on investment	65,010	-
Payment for deposit on investment	-	(1,000)
Net cash used in investing activities	165,010	(1,000)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	14,166	250,000
Net cash from financing activities	14,166	250,000
Net increase/(decrease) in cash and cash equivalents	14,800	(199,391)
Cash and cash equivalents at the beginning of the financial half-year	24,265	234,881
Cash and cash equivalents at the end of the financial half-year	<u>39,065</u>	<u>35,490</u>

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

**Resource Base Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 1. General information**

The financial statements cover Resource Base Limited as a consolidated entity consisting of Resource Base Limited and the entities it controlled during, the half-year. The financial statements are presented in Australian dollars, which is Resource Base Limited's functional and presentation currency.

Resource Base Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 5, 62 Ord Street  
West Perth WA 6005

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on TBC 2021.

**Note 2. Significant accounting policies**

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose 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 report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Australian Accounting Standards (AASs) and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Going concern**

The consolidated financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the six months ended 31 December 2020, the consolidated entity incurred a loss of \$1,030,445 and had negative cash flows from operations \$453,549.

As at 31 December 2020 the Company had a working capital deficiency of \$3,919,683 and net asset deficiency of \$3,919,683.

These events and condition indicate that a material uncertainty exists which may cast significant doubt as to whether the consolidated entity will continue as a going concern.

The Board and management of the Company continue to evaluate new business opportunities that have potential to grow and diversify sources of production and increase shareholder wealth.

The Directors are satisfied with the consolidated entity's current financing position and are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

**Resource Base Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 2. Significant accounting policies (continued)**

- The company has received letters of comfort from its major shareholder, Asipac Group Pty Ltd and other Loan Creditors, indicating they will provide financial support sufficient for the Company to meet its financial commitments. Subsequent to the period end, the Company has negotiated to convert the loan amounts to equity as referred to in Note 9.;
- The Board has been active in seeking out new partners and opportunities to restructure the Company. The Company has in February 2021 entered into an agreement to acquire the Black Range Project and subsequently requote the company on the ASX where it will be in a position to seek further capital injections from the equity markets if necessary;
- The Board is of the opinion that the company will be able to access equity capital markets for any additional working capital requirements; and
- The ability of the consolidated entity to scale back certain activities, if required.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

**Note 3. Operating segments**

*Identification of reportable operating segments*

The consolidated entity is organised into one operating segment, being the assessment of exploration and commercial opportunities to leverage off Resource Base's existing assets in Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

**Note 4. Sale of Broula King Joint Venture Pty Ltd**

On 18 August 2020, the Company entered into a Binding Term Sheet with Sunshine Reclamation Pty Ltd (Sunshine) regarding the sale of the 100% owned subsidiary Broula King Joint Venture Pty Ltd.

On 18 October Sunshine Reclamation Pty Ltd executed the option to acquire BKJV. Subject to this date the NSW government regulator indicated to the Company that BKJV was in breach of its environment obligations regard the BKJV site and that significant penalties were being considered. Further the regulators indicated and internal works by the Company confirmed that there was likely to be a significant increase in the Environmental Bond required over the BKJV ML 1617. This had a significant effect on the value of BKJV. As a result, the Company and Sunshine renegotiated the terms of the sale of BKJV.

On 18 December 2020, the Company transferred the one share it owned in BKJV to Sunshine for a total sale price in the amount of \$100,000 which reflected a net loss on sale of BKJV in the amount of \$331,228. The Company had in previous periods made provisions for the amount recoverable on sale of BKJV down to \$450,254. The balance reflects costs incurred during the period by the Company to complete the sale.

As at 18 December 2020 the Company no longer had responsibility for any and all present or future environmental liabilities of BKJV.

**Note 5. Current liabilities - payables**

	<b>Consolidated</b>	
	<b>Dec 2020</b>	<b>Jun 2020</b>
	<b>\$</b>	<b>\$</b>
Trade payables	211,419	454,744
Payable to directors	125,000	116,800
Other payables	18,158	26,697
	<u>354,577</u>	<u>598,241</u>

**Resource Base Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 6. Current liabilities - borrowings**

		<b>Consolidated</b>	
		<b>Dec 2020</b>	<b>Jun 2020</b>
		<b>\$</b>	<b>\$</b>
Loans from directors/Officers	(i)	731,914	731,914
Convertible notes payable	(ii)	152,834	146,956
Unsecured loan from major shareholder	(iii)	2,722,943	2,483,159
		<u>3,607,691</u>	<u>3,362,029</u>

(i) Loan from Directors/officers

The former Board members and officers of the Company have accrued significant costs which have been capitalised into loans with the company. The parties have agreed that the loans will not be payable until 24 October 2021.

(ii) Convertible Notes payable

The convertible note has an interest rate of 8%, has a conversion price of 4 cents and matures on 24 October 2021. The convertible note has a face value of \$167,147 with an amount of \$46,583 having been recognised in equity.

(iii) Unsecured loan from major shareholder

The facility from the major shareholder has an interest rate of 12%, per annum and matures on 24 October 2021. A total of \$2,035,200 has been drawn down against the facility from the major shareholder with an additional amount of \$687,743 having been accrued in relation to interest and facility fees over the life of the loan.

The Company has entered into Agreements with all the above parties to compromise these debts as part of the restructure of the Company initially announced on 16 February 2021.

Under the terms of the Deeds entered between the creditors and the Company the debts will be converted to equity and then the shares will be the subject of a 1 for 8 Consolidation. The transaction is conditional on the settlement of the Acquisition of the Black Range Project, raising of between \$4,500,000 and \$5,500,000 and the Company being quoted on the ASX.

**Note 7. Non-current liabilities – Payables provisions**

	<b>Consolidated</b>	
	<b>Dec 2020</b>	<b>Jun 2020</b>
	<b>\$</b>	<b>\$</b>
Payables	<u>-</u>	<u>210,588</u>

**Note 8. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Resource Base Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 9. Events after the reporting period**

On 16 February 2021, the Company announced it had entered into a Binding Term Sheet (Term Sheet) with ASX listed Navarre Minerals Limited (ACN 113 385 425) (NML or the Vendor) pursuant to which the Company has agreed to acquire from the Vendor Exploration Licence 4590 (the Tenement or the Black Range Project) and all applicable mining information and the benefit of any applicable access, heritage and native title agreements relating to the Tenement area (together, the Sale Assets).

The Black Range Project, located 260km west of Melbourne in Victoria and approximately 60km north-west of Stavely Mineral's Limited's Cayley Lode copper discovery, includes the Eclipse prospect and is prospective for copper, gold and zinc. During FY2020, NML announced the completion of a 1,496m diamond drilling program across 3 holes at the Eclipse prospect. Results of the drilling program are included in NML's ASX announcement dated 18 June 2020.

The Term Sheet conditions among others normally associated with an agreement of this type included

- c. Resource Base completing a consolidation of capital at a ratio of one (1) new security for every eight (8) securities (unless another ratio is otherwise mutually agreed by both parties) (**Consolidation**);
- d. Resource Base completing a capital raising of not less than such amount as is required by ASX to allow the Company's securities to be admitted to trading on the Official List of the ASX following settlement of the Acquisition (**Capital Raising**);

The Company has entered into agreement with all the creditors whose debts are recorded as Borrowings in the accounts. Whereby these debts have been compromised and converted to share prior to the Consolidation referred to above. These agreements are conditional upon the Company completing the acquisition of the Black Range project raising sufficient capital and being quoted on the ASX.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 10. Earnings per share**

	<b>Consolidated</b>	
	<b>Dec 2020</b>	<b>Dec 2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Resource Base Limited	<u>(1,030,445)</u>	<u>(481,953)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>27,491,373</u>	<u>27,491,373</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>27,491,373</u>	<u>27,491,373</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(3.72)	(1.75)
Diluted earnings per share	(3.72)	(1.75)

**Resource Base Limited**  
**Directors' declaration**  
**31 December 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Shannon Green  
Executive Chairman

10 March 2021

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Resource Base Limited

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the half-year financial report of Resource Base Limited (the 'Company') and its controlled entities (collectively referred as the 'Group'), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other 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 accompanying half-year financial report of the group does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the group financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the group, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### *Material Uncertainty Related to Going Concern*

Without modifying our opinion, we draw attention to Note 2, which outlines that the group is dependent upon continuing financial support from its major shareholder, Asipac Group Pty Ltd and other Loan creditors, to pay its debts as and when they fall due. As at 31 December 2020, the Group had a working capital deficiency of \$3,919,683, \$2,722,943 was owing to Asipac Group Pty Ltd and \$731,914 was owing to directors/officers. Asipac Group Pty Ltd and other loan creditors have indicated that they will continue to support the group's activities and provide financial support sufficient for the Group to meet its financial commitments.

As a result there is material uncertainty related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern, and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



*Responsibility of Management for the Financial Report*

The directors of the group 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

Elderton Audit Pty Ltd.

**Elderton Audit Pty Ltd**

Nicholas Hollens

**Nicholas Hollens**

Managing Director

10 March 2021

Perth